

AGENCY FOR INTERNATIONAL DEVELOPMENT



Congressional Presentation Fiscal Year 1984

ANNEX IV

Near East

NEAR EAST

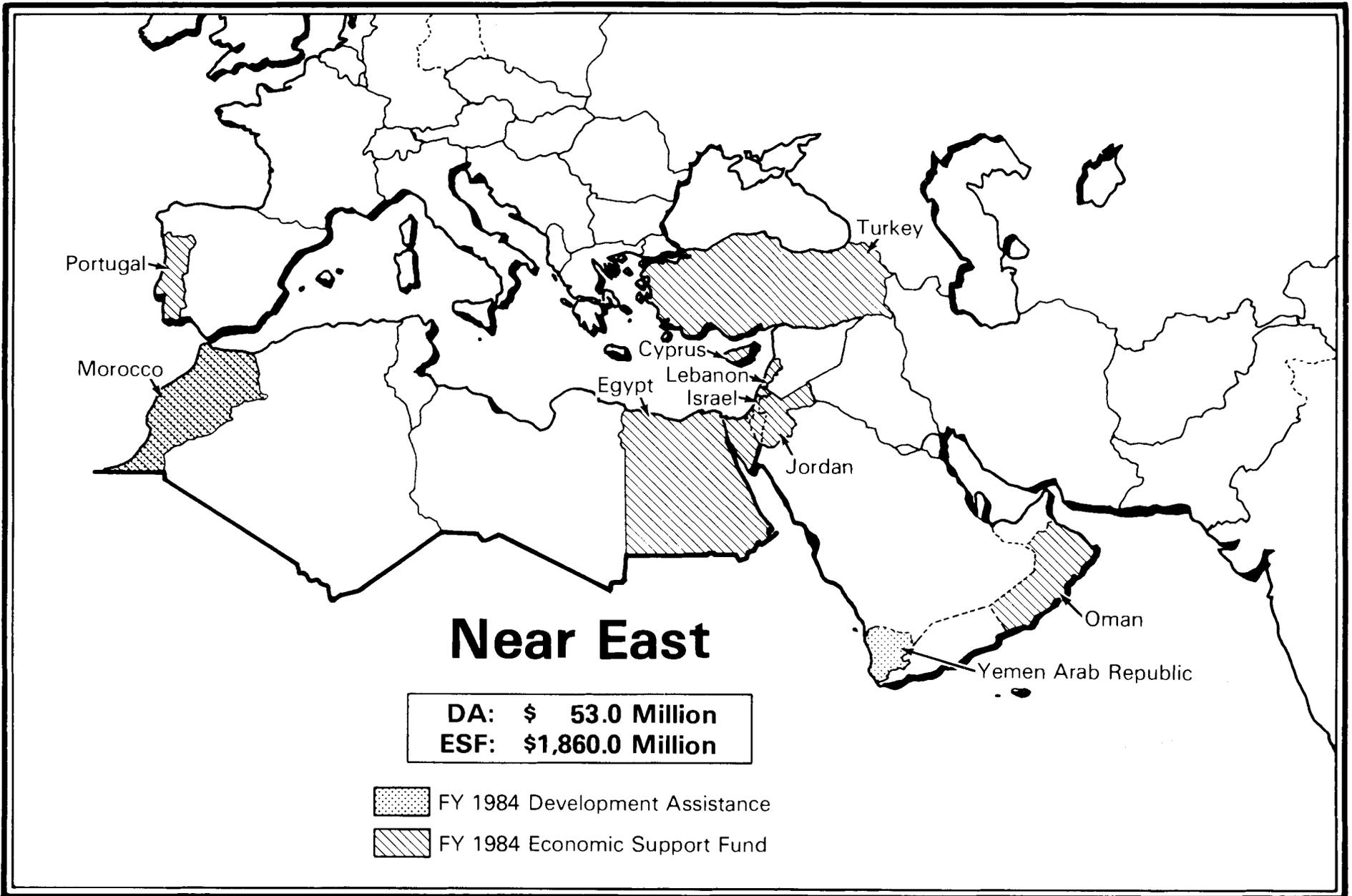
Responsible Officer:

A handwritten signature in black ink, appearing to read 'W. Antoinette Ford', written in a cursive style.

W. ANTOINETTE FORD

Assistant Administrator

Bureau for Near East



ANNEX IV

Annex IV presents to the Congress all the Economic Support Fund (ESF) and Development Assistance (DA) programs for the Near East 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 Near East funding from FY 1981 to FY 1984 for both ESF and DA. There is also a regional summary table showing economic and social data for countries that receive A.I.D. assistance. Immediately following these tables is an overview of ESF and DA programs followed, in alphabetical order, by country narratives which describe the total A.I.D. program, including the projects for which funds are being requested in the nine countries and two regional programs for FY 1984. The narratives are followed by planned project summary sheets which present in detail requests for proposed new projects in FY 1984. Note that the regional projects presented in this Annex are different from centrally funded activities, which are described in Annex V. This is followed by an "Other Programs" section which describes the proposed assistance program for Lebanon in FYs 1983-1984.

Annex IV concludes with tables summarizing terminating programs and additional program requirements, also known as "shelf projects." These include projects and activities not detailed in the proposal to Congress but which represent valid development requirements. To the extent that additional funds become available, such projects are candidates for funding in FY 1984. A.I.D. recognizes that inclusion of a project or activity as a "shelf" item does not constitute justification to the Congress for purposes of notification of program changes as required under the current appropriations act.

NEAR EAST - TABLE OF CONTENTS

	<u>PAGE</u>
Summary of Programs by Country and Appropriations ..	1
Economic and Social Data	5
Overview of Economic Support Fund and Development Assistance Programs	7
Cyprus	11
Egypt	19
Israel	45
Jordan	53
*Morocco	69
Oman	85
Portugal	95
*Regional Projects (ESF and D.A.)	105
Turkey	117
Yemen Arab Republic	127
Other Programs	141
Lebanon	141
Terminating Programs	153
Additional Program Requirements	175
*Receives both Development Assistance Funds and Economic Support Funds in FY 1984.	

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

PAGE 1
02/05/83

CP-84

REGION: BUREAU FOR NEAR EAST

C O U N T R Y	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS

CYPRUS								
1981	14,000	---	---	---	---	---	14,000	---
1982	15,000	---	---	---	---	---	15,000 ^{1/}	---
1983	15,000	---	---	---	---	---	15,000	---
1984	3,000	---	---	---	---	---	3,000	---
EGYPT								
1981	829,000	---	---	---	---	---	829,000	---
1982	771,000	---	---	---	---	---	771,000	---
1983	750,000	---	---	---	---	---	750,000	---
1984	750,000	---	---	---	---	---	750,000	---
ISRAEL								
1981	764,000	---	---	---	---	---	764,000	---
1982	806,000	---	---	---	---	---	806,000	---
1983	785,000	---	---	---	---	---	785,000	---
1984	785,000	---	---	---	---	---	785,000	---
ITALY								
1981	4,635	---	---	---	---	---	---	4,635 ^{4/}
1982	52,196	---	---	---	---	---	---	52,196 ^{4/}
1983	13,169	---	---	---	---	---	---	13,169 ^{4/}
1984	---	---	---	---	---	---	---	---
JORDAN								
1981	10,000	---	---	---	---	---	10,000	---
1982	15,000	---	---	---	---	---	15,000	---
1983	20,000	---	---	---	---	---	20,000	---
1984	20,000	---	---	---	---	---	20,000	---
LEBANON								
1981	4,000	---	---	---	---	---	4,000	---
1982	9,000	---	---	---	---	---	6,000	3,000 ^{4/}
1983	147,000	---	---	---	---	---	100,000	47,000 ^{4/}
1984	50,000	---	---	---	---	---	50,000	---
MOROCCO								
1981	12,068	4,864	2,500	925	3,580	199	---	---
1982	11,671	7,525	1,700	560	1,786	100	---	---
1983	11,850	7,280	1,150	2,000	1,420	---	---	---
1984	26,000	10,400	4,500	1,600	2,500	---	7,000	---
OMAN								
1981	---	---	---	---	---	---	---	---
1982	15,000	---	---	---	---	---	15,000	---
1983	15,000	---	---	---	---	---	15,000	---
1984	15,000	---	---	---	---	---	15,000	---

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

PAGE 2
02/05/83

CP-54

REGION: BUREAU FOR NEAR EAST

C O U N T R Y	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS

POLAND								
1981	---	---	---	---	---	---	---	---
1982	5,000	---	---	---	---	---	5,000	---
1983	---	---	---	---	---	---	---	---
1984	---	---	---	---	---	---	---	---
PORTUGAL								
1981	25,000	---	---	---	---	---	25,000	---
1982	20,000	---	---	---	---	---	20,000	---
1983	20,000	---	---	---	---	---	20,000	---
1984	40,000	---	---	---	---	---	40,000	---
TUNISIA								
1981	25,325	17,030	1,825	3,630	---	2,840	---	---
1982	5,000	---	---	---	---	---	5,000	---
1983	5,000	---	---	---	---	---	5,000	---
1984	---	---	---	---	---	---	---	---
TURKEY								
1981	200,000	---	---	---	---	---	200,000	---
1982	300,000	---	---	---	---	---	300,000 ^{2/}	---
1983	300,000	---	---	---	---	---	300,000	---
1984	175,000	---	---	---	---	---	175,000	---
YEMEN								
1981	19,384	7,469	---	6,300	5,615	---	---	---
1982	23,279	11,779	---	4,800	6,700	---	---	---
1983	28,082	15,135	---	5,079	7,868	---	---	---
1984	28,000	14,973	250	3,077	9,700	---	---	---
NEAR EAST REGIONAL - DA								
1981	4,374	140	37	90	4,007	100	---	---
1982	4,429	772	46	155	3,135	321	---	---
1983	5,210	610	900	100	3,300	300	---	---
1984	6,000	700	1,000	200	3,400	700	---	---
NEAR EAST REGIONAL - ESF								
1981	6,950	---	---	---	---	---	6,950	---
1982	11,080	---	---	---	---	---	11,080	---
1983	15,000	---	---	---	---	---	15,000 ^{3/}	---
1984	15,000	---	---	---	---	---	15,000	---
TOTAL								
1981	1,918,736	29,503	4,362	10,945	13,202	3,139	1,852,950	4,635
1982	2,063,655	20,076	1,746	5,515	11,621	421	1,969,080	55,196
1983	2,130,311	23,025	2,050	7,179	12,568	300	2,025,000	60,169
1984	1,913,000	26,073	5,750	4,877	15,600	700	1,860,000	---

1/ Includes \$10 million supplemental request.

2/ Includes \$55 million supplemental request.

3/ Includes \$2.5 million supplemental request.

4/ Disaster Assistance.

ECONOMIC AND SOCIAL DATA
REGIONAL SUMMARY

REGION: NEAR EAST

COUNTRY	ECONOMY		EDUCATION		POPULATION				HEALTH		
	GNP PER CAPITA (DOLLARS)	LITERACY RATE (PERCENT)	TOTAL (THOUSANDS)	ANNUAL GROWTH RATE (PERCENT)	DENSITY (PERSONS / SQUARE MILE)		% IN URBAN AREAS	LABOR FORCE IN AGRICULTURE (PERCENT)	PEOPLE PER DOCTOR	LIFE EXPECTANCY (YEARS)	INFANT DEATHS PER 1,000 BIRTHS
NEAR EAST ECONOMIC SUPPORT AND DEVELOPMENT ASSISTANCE RECIPIENTS											
CYPRUS	3,760	85	642	.9	333	164	42	36	1,339	72.0	20
EGYPT	650	44	44,740	3.0	3,863	115	44	50	1,097	56.9	76
ISRAEL	4,500	88	3,910	1.9	845	482	87	7	1,840	72.0	15
JORDAN	1,620	70	3,246	3.2	561	85	42	20	2,666	61.7	15
LEBANON	1,070	68	3,177	2.6	2,058	822	60	11	1,097	66.4	44
MOROCCO	870	28	22,230	2.9	284	128	41	52	22,000	56.9	114
OMAN	5,920	20	948	3.1	246	11	20	63	2,341	48.7	135
PORTUGAL	2,530	70	10,056	.6	635	283	26	24	705	71.1	26
TURKEY	1,510	60	48,105	2.2	225	159	45	54	1,701	62.3	101
YEMEN ARAB REPUBLIC	460	8	5,490	2.3	948	72	9	75	13,622	42.0	110
NEAR EAST ESF AND DA RECIPIENT SUMMARY (1)	1,286	50	142,550	2.5	413	128	43	48	1,508	59.9	90

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

NEAR EAST

ECONOMIC SUPPORT FUND AND DEVELOPMENT ASSISTANCE PROGRAMS

7

**OVERVIEW OF NEAR EAST ECONOMIC SUPPORT
FUND AND DEVELOPMENT ASSISTANCE PROGRAMS**

NEAR EAST REGIONAL OVERVIEW

		PROGRAM SUMMARY (In millions of dollars)		
		FY 1982 Actual	FY 1983 Estimated	FY 1984 Proposed
<u>MIDDLE EAST</u>				
Egypt	ESF	771.0	750.0	750.0
Israel	ESF	806.0	785.0	785.0
Jordan	ESF	15.0	20.0	20.0
Lebanon	ESF	6.0	150.0 ^{1/}	-
Morocco	DA	11.7	11.8	19.0
	ESF	-	-	7.0
Oman	ESF	15.0	15.0	15.0
Tunisia	ESF	5.0	5.0	-
Yemen	DA	23.3	28.1	28.0
DA Regional Activities		4.4	5.2	6.0
ESF Regional Activities		11.1	15.0 ^{2/}	15.0
	(Reg. Cooperation)	(4.1)	(7.5)	(7.0)
	(West Bank/Gaza)	(6.0)	(6.5)	(7.0)
	(Proj. Dev./Support)	(1.0)	(1.0)	(1.0)
Sub-Total Middle East		1,668.5	1,785.1	1,645.0
	ESF	1,629.1	1,740.0	1,592.0
	DA	39.4	45.1	53.0
<u>EUROPE</u>				
Cyprus	ESF	15.0	15.0 ^{3/}	3.0
Poland	ESF	5.0	-	-
Portugal	ESF	20.0	20.0	40.0
Turkey	ESF	300.0	300.0 ^{4/}	175.0
Sub-Total Europe		340.0	335.0	218.0
	ESF	340.0	335.0	218.0
NEAR EAST TOTAL		2,008.5	2,120.1	1,863.0
	ESF	1,969.1	2,075.0	1,810.0
	DA	39.4	45.1	53.0

- 1/ Supplemental appropriation covering FYs 1983 and 1984.
 2/ Includes \$2.5 million supplemental request.
 3/ Includes \$10 million supplemental request.
 4/ Includes \$55 million supplemental request.

For FY 1984, A.I.D is requesting \$ 1,810.0 million in Economic Support Funds (ESF) and \$53.0 million in Development Assistance (DA) for bilateral and regional aid activities in the Middle East and Europe. As in past years, the overriding objective of our assistance is to help bring peace to the Middle East and to help resolve some of the economic problems faced by countries in the region. The Middle East portion of the request is \$ 1,645.0 million, i.e. 88.3% of the total Near East Bureau request. By supporting long-term social and economic development, as well as shorter term economic stabilization and reconstruction where required, A.I.D. helps governments meet the reasonable expectations of their people that peace will bring greater prosperity and an improved quality of life. Recent events, particularly the assassination of President Sadat of Egypt and the violence in Lebanon, underscore the urgency of maintaining our efforts to promote security and peace in the Middle East. U.S. assistance contributes to the stability and longer term economic development of the region, and meets the basic human needs of the people in this crisis-torn area. A.I.D. thereby seeks to strengthen the groundwork for achievement of peace in the region.

In addition to the Middle East, the requested program addresses important economic and security needs in the less-developed countries of Europe. \$215.0 million is requested for balance of payments support for Turkey, and for economic assistance to Portugal (and especially the Azores) related to a military facility arrangement there.

In FY 1984, a \$785 million cash transfer is again requested for balance of payments support for Israel to help ensure continued

political and economic stability. These funds directly support Israel's civilian economy and help Israel manage its large current account balance of payments deficit. This cash assistance is provided upon Israeli Government assurances that Israel will continue to import from the United States an amount of civilian goods at least equal to our level of economic assistance.

For Egypt, A.I.D. requests \$750 million in ESF and \$267.5 million in P.L. 480 Titles I and II. Of the \$750 million in ESF, \$300 million is requested for balance of payments support through the Commodity Import Program. \$450 million is requested for projects, as follows: \$200 million for incremental funding of water and sewerage programs; \$102 million for decentralization activities; \$45 million for industrial development and expansion of the private sector; \$25 million to support agricultural activities; \$10 million to continue energy policy and planning, and renewable energy initiatives; \$5 million for training; \$48 million for health and population; and \$15 million to extend the Basic Education project.

In Jordan, \$20 million is requested for projects which concentrate on rural community development, the establishment of an executive management institute, the delivery of technical services, and water resource management. The emphasis of this program has shifted from capital development projects, principally in water resource areas, to institution building, technology transfer, and enhancing the role of the private sector in addressing key economic and social development concerns.

In Oman, \$5 million is requested in grants and \$10 million in loans for the activities of the Omani-American Joint Commission. The Commission is undertaking a variety of technical assistance and capital investment projects emphasizing the transfer of United States technology appropriate to Oman's economic development, and the training of Omanis in the United States. The Commission has contributed to the design and development of projects in water resources, the fishing industry, and participant training.

For Lebanon, a supplemental appropriation of \$150 million covering FY 1983 and 1984 needs will be requested in FY 1983 to help the Government of Lebanon rebuild this war-torn country. Approximately \$126 million of this amount would finance construction and other capital equipment and related technical services from the United States in such sectors as transportation, electric power, telecommunications, water and sanitation, health and other urban infrastructure. The balance will be used for agricultural and business credits, vocational training and health education, reconstruction of educational, health and social welfare institutions, and technical assistance to improve the Lebanese Government's planning and management capabilities.

For Turkey, A.I.D. is requesting \$175 million in FY 1984 to continue critically needed balance of payments support. Turkey is a close and valued NATO ally undergoing serious economic problems. It is making a vigorous effort to restore economic

stability and growth, and is making good progress, but needs continued economic support from its allies in the Organization for Economic Cooperation and Development (OECD) to complete the structural reform program that is underway. A.I.D.'s assistance will continue to be provided as part of a multi-donor assistance effort.

For Cyprus, \$3 million is requested in FY 1984 to continue a scholarship program now in its third year. This project is administered by a U.S. private voluntary organization.

In FY 1984, A.I.D. requests a \$40 million cash transfer for Portugal in support of a mutual security understanding now being negotiated concerning the use of the Lajes Air Base in the Azores. The Government of Portugal intends to use these funds primarily for the economic and social development of the Azores, a comparatively under-developed region of the country, and for the establishment of a Luso-American Development Foundation.

A.I.D. assistance to Yemen is focused on helping the Government develop the human resources and institutional capabilities needed to achieve broad-based and sustained development which can meet the basic human needs of the least developed country in the region. A \$28.0 million DA program is proposed, principally in agricultural and rural development, basic education and rural health.

In Morocco, A.I.D. is encouraging the Government's efforts to meet the basic needs of the poor majority of the population and helping

to alleviate substantial economic difficulties caused by severe droughts and other factors. In FY 1984, \$26.0 million (\$19.0 million in DA and \$7.0 million in ESF) is requested to provide support to a major development effort in rainfed agriculture, and continued support to programs in education, health and family planning, and energy development. In addition, \$25.0 million in P.L. 480 Title I is proposed to support the Government's efforts to increase cereal production, and \$9.5 million in Title II commodities is requested for nutrition development activities.

In FY 1984, \$15 million is requested for Regional Economic Support Fund activities, including small scale development projects implemented by U.S. private voluntary organizations in the West Bank and Gaza Strip, technical and other forms of cooperative programs involving Israel and its Arab neighbors, and activities related to the design, development, and support of ESF projects. Development Assistance Regional funds of \$6.0 million are requested to continue a scholarship program for Third World students at the American University of Beirut, for project development and support requirements, for continuing regional programs in population, private enterprise development and provision of technical information services, for small scale project assistance to Peace Corps activities in countries in the Region, and for support to the Arab Center for the Study of Arid Zones and Dryland.

Cyprus

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: CYPRUS

-----				-----			
BASIC DATA				*FOREIGN TRADE*			
-----				-----			
TOTAL POPULATION... (THOUSANDS, MID 1982)	642			MAJOR EXPORTS... (1981)	FRUITS & VEG	CEMENT	CLOTHING
PER CAPITA GNP..... (DOLLARS, 1981)	3,760			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-75)	4.6%			(\$ MILLIONS, US. FOB) (1979)	6 (1980)	7 (1981)	6
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	1.3% (1970-77)	6.8%		AS % OF TOTAL EXPORTS (1979)	1% (1980)	1% (1981)	N.A.
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1981)	MANUFACTURES	MACHINERY	FUELS
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 72.6 MALE 70.8 FEMALE 74.6				(\$ MILLIONS, US. CIF) (1979)	55 (1980)	72 (1981)	85
(1968) TOTAL 70.2 MALE 68.3 FEMALE 72.2				AS % OF TOTAL IMPORTS (1979)	5% (1980)	6% (1981)	N.A.
ADULT LITERACY RATE (1970) TOTAL 85% MALE N.A. FEMALE N.A.				TRADE BALANCE(\$ MILLIONS, U.S.) (1978)	-417(79)	-556(80)	-670
(1960) TOTAL 76% MALE 88% FEMALE 64%				MAIN TRADING PARTNERS: UNITED KINGDOM	ITALY	IRAQ	
-----				EXTERNAL PUBLIC DEBT AS % OF GNP (1977)	14.2%		
AGRICULTURE				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				(\$ MILLIONS, U.S.)..... (1977)			2
(1970-1981)	0.5%			AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1978)			3.8%
AGRICULTURAL PRODUCTION AS % OF GDP..... (1977)	13%			-----			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	331			*SOCIAL DATA*			
MAJOR CROP(S)		ARABLE LAND	YEAR	POPULATION GROWTH RATE... (1970)	0.8% (1975) N.A.	(1982)	0.9%
SUBSISTENCE: WHEAT VEGETABLES		36%	(1981)	POPULATION IN URBAN AREAS..... (1969)	39%	(1974)	42%
CASH: POTATOES VEGETABLES		4%	(1981)	LIVE BIRTHS PER 1,000 POPULATION.... (1970)	19	(1982)	21
MAJOR AGRICULTURAL EXPORTS:(1981) POTATOES CITRUS FRUIT				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.			N.A.
MAJOR AGRICULTURAL IMPORTS:(1981) SORGHUM BARLEY WHEAT				POPULATION (1981) IN AGE GROUP:			
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1978)	36%			(0-14YRS) 25.7% (15-64YRS) 64.2% (65+ YRS) 10.1%			
-----				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	20		
CENTRAL GOVERNMENT FINANCES				PEOPLE PER PHYSICIAN..... (1977)	1,339		
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				MAJOR CAUSES OF			
(1978) 283 (79) 351 (80) 459				DISEASE (1978) TUBERCULOSIS PARASITIC DISEAS CHILDHOOD DIS.			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				DEATHS... (1974) HEART DISEASE CIRCULATORY			
(1978) 289 (79) 383 (80) 456				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS . (1974)	113%		
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1975)	95%		
(1978) -5 (79) -32 (80) 23				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
DEFENSE EXPENDITURES,				PRIMARY..... (1978) TOTAL 84.0% MALE 83.0% FEMALE 85.0%			
AS % OF TOTAL EXPENDITURES.. (1978) 3.8% (79) 8.9% (80) 7.8%				SECONDARY..... (1978) TOTAL 66.0% MALE 66.0% FEMALE 66.0%			
AS % OF GNP..... (1978) 1.7% (79) 1.9% (80) 1.6%				POST SECONDARY.. (1977) TOTAL 1.8% MALE 1.6% FEMALE 2.0%			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,				ENERGY PRODUCTION AS % OF CONSUMPTION.....			N.A.
(\$ MILLIONS, U.S.) (1978) 374 (80) 388 (81) 443							
EQUIVALENT TO 4.0 MONTHS OF IMPORTS (1980)							

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY 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								17.5	15.0	10.5	15.2
Loans	17.5	15.0	10.5	15.2	14.0	163.3	0.6	162.7				
Grants	17.5	15.0	10.5	15.2	14.0	163.3	0.6	162.7				
a. A.I.D. and Predecessor Agencies					17.5	15.0	10.5	15.2	14.0	132.0	-	132.0
Loans	17.5	15.0	10.5	15.2	14.0	132.0	-	132.0				
Grants	17.5	15.0	10.5	15.2	14.0	132.0	-	132.0				
(Economic Support Fund)	17.5	15.0	10.5	15.2	14.0	132.0	-	132.0				
b. Food for Peace (PL 480)					-	0.8	1.5	0.2	-	31.0	0.6	30.4
Loans	-	0.8	1.5	0.2	-	31.0	0.6	30.4				
Grants	-	0.8	1.5	0.2	-	31.0	0.6	30.4				
Title I - Total Sales Agreements	-	0.8	1.5	0.2	-	29.8	-	29.8				
Repayable in U.S. Dollars - Loans	-	-	-	-	-	1.2	0.6	0.6				
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	1.2	0.6	0.6				
Title II - Total Grants	-	-	-	-	-	1.2	0.6	0.6				
Emerg. Relief, Econ. Develop. & World Food Program	-	0.8	1.5	0.2	-	29.8	-	29.8				
Voluntary Relief Agencies	-	0.8	1.5	0.2	-	29.1	-	29.1				
c. Other Economic Assistance					-	-	-	-	-	0.7	-	0.7
Loans	-	-	-	-	-	0.7	-	0.7				
Grants	-	-	-	-	-	0.7	-	0.7				
Peace Corps	-	-	-	-	-	0.3	-	0.3				
Narcotics	-	-	-	-	-	0.3	-	0.3				
Other	-	-	-	-	-	-	-	-				
II. MILITARY ASSISTANCE — TOTAL					-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-				
Grants	-	-	-	-	-	-	-	-				
a. MAP Grants					-	-	-	-	-	-	-	-
b. Credit Financing - FMS					-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants					-	-	-	-	-	-	-	-
d. Transfers from Excess Stocks					-	-	-	-	-	-	-	-
e. Other Grants					-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE					17.5	15.8	10.5	15.2	14.0	163.3	0.6	162.7
Loans	17.5	15.8	10.5	15.2	14.0	163.3	0.6	162.7				
Grants	17.5	15.8	10.5	15.2	14.0	163.3	0.6	162.7				
Other U.S. Government Loans and Grants					5.5	9.1	0.2	2.5	-	20.6	25.6	5.0
a. Export-Import Bank Loans	5.5	9.1	0.2	2.5	-	20.6	25.6	5.0				
b. All Other Loans	-	-	-	-	-	5.9	0.0	5.9				
	5.5	9.1	0.2	2.5	-	26.5	25.6	20.9				

* LESS THAN \$50,000.

	FY 1980	FY 1981	FY 1982	FY 1946-82
	A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS			
TOTAL	17.0	14.4	26.7	199.5
IBRD	16.0	14.0	12.2	162.2
IFC	0.0	0.0	2.5	6.1
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AIDB	0.0	0.0	0.0	0.0
UNDP	1.0	0.4	0.0	18.4
OTHER-UN	0.0	0.0	0.0	0.8
EEC	0.0	0.0	12.0	12.0
B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. D.A.C. COUNTRIES (Gross Disbursements)				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	20.0	1.0	95.0	
Germany	4.7	8.0	27.1	
France	4.7	0.7	5.7	
U.K.	1.6	1.9	6.1	
Other	0.5	15.2	16.7	
Total	31.5	26.8	150.6	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
	CY 1980	CY 1981	CY 1976-81	
	0.8	-	1.8	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	15	
Eastern Europe	5	-	10	
China	-	-	-	
Total	5	-	25	

CYPRUS

CP 84-07(9-82)

ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1982 Actual	FY 1983 Estimated	FY 1984 Proposed
Grants	15.0	15.0 ^{1/}	3.0

CP 82-21(8-82)

FY 84 PROGRAM HIGHLIGHTS
Continuing assistance for the Cyprus-American Scholarship Program.

Development Overview

The unrest of 1974 severely disrupted the economy of Cyprus and required substantial efforts to settle displaced persons and provide employment, administrative, educational, medical and social services. Approximately 200,000 Cypriots -- almost one-third of the total population -- were displaced.

Both the International Committee of the Red Cross (ICRC) and the United Nations High Commission for Refugees (UNHCR) immediately initiated emergency humanitarian assistance to both Greek Cypriots (south) and Turkish Cypriots (north). As the immediate humanitarian needs were met, the emphasis of the UNHCR program, which was supported in an increasing proportion by A.I.D., changed from relief to longer range reconstruction and development projects in housing, reforestation, and agricultural and technical education. A scholarship program was established by A.I.D. in FY 1981 to enable Cypriots to study at U.S. educational institutions.

The Government of Cyprus (GOC) has done an excellent job in managing its economic problems. After sharp economic

^{1/} Includes \$10 million supplemental request.

reversals in 1974 and 1975, the production for export grew rapidly, particularly in the south. Per capita GNP in 1981 for the south is estimated to be about \$3,700 (compared to \$1,500 in 1973 for the whole island).

The 1981 per capita income figure is comparable to that of several European economies. Unemployment has dropped from a 1974 high of about 30% to about 2%, and labor shortages exist in several skill areas. The small annual commodity trade deficit is fully financed by other earnings such as tourism. Foreign exchange reserves have risen to an estimated \$443 million at the end of 1981, equivalent to five months' imports.

In the north, living standards are below those of the south, and unemployment is believed to be higher. There is little reliable data on economic conditions. However, GNP has increased rapidly since 1974 and was estimated at \$1,580 per capita in 1978.

RESOURCE FLOWS (In thousands of dollars)			
CP 84-08 (8-82)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*			
Loans	-	-	-
Grants	2,035	10,000	8,530
Total AID	2,035	10,000	8,530
P.L. 480**			
Title I	()	()	()
(of which Title III is)			
Title II			
Total P.L. 480			
Total AID and P.L. 480	2,035	10,000	8,530

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

PERSONNEL/PARTICIPANTS DATA			
CP 84-17 (8-82)			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
AID Personnel ^a			
Direct Hire ^b	-	-	-
PASA ^c			
Contract			
Total	-	-	-
Participants ^d			
Noncontract	-	-	-
Contract	-	59	40
Total	-	59	40

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1983 and FY 1984 position levels.
^cParticipating agency technicians.
^dProgrammed 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						

Production and exports are slowly rising; more infrastructural needs have been met, including village water and electrification, and most displaced persons are settled and employed. In general, progress is being made despite shortages of technical, entrepreneurial, and managerial skills.

Total Resources

Assistance has been provided to Cyprus by the United States and other donors, primarily through the UNHCR and the ICRC. In addition, the Government of Cyprus has established a Special Refugee Fund to which many private and charitable organizations have made donations. These contributions have declined as the needs of the displaced have been met. Additionally, Greece provides general budget support to the Greek Cypriot community and Turkey to the Turkish Cypriot

community, although the Turkish government has been unable to meet its pledged levels in a timely manner. Following the Greek elections in October 1981, the new government announced that Greek assistance to southern Cyprus would double. Substantial capital assistance has not been available for the Turkish Cypriot administration.

U.S. Interests And Objectives

U.S. assistance demonstrates continued concern for the people of Cyprus and an active interest in promoting a just and lasting settlement.

A.I.D. Development Strategy

A.I.D. assistance is now focused on providing higher education in the United States in the absence of a university in Cyprus. It also offers an alternative to counter the large number of training opportunities in the Soviet Union and Eastern Europe. With the growing economic prosperity of Cyprus, there is no longer an economic justification for the kinds of assistance previously provided through the UNHCR.

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

Between FY 1975 and FY 1982 the United States provided Cyprus with \$146.5 million. Of this amount \$16.5 million has been committed to the scholarship program, and the remainder has gone to UNHCR for housing construction, health and education facilities, agriculture development and other assistance to social services.

UNHCR projects were designed by the Cyprus Red Cross for both the Greek and Turkish Cypriot communities and submitted for review and approval to UNHCR in consultation with the United States and other

donors. Funds were divided on the basis of population, with 19.05% for the Turkish Cypriot north and 80.95% for the Greek Cypriot south. FY 1983 funding will continue UNHCR activities similar to those funded in previous years.

The Cyprus scholarship program began in October 1982 after lengthy negotiations with education and planning officials in both Cypriot communities. The program will be administered jointly by the American-Mideast Educational and Training Services, Inc. (AMIDEAST) and the Fulbright Commission of Cyprus. The first 59 students entered 49 American educational institutions in the fall of 1982. Selection of a new group of 40 scholars who will enter U.S. institutions in the fall of 1983 is presently underway. The scholarships are for both undergraduate and graduate study and range from two to four years in length.

Requested Year Program

Three million dollars is requested for FY 1984 to continue the scholarship program initiated in FY 1981. Further funding is not requested to continue UNHCR programs. The objectives of these programs have been achieved.

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

PAGE 1
02/04/83

PROGRAM: CYPRUS

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	
ECONOMIC SUPPORT FUND											
RELIEF AND REHABILITATION ACTIVITIES	G 233-0001	75	83	141,500	146,500	141,500	114,325	5,000	8,000	---	3,530
SCHOLARSHIP PROGRAM	G 233-0002	81	84	6,500	18,000	5,000	---	10,000	2,000	3,000	5,000
TOTAL FOR ACCOUNT GRANTS				148,000	164,500	146,500	114,325	15,000	10,000	3,000	8,530
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				148,000	164,500	146,500	114,325	15,000	10,000	3,000	8,530
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.

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: EGYPT

-----				-----			
BASIC DATA				*FOREIGN TRADE*			
-----				-----			
TOTAL POPULATION.. (THOUSANDS, MID 1982)	44.740			MAJOR EXPORTS... (1981)	CRUDE OIL	COTTON	TEXTILES
PER CAPITA GNP..... (DOLLARS, 1981)	650			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	3.4%			(\$ MILLIONS, US. FOB) (1979)	63	(1980) 234	(1981) 123
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	3.5%	(1970-80)	11.5%	AS % OF TOTAL EXPORTS (1979)	3%	(1980) 8%	(1981) 4%
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	3.5%	(1970-80)	11.5%	MAJOR IMPORTS... (1981)	FOODSTUFFS	MACHINERY	FERTILIZERS
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1975)	5.1%			IMPORTS FROM U.S.			
LIFE EXPECTANCY AT BIRTH, IN YEARS				(\$ MILLIONS, US. CIF) (1979)	684	(1980) 938	(1981) 1737
(1981) TOTAL 56.9	MALE 55.4	FEMALE 58.5					
(1968) TOTAL 49.9	MALE 48.7	FEMALE 51.1	AS % OF TOTAL IMPORTS (1979)	18%	(1980) 19%	(1981) 36%	
ADULT LITERACY RATE (1976)	TOTAL 38%	MALE 54%	FEMALE 22%	TRADE BALANCE(\$ MILLIONS, U.S.) (1979) -1,997(80) -1,813(81) -1,549			
(1960)	TOTAL 26%	MALE 40%	FEMALE 12%	MAIN TRADING PARTNERS: UNITED STATES ITALY GERMANY, FED			
-----				EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 51.7%			
AGRICULTURE				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,			
-----				(\$ MILLIONS, U.S.)..... (1980) 1736			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				AS % OF EXPORT EARNINGS (DFBT SERVICE RATIO)... (1980) 18.9%			
(1970-1981)	-0.5%			-----			
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	23%			*SOCIAL DATA*			
-----				-----			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	3,861			POPULATION GROWTH RATE... (1970)	2.2%	(1975) 2.2%	(1982) 3.0%
MAJOR CROP(S)	ARABLE LAND		YEAR	LIVE BIRTHS PER 1,000 POPULATION.... (1970)	39	(1982)	38
SUBSISTENCE: CORN WHEAT SORGHUM	53%		(1981)	MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.	(1981)	19%	
CASH: COTTON RICE VEGETABLES	24%		(1981)	POPULATION (1981) IN AGE GROUP:			
MAJOR AGRICULTURAL EXPORTS:(1981) COTTON ORANGES RICE				(0-14YRS) 39 5%	(15-64YRS) 56.9%	(65+ YRS) 3.5%	
MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT SUGAR VEG. OIL				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 76			
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980)	50%			PEOPLE PER PHYSICIAN..... (1977) 1,097			
-----				-----			
CENTRAL GOVERNMENT FINANCES				MAJOR CAUSES OF			
-----				DISEASE (1977)HEPATITIS TYPHOID FEVER MEASLES			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				DEATH.. (1977)GASTROINTESTINAL SENILITY RESPIRATORY			
(1978) 3,846 (79)	4,939 (80)	8.464		PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS . (1977) 118%			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 30%			
(1978) 7,829 (79)	7,857 (80)	9.304		TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				PRIMARY..... (1979) TOTAL 75.0% MALE 88.0% FEMALE 61.0%			
(1978) -3,983 (79)	-2,918 (80)	-840		SECONDARY..... (1979) TOTAL 48.0% MALE 59.0% FEMALE 36.0%			
DEFENSE EXPENDITURES,				POST SECONDARY.. (1976) TOTAL 14.5% MALE 19.8% FEMALE 8.9%			
AS % OF TOTAL EXPENDITURES.. (1978) 23.1% (79) 25.2% (80) 16.4%				ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 241%			
AS % OF GNP..... (1978) 11.8% (79) 10.5% (80) 6.1%							
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,							
(\$ MILLIONS, U.S.) (1978) 833 (80) 1,149 (81) 1,955							
EQUIVALENT TO 5.0 MONTHS OF IMPORTS (1981)							

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY **EGYPT**

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1948-81	REPAYMENTS AND INTEREST 1948-81	TOTAL LESS REPAYMENTS AND INTEREST 1948-81
	1977	1978	1979	1980	1981			
I. ECONOMIC ASSISTANCE — TOTAL	907.7	943.0	1088.1	1106.4	1130.4	7476.5	615.1	6861.4
Loans	196.8	797.1	480.7	565.3	342.5	4625.5	615.1	4010.4
Grants	110.9	145.9	607.4	601.1	787.9	2851.0	-	2851.0
a. A.I.D. and Predecessor Agencies	699.2	750.7	835.0	865.0	829.0	5294.3	162.0	5132.3
Loans	600.0	617.4	250.0	280.0	70.0	2781.7	162.0	2619.7
Grants	99.2	133.3	585.0	585.0	79.0	2512.6	-	2512.6
(Economic Support Fund)	699.3	750.8	835.0	865.0	829.0	5063.7	-	-
b. Food for Peace (PL 480)	208.5	192.2	253.1	301.4	301.4	2171.0	442.4	1728.6
Loans	196.8	179.7	230.7	285.3	272.5	1633.1	442.4	1590.7
Grants	11.7	12.5	22.4	16.1	28.9	537.9	-	337.9
Title I - Total Sales Agreements	196.8	179.7	230.7	285.3	272.5	1869.0	442.4	1426.6
Repayable in U.S. Dollars - Loans	196.8	179.7	230.7	285.3	272.5	1574.2	152.2	1222.0
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	494.8	290.2	204.6
Title II - Total Grants	11.7	12.5	22.4	16.1	28.9	302.0	-	302.0
Emerg. Relief, Econ. Develop. & World Food Program	5.1	3.3	6.8	3.3	6.4	57.7	-	57.7
Voluntary Relief Agencies	6.6	9.2	15.6	12.8	22.5	244.3	-	244.3
c. Other Economic Assistance	-	0.1	-	-	-	11.2	10.7	0.5
Loans	-	-	-	-	-	10.7	10.7	-
Grants	-	0.1	-	-	-	0.5	-	0.5
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	0.1	-	-	-	0.1	-	0.1
Other	-	-	-	-	-	0.4	-	0.4
II. MILITARY ASSISTANCE — TOTAL	-	0.2	1500.4	0.6	550.8	2052.2	139.8	1912.4
Credits or Loans	-	-	1500.0	-	550.0	2050.0	139.8	1910.2
Grants	-	0.2	0.4	0.6	0.8	2.2	-	2.2
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	-	1500.0	-	550.0	2050.0	139.8	1910.2
c. Military Assistance Service-Funded (MASF) Grants	-	0.2	0.4	0.6	0.8	2.2	-	2.2
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	907.7	943.2	2588.5	1107.2	1681.2	9528.7	754.9	8773.8
Loans	796.8	797.1	1980.7	565.3	342.5	6675.5	754.9	5920.6
Grants	110.9	146.1	607.8	601.9	788.7	2853.2	-	2853.2
Other U.S. Government Loans and Grants	-	1.2	91.4	9.5	18.0	248.9	251.4	4.5
a. Export-Import Bank Loans	-	-	91.4	9.5	17.3	111.7	95.8	15.9
b. All Other Loans	-	1.2	-	-	0.7	137.2	155.6	20.4

A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL	521.8	183.3	434.9	2681.6
IBRD	206.0	153.0	401.0	1576.1
IFC	32.5	5.3	12.2	86.7
IDA	215.0	0.0	0.0	776.8
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
A FDB	0.0	19.4	16.7	60.8
UNDP	3.3	2.3	0.0	86.3
OTHER-UN	0.0	3.3	5.0	29.9
EEC	65.0	0.0	0.0	65.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	861.0	897.0	3492.0
Japan	123.5	72.7	515.0
Germany	111.7	70.9	457.3
France	34.6	69.9	194.5
Netherlands	17.0	21.3	73.8
Other	80.0	73.6	312.8
Total	1227.8	1205.4	5045.4

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

	CY 1980	CY 1981	CY 1976-81
	24.6	-	1600.9

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1980	CY 1981	CY 1954-81
USSR	-	-	1,440
Eastern Europe	300	-	1,225
China	95	-	190
Total	395	-	2,855

* LESS THAN \$50,000.

EGYPT

CP 84-07(9-82)

ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1982 Actual	FY 1983 Estimated	FY 1984 Proposed
Grants	771	750	750
Loans	--	--	--
Total	771	750	750

CP 82-21(8-82)

EXECUTIVE OVERVIEW

1983 marks eight years of renewed United States economic assistance to Egypt. The first activity funded in 1975 was the clearing and reopening of the Suez Canal, vital to international shipping. Since that time \$7.6 billion of U.S. assistance has been obligated and \$4.9 billion has been expended for a wide range of balance of payments and development programs.

Egypt has witnessed many important economic advances since the mid-1970's. The growth of real GNP exceeded 8% annually over the six years ending in 1981, the rate of savings as a percent of GDP has tripled, and the rate of annual investment has steadied at around 25% of GNP. Value-added in construction has increased seven-fold to almost a billion dollars in 1981, foreign exchange receipts will exceed \$9 billion in 1983 - up from \$2 billion in 1974. More than 75 foreign and Egyptian banks are now in operation - up from six in 1974. The vast majority of Egyptians have higher real income today than in 1974 or even 1980.

Additionally, during this period: Interest rate policy has become increasingly realistic with interest rates on one-year deposits rising between 1974 and 1982 from 4% to 10%. New laws regarding private investment, income tax, companies, capital markets, and housing have been introduced. Foreign and domestic private investment

FY 84 PROGRAM HIGHLIGHTS

A total of \$750 million is requested, to be allocated as follows:

	(\$ millions)
Commodity Imports	300
Water and Sewerage	200
Industry	45
Agriculture	25
Decentralization	102
Population and Health	48
Technology Transfer	15
Education	15

flows have increased. Through the end of 1982 approximately 1,500 new investment projects have been approved by the Government of Egypt Investment Authority.

Notwithstanding this progress, many serious economic and social problems remain. Solutions to these problems are essential if Egypt is to realize its potential for sustained economic growth. A leveling off of Egypt's foreign exchange earnings, together with a growing reliance on imports of basic goods and equipment and rising debt service payments, are resulting in the re-emergence of balance of payments difficulties. Domestic spending programs, including extensive subsidies of food and other basic goods are significantly outpacing revenues, resulting in sizeable budget deficits and inflationary pressures. Low domestic energy prices, representing on average only 20% of their international values, are resulting in capital and energy intensive investments being favored over labor intensive industries which would provide employment for Egypt's rapidly growing labor force. Low farm gate prices discourage the

RESOURCE FLOWS (In thousands of dollars)			
Program	CP 84-08 (8-82)		
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*			
Loans	303,634	202,981	77,275
Grants	293,056	663,903	887,200
Total AID	596,690	866,884	964,475
P.L. 480**			
Title I	275,000	250,000	250,000
(of which Title III is)	(15,000)	(15,000)	(15,000)
Title II	31,936	24,630	17,490
Total P.L. 480	306,936	274,630	267,490
Total AID and P.L. 480	903,626	1,141,514	1,231,965
*AID levels represent actual and estimated expenditures.			
**P.L. 480 levels represent actual and estimated value of shipments.			

PERSONNEL/PARTICIPANTS DATA CP 84-17 (8-82)			
Category			
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
AID Personnel ^a			
Direct Hire ^b	126	126	126
PASA ^c	7	9	9
Contract	50	51	50
Total	183	186	185
Participants ^d			
Noncontract	345	351	298
Contract	619	959	676
Total	964	1,310	974
^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	1,515	275,000	1,462	250,000	1,408	250,000
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total						
(of which Title III is)		(15,000)		(15,000)		(15,000)
Title II						
Voluntary Agencies		14,019		12,225		8,865
World Food Programs		17,917		12,405		8,625
Gov't-to-Gov't						
Title II Total		31,936		24,630		17,490
Total P.L. 480		306,936		274,630		267,490

farmer from taking full advantage of new technologies which would significantly increase his yields, even though imports now account for nearly 50% of Egypt's food consumption. A policy framework which minimizes price distortions and leads to competitive production for the domestic and export markets consistent with Egypt's comparative advantage remains an essential requirement for self-sustaining growth.

Within the region, Egypt's commitment to peace with Israel and to the Middle East peace process has been maintained without waver. Egypt has also been steadfast in its support of free world interests in the Middle East and Horn of Africa, and in its opposition to Soviet and radical inroads in those areas. Its capacity to continue to play this role will depend in part on progress in dealing with its serious economic problems.

The United States' contribution to economic and social betterment in Egypt has been significant. A.I.D. is the principal funding source for some 1,600 megawatts of new power generation - an amount equal to the actual annual output of the Aswan High Dam. A.I.D. has financed two million-ton annual capacity private sector cement plants

which will be crucial to the construction industry over the next decade. A.I.D. has allocated \$374 million to a newly vibrant and expanding Egyptian private sector. Important relationships have been built between Egyptian and American agricultural research institutions. Joint agricultural research has contributed substantially to the agricultural technology base in Egypt. A.I.D. projects touch the lives of millions who now attend schools, visit medical clinics, or use infrastructure built, expanded, or refurbished with U.S. assistance.

Led by A.I.D. funding, Egyptian-American commercial ties have grown from virtually nothing to a point where today, the United States is Egypt's largest trading partner. The relationship has provided Egypt with much of the best in technology available worldwide.

For FY 1983 and beyond, many of the objectives of U.S. economic assistance will remain unchanged from those developed in the earlier years of renewed U.S. assistance. The essential political premises will remain those articulated in the joint communique issued on February 4, 1982 on the occasion of the Washington meeting of President Reagan and President Mubarak:

- "-- Egypt and the United States have been full partners in the pursuit of peace in the Middle East;
- "-- Egypt and the United States are full partners in the pursuit of regional stability and in the continuation of peace in the Middle East;
- "-- The United States has cooperated in the economic development of Egypt through a program of assistance to the Egyptian Government in recognition of the sacrifices made by the Egyptian people."

Nevertheless, the coming phase of the U.S.-Egyptian relationship will not simply be a continuation of the past. Egypt in 1983 is not the Egypt of eight years

ago. Egyptian institutions have changed from the rigid posture of the sixties and early seventies and are more able to deal with the economic requirements of the country. At the same time, increasingly difficult economic problems are emerging and the resources to address them will be limited. Oil revenues as a percentage of total gross national product may decline. The level of overseas worker remittances has dropped. Egyptian export earnings may increase only marginally. These factors have led to a deterioration of the Egyptian balance of payments. Moreover, U.S. assistance already is decreasing in relative terms as A.I.D. levels remain constant while the overall size of the Egyptian economy grows.

The A.I.D. program over the coming years of the U.S.-Egyptian assistance relationship will, therefore, have different characteristics:

- The U.S. assistance program will continue to respond to specific Government of Egypt economic reforms and initiatives. Sector rather than project assistance will be used where appropriate in supporting such reforms and initiatives.
- U.S. assistance will concentrate in fewer areas and will have fewer projects. Emphasis will be on infrastructure, industry, and technology transfer. The infrastructure program will attack the formidable Egyptian problems of (a) water supply; (b) sewage facilities; and, if sector policies permit; (c) power generation. These problems, particularly the first two, have been accorded the highest priority by the Government of Egypt. Industrial investments will concentrate on overall production increases, efficiency in public sector ventures, and heightened support of private sector growth. The technology transfer emphasis will allow for selective U.S. program support in the fields of education, training, family planning, health, and agriculture. Experimental efforts conducted during the initial years can now lead to more selective and

mature program activity. In health, A.I.D.'s current attack on diarrheal diseases will become the largest single component of the health activity, and other health initiatives will wind down.

-- There will be less routine construction in A.I.D. financed activities and greater use of Egyptian consultants. Future A.I.D. construction investment will be largely limited to those areas where American technical abilities are decisive: erection of power and telecommunications facilities, and major water and sewage systems. In these areas, turnkey contracts for implementation of major infrastructure ventures, as necessary and as agreed by Egypt and the United States, will be used. More use of Egyptian consultants is anticipated, particularly for surveys, analyses, and design, architectural and engineering studies. Much of the major design and engineering work to carry out current projects has been completed and in many instances indigenous firms can meet further design and planning requirements.

-- United States assistance will increasingly move away from a research mode and increasingly emphasize the actual application of technological innovations. U.S. support of basic research and technical experimentation at Egyptian institutions and universities will decline. Important institutional links and capacity have already been developed and important work has been undertaken in such areas as agriculture, health, and science and technology. Egyptian institutions are increasingly capable of executing major research endeavors themselves, and fewer inputs from the United States are required. U.S. assistance will now concentrate on the application of proven technologies.

-- Egypt has announced a Five-Year Plan requiring LE 34 billion (\$40.5 billion) of investment capital, some LE 8 billion (\$9.5 billion) of which is required from the private sector. A.I.D. will support these

investment aims, particularly in the private sector. The private sector must be stimulated within an appropriate policy framework and by means of effective financial and administrative institutions to provide the additional support needed if Egypt's total economic goals are to be achieved.

DEVELOPMENT OVERVIEW

Egypt's current economic and social condition may be traced in large part to the revolution of 1952 which set the stage for a series of far-reaching structural changes in Egypt's economy during the 1950s and 1960s aimed at dramatically reducing the gap between rich and poor. This period witnessed an extraordinary investment of financial and human capital in the extension of social services to the Egyptian people. By the mid-1960s Egypt was in the vanguard of developing countries in terms of equity, social services, and physical quality of life indices.

However, the growth of these services and benefits in Egypt had heavy costs. By the early 1970s the Egyptian economy was saddled with enormous social welfare charges and inefficient state industries. Moreover, a diversion of resources to defense expenditures had left social and industrial infrastructure inadequately developed and with huge operating and deferred maintenance needs.

The "Open Door" policies promulgated by President Sadat and ensuing measures to liberalize the Egyptian economy, as well as the establishment of peace with Israel as part of the regional peace process, set the stage for Egypt's entry into a period of economic transition. The key elements of this transition are movement towards a more market oriented system for establishing prices and allocating resources, and the rehabilitation and expansion of Egypt's infrastructure and capital plant. As enunciated by President Mubarak, the nation's commitment to equity and social welfare remains strong, but Egypt's policy-makers are increasingly aware of the

fact that sustainable social programs have to be financed by real economic growth.

TOTAL RESOURCES

When U.S. assistance was resumed in 1974, the Egyptian economy was suffering from an extended period during which its real growth (at about 3% per year) was no more than keeping pace with population growth. The substantial costs of the 1973 October War with Israel had drained budgetary resources away from civilian sector needs and a balance of payments crisis of serious proportions was imminent. However, from the mid-1970s until 1980, rising oil prices, workers' remittances, tourism, Suez Canal earnings, massive donor assistance and enhanced confidence stemming from the new Open Door policies all coincided to relieve at least temporarily the resource crisis in Egypt. In response to these favorable developments, real growth rates between 1975 and 1980 in gross national product and private consumption averaged 8 to 9% a year.

Since then the prospects for maintaining favorable economic trends have dimmed considerably. The growth rates in foreign exchange revenues that fueled growth in investment, consumption and employment after 1975 have tapered off. In 1981, the assassination of President Sadat led to a temporary fall in tourism and in official tourist receipts (\$435 million in 1981 versus \$776 million in 1980). Although Suez Canal tolls (\$900 million in 1981, \$664 in 1980) showed further increases, the increases were less than anticipated. Revenues from oil exports (\$2.7 billion) levelled off and official worker remittances dropped substantially. Donor commitments dropped to under \$2 billion. With a rise in total imports to \$11.4 billion in 1981 fueled by rising consumer demand and money supply increases of over 40%, the balance of payments current account deficit reached \$2.5 billion. The balance of trade deficit was \$4.8 billion. Both deficits may have been higher in 1982. In 1981-1982, declining world oil prices depressed earnings

despite increased oil production. Furthermore, with only limited proven oil reserves (5-6 billion barrels) and rapidly increasing domestic consumption (stimulated by unrealistically low domestic energy prices), medium and longer term oil export revenues may decline substantially. Finally, the existence of a significant spread between the official and free market exchange rates for the Egyptian pound is diverting workers' remittances away from the official foreign exchange coffers, constraining Egyptian exports and encouraging consumption of imported goods.

Domestic economic policies raise similar serious concerns. Low domestic energy prices, averaging 20% of their international values, send distorted price signals throughout the economy and result in capital and energy intensive investments being favored over those labor intensive industries which reflect Egypt's comparative advantage and which would provide employment for its rapidly growing labor force. Low farmgate prices similarly distort cropping patterns and discourage farmers from taking full advantage of available new technologies which would raise Egyptian yields significantly. While the Government has placed a budget cap on explicit subsidies, such subsidies still represent almost a third of budget revenues and contribute to a domestic budget deficit which equaled 22% of GDP during 1981/82. The Government has taken certain measures aimed at improving the policy environment, but continuing efforts will be required if self-sustaining growth is to be achieved.

The A.I.D. program has made direct and indirect contributions to expanding commercial ties between Egypt and the United States. The \$7.6 billion provided to date has made it possible for Egypt to purchase a wide range of goods, services and technology it would not otherwise have been able to acquire. As a result, high quality U.S. products and advanced technologies have become more visible to the Egyptian public and to commercial and industrial leaders, and this has led to

a growing network of U.S. trade relations in a market previously dominated by Eastern Bloc and European and Japanese firms. Today, American accounting, management and engineering firms are operating in Egypt, all supporting an expanding range of economic activity. American construction firms, equipment suppliers, manufacturers of electric generators, suppliers of telecommunications systems, rail and vehicle manufacturers, and computer corporations have all found markets in Egypt, most through A.I.D. funding, but some independently. Some 15% of the \$2.2 billion U.S. exports to Egypt in 1981 represented commercially financed non-agricultural trade. American agriculture has built a substantial annual business in Egypt, reaching \$967 million in 1981 commodity sales, only 28 percent of which were concessional PL-480. These technological and trade links are important elements in a maturing relationship between the U.S. and Egypt. These activities are, in total, reflected in the fact that the United States is now Egypt's largest trading partner. The A.I.D. role in initiating and sustaining those relationships benefits both Egypt and the United States.

OECD member countries, the World Bank, and other multilateral agencies continue to be active donors in Egypt, financing principally infrastructure. Together, their yearly contributions are roughly equal to those of A.I.D.

UNITED STATES INTERESTS AND OBJECTIVES

The overriding objective of the United States continues to be to achieve regional peace, stability, and security, broaden the base of the present Egyptian-Israeli peace agreement, and bring all of the principal parties of the Arab-Israeli dispute into a comprehensive peace settlement. Egypt remains central to these objectives. Accordingly, while both parties recognize the desirability of an eventual phase-down in such assistance, an additional period of significant

U.S. economic assistance to Egypt to support stability and growth is anticipated.

A.I.D. ASSISTANCE STRATEGY

The past eight years have been marked by a shift of the Egyptian economy from one that was highly inward looking, closed, and almost completely public sector dominated to one that is gradually opening to outside influence and is beginning to promote private initiative and investment.

That period was witness to a U.S. economic assistance program that demonstrated U.S. support for Egypt's engagement in the peace process and its new, mainly Western, orientation. U.S. assistance helped provide the requisite financial resources and to replace those lost from other sources because of the new directions of Egyptian policy.

In addition, U.S. assistance helped to repair war-damaged Egyptian infrastructure, feed the people, rehabilitate other infrastructure that was neglected as a result of Egypt's extraordinary defense expenditures, sustain Egypt's industrial production by the provision of raw materials and equipment, enable the critical Suez Canal and Alexandria Port infrastructure to function, and extend and improve basic services in education and health.

Egypt is now entering a new period which President Mubarak has called an era of production. Past investments in the physical and social infrastructure of the society now must be made to pay in terms of productivity and production increases. In this context, the A.I.D. program for FY 1983 and beyond has been designed to support Egyptian efforts to make appropriate investment allocations, to increase agricultural and industrial production based on past investments, and to increase the contribution of the labor force to production. The program relies more

heavily on Egyptian initiatives and capabilities, taking into account the substantial progress that Egypt has made in developing Egyptian managerial, entrepreneurial, technical, and research potential over the past decade.

Economic Stability and Productivity

Food for Peace assistance and the Commodity Import Program (CIP) remain the principal balance of payments tools for the direct support of near-term economic stability, with the latter increasingly shaped to play a role in attaining the longer-term productivity objectives. While A.I.D. strategy has been effective since 1975 in supporting short-term economic stability, the United States and the Government of Egypt share a concern that fundamental structural changes take place within the national economy that will support growth and stability over the longer term. Overly centralized state management of the economy, statutory rigidities in the financial system, restrictions on the private sector, "pricing by fiat" rather than market prices, and an unbalanced approach to welfare and economic objectives all have contributed to low levels of productivity.

To promote gains in productivity, A.I.D. investments finance rehabilitation, modernization, and expansion of Egypt's existing social and industrial infrastructure and promote private-sector investment in new productive facilities. Through its programs A.I.D. supports the overall liberalization of the economy and a more balanced mix between the public and private sectors.

Particular attention also is being given to the issues of employment and capital saving technology. Both are intimately related to macro-economic policy concerns, particularly factor and output prices. Egypt's labor force is distributed among three broad sectors: agriculture, services, and industry. The agricultural employment level appears to have peaked, although

modernization of some elements of agriculture and pricing policy changes eventually could lead to new jobs in processing and marketing. While the service sector already has expanded employment greatly, potential growth is still significant. The private component of this sector (consisting of small commercial establishments and retail operations, etc.) is fueled by the process of urbanization and the concomitant demand for urban services. However, in both public and private industry there are fundamental employment problems. Public industries are marked by redundant labor. This undermines their efficiency and productivity. Private industry has less redundant labor, but, to some extent, is moved by existing labor laws to substitute capital for labor. Thus, the employment challenge for the future lies not simply with "job creation", but with providing employment opportunities that genuinely reflect an economic demand for labor and thus an Egyptian comparative advantage.

Equity

The 1980s pose hard choices for Egypt in its efforts to reinforce equity considerations. Continuing subsidies to public enterprises and services as well as high consumer demand almost certainly will result in growing budget deficits, impairing the nation's ability to expand production or promote effective employment. In tandem with economic reforms and liberalization in the productive sectors, Egypt needs to devise welfare policy instruments better targeted toward disadvantaged groups. However, Egyptian misgivings concerning the possible political repercussions of reducing subsidies too rapidly are substantial, and are a key determinant of the types, extent, and pace of changes that can be expected.

Program Administration

In accord with the February 4, 1982 joint U.S./Egyptian Statement of Principles on future assistance, A.I.D. is exploring types of program assistance that are flexible and responsive to Egypt's policy initiatives. Sector emphases and program mode changes will be considered where they effectively respond to GOE reforms and priorities, and minimize the funding pipeline. The programming of ESF resources plus those available under PL 480 Titles I and III, will be related to Egyptian policy changes.

Several initial steps were effected during FY 1982 in carrying out the Statement of Principles on future assistance directions. In line with the concept of sectoral assistance, several activities originally designed and executed as discrete projects were combined into a single, comprehensive Decentralization Sector Support program. This has provided for greater conceptual unity of purpose and for greater flexibility in program implementation. Design of other sectoral packages are underway in such areas as agriculture and for water/sewer program support. Sectoral assistance will be employed whenever this technique shows the greatest promise for addressing development problems consistent with prudent program management. It should also be noted that Egypt's sectoral strategies, to which U.S. sectoral assistance would be related, are currently being reviewed in the context of the development of Egypt's new five year plan. Continuing dialogue will be required to identify those sectoral strategies which contribute to the most effective utilization of U.S. economic support.

Greater use of incremental funding was employed in FY 1982 than previously. Energy Policy and Renewables, Suez Canal University Faculty of Medicine, Aswan High Dam Rehabilitation, and the Decentralization Sector Support program are examples of projects for which incremental funding was initiated following the Statement of Principles. Consideration was given to

further uses of the Commodity Import Program in support of development objectives and an additional \$50 million was provided for that purpose. Future CIP financing is to be made available to end users in accordance with the revised Central Bank credit rate structure. Lastly, considerable effort was devoted to accelerating the utilization of previously obligated funds.

The planned concentration of our activities in fewer sectors and projects will make it easier to bring appropriate expertise to bear on generic problems of procurement, contracting, service delivery, engineering, construction, etc. Moreover, Egyptian expertise should be easier to integrate into program design and implementation, with savings in U.S. personnel resulting over time.

A.I.D. PROGRAM (FY 1975-1983)

Since the resumption of U.S. assistance, approximately \$7.6 billion has been obligated in support of overall U.S. objectives in Egypt.

Balance of Payments Support

Of this total amount, about \$4.3 billion, or 57%, has been provided under the Commodity Import Program (CIP) and Public Law 480 (PL-480). Balance of payments support has helped primarily to promote sustained production by providing needed equipment and supplies.

Under the PL-480 Title I and III programs, the United States has supplied since 1974 more than 10 million metric tons (MT) of wheat or wheat flour equivalent, 1.1 million MT of corn, and 102,000 MT of other grains. The value of these programs has been just over \$1.8 billion. An additional \$110 million worth of commodities has been provided under Title II. In FY 1982, \$275 million was provided for PL-480 Title I and III programs, and \$14 million for Title II. \$250 million is planned for FY 1983 for Titles I/III and \$12.2 million for Title II.

The FY 1982 CIP incorporated some significant departures from past practices. These reflect a number of adjustments in the overall A.I.D. program strategy as well as changes in the Egyptian economy. For FY 1982 and for future years, A.I.D. and the Egyptian Government are making a conscious effort to expand the CIP beyond ad hoc purchases in a traditional balance of payments role to include support of carefully planned capital needs of the GOE development and investment budget. Reflecting the transitional nature of this program, funding is provided for two distinct categories: (1) food staples and industrial raw materials, and (2) capital goods, with an emphasis on transportation and production for basic human needs. The food staples and raw materials group of commodities currently includes items as corn, tallow, coking coal, tobacco, wood pulp, polyester fiber, tinplate, and industrial chemicals. Capital goods include machinery, equipment, spare parts, and other items targeted toward modernization, enhanced efficiency and productivity of commercial and manufacturing ventures. For FY 1983, \$300 million is planned for the CIP.

Project Assistance (1975-1983)

Since 1975, basic investments have been made through project assistance in infrastructure, industry, management, agriculture, decentralization, health and population, education, and science and technology.

In INFRASTRUCTURE, A.I.D. has obligated just over \$1.6 billion to rehabilitate, modernize, and expand Egypt's capital and social infrastructure base. Just over \$700 million (including \$95 million in CIP funds) has been committed to four electric power generation facilities, extensive distribution lines and a computerized national control and load-sharing center. In telecommunications, \$242 million in project and \$74.5 million in CIP funds have been committed to replace selected obsolete telephone exchanges in Cairo and Alexandria with modern electronic switching equipment.

Other capital infrastructure investments include \$166 million for grain, tallow and fats storage and distribution facilities in Cairo, Alexandria and the Red Sea Port of Safaga, and \$61 million for port improvements and equipment at Alexandria and Suez. Another \$389 million has been committed to help finance programs planned by the Egyptian Government to rehabilitate and expand the water and sewerage systems of Cairo, Alexandria, the Suez Canal cities, and key provincial cities. A.I.D. also has provided \$80 million for a low-cost housing project in the industrial center of Helwan, south of Cairo.

In FY 1983, \$307.5 million is planned to add funds to Canal Cities Water and Sewerage Project (263-0048, \$87 million), for the fourth unit at the Ismailia Steam Power Plant (Project 263-0009, \$97 million), \$13.5 million to complete the Grain Storage Facilities (Project 263-0028), and \$110 million for water and sewerage projects in Cairo and Alexandria.

In INDUSTRY, A.I.D. has obligated \$725 million (including \$136 million in CIP funds for the private sector) to increase overall production and productivity in both the public and private sectors through rehabilitation and expansion of existing ventures and establishment of new ones. The latter are primarily in the private sector. One hundred ninety-five million dollars of this total is for two cement plants, at Suez and Quattimaya, that will produce about 2.4 million MT annually, raising national production by 40 percent. The Industrial Production Project (263-0101) is a \$145 million fund to rehabilitate public sector companies and provide them with access to technology, technical assistance and improved environmental conditions. Private sector growth is being encouraged through a \$374 million package of both short and longer term credit arrangements and technical assistance either exclusively or substantially targeted at private sector ventures. In late FY 1982, \$68 million was obligated for the Private Sector Production Credit project. For FY 1983, \$61 million is planned for industrial sector

interventions. The FY 1983 funds will be used to expand medium and long term credit availabilities to private sector productive ventures through the Private Sector Production Credit program and, through the Business Support (263-0159) and Tax Administration (263-0115) Projects, to strengthen and make more effective institutional services, such as the stock market and legal and accounting services, essential to a vibrant private sector. Additionally, in an effort to maximize gains from a wide range of investments in industry and infrastructure and to firm up the institutional base for Egypt's public and private sector companies, A.I.D. has fielded a range of specific MANAGEMENT TRAINING AND UPGRADING projects worth \$75 million.

Since 1975 A.I.D. has obligated \$304 million for a package of AGRICULTURAL PROJECTS centering on research and development, training, and technology transfer. An additional \$117 million was committed for construction of facilities to store grain and other agricultural commodities and for irrigation canal dredging equipment. Research and development projects have been directed at improving small farmer output and income through better management of water, easier access to improved technologies and research results on rice and other major cereals, timely credit availabilities, cooperative activities, aquaculture development and poultry production. Projects such as Irrigation Pipe and Irrigation Management Systems (263-0132) are aimed at improving the efficiency of specific elements of the infrastructure base that supports agriculture. In FY 1983 A.I.D. plans to obligate \$20 million for a new research and extension program building upon, extending, and institutionalizing successful past efforts.

A.I.D. is committed to support the Egyptian Government's program of DECENTRALIZATION, which is attempting to shift administrative and development decisions from central authorities to local jurisdictions. During FY 82 five existing projects were

combined into a sector program (263-K605) with total obligations of \$530 million (\$186 million in existing obligations, \$269 million in new ESF authorizations and \$75 million in an existing Title III program). For FY 1983 the final \$15 million under the existing \$75 million five year Title III agreement will be made available for continuing and new decentralization activities as this program expands from nine to twenty one governorates.

In HEALTH AND POPULATION A.I.D. has provided \$147 million. The two basic objectives in this sector are a reduced fertility rate and a reduction in infant mortality. A.I.D. resources are concentrated in efforts to improve the delivery of services in rural and urban areas, particularly to the most vulnerable maternal and child groups. The population program was begun in 1977, and \$67 million of the \$147 million committed to the health sector has been committed to family planning. The Government of Egypt is increasingly sensitive to the dimensions of the population problem. High birth and population growth rates have seriously affected Egypt's ability to provide sufficient goods and services, which in turn has a detrimental impact on the quality of life of the poor. Individual awareness of the importance of smaller families to family health and welfare has heightened in recent years and there is a growing demand for family planning services. A.I.D. intends to obligate \$20 million in FY 1983 for expanded population activities and \$1.5 million in incremental funding for the Strengthening Rural Health Delivery project.

In EDUCATION, A.I.D. funding is directed at improving access to primary schooling, particularly for females in rural areas; at upgrading professional training through Peace Fellowships; and at vocational education. To date \$101.5 million has been obligated, \$39 million for construction of new elementary schools in areas with less access than the national average, \$54 million for the Peace Fellowships program, and \$8.5 million for two vocational training projects. In FY

1983 A.I.D. intends to obligate \$20 million for the Basic Education project. Over 700 peace fellowships have been awarded, of which 226 participants have already completed their studies. Almost 500 participants from other A.I.D.-financed programs have received training as of the end of FY 1982. Primary school construction has gotten off to a fast start with the first classrooms being completed within the first 15 months of implementation.

A.I.D. funding for programs in SCIENCE AND TECHNOLOGY relates the work of Egyptian scientists and researchers to national development issues and to a free flow of information between Egyptian professionals and their American counterparts. Ninety-six million dollars for five projects has been obligated to date to bring Egyptian universities into closer contact with their U.S. counterparts and to carry out applied research, to solve specific agricultural and industrial technology problems, to explore renewable energy alternatives, and to develop institutional capacity to acquire, analyze and disseminate data on potentially commercial mineral and petroleum resources. In FY 1983 A.I.D. plans to obligate \$20 million for the Technology Transfer and Feasibility Studies project.

IMPLEMENTATION PROGRESS

In FY 1982, ESF disbursements totalled \$596.7 million. Total obligations were \$771 million. It had been anticipated that in FY 1982 disbursements would exceed new obligations for the first time. However, this did not occur. A principal reason was the slowdown in CIP expenditures as a result of unanticipated delays in issuance of Egyptian regulations establishing the terms of repayments to the Central Government of FY 1981 CIP funds allocated to public and private sector users. This resulted in CIP expenditures for FY 1982 of only \$242 million compared to \$387 million in FY 1981 and \$404 million in FY 1980. Although project expenditures also fell below earlier projections, at \$354.7 million,

they were up modestly over FY 1981's \$350 million, which in turn had been up 75 percent over the FY 1980 total.

An intensive expenditure projection exercise conducted in late October and November of 1982 points to a further substantial improvement in project disbursements during FY 1983. This, combined with a return to recent historical levels of CIP disbursement, should ensure that total disbursements for FY 1983 will exceed, for the first time, total new obligations.

The program has made substantial balance of payments contributions since 1975 through the CIP and PL-480 components. Now, with the completion or near completion of a number of capital and technical assistance projects, the impact of U.S. assistance is becoming increasingly widespread and visible to the average Egyptian. A short list of project activities completed in 1982 or to be completed in late 1982/1983 includes the following:

- In addition to the three hundred megawatts of power generated by two gas turbine stations completed in 1980 in the industrial areas of Helwan and Talkha, a steam power facility at Ismailia (263-0009) is nearing completion and will add another 450 megawatts. The first unit start-up is scheduled for early 1983, with the second in mid 1983, and the third in mid 1984.
- A \$100 million project to construct the Suez Cement Company plant (263-0012), capable of producing a million tons of cement a year, should begin production in mid-1983. A second plant at Quattimaya (project 263-0052, \$95 million) should be completed one year later.
- Construction and computer installation of the new, fully automated National Energy Control Center at Embaba (project 263-0023, \$43.5 million) was completed in mid 1982. Final hook-up to the national grid is underway.

- Since 1980 nearly \$80 million in ESF grant funds plus \$45 million in Title III funds have been disbursed for activities in the Decentralization Sector Support program. More than 1900 water, sewerage and other service activities have been completed or are well underway in nine rural governorates and five urban centers. The program will expand to 21 rural governorates in 1983. Decentralization activities also are spurring new or expanded private sector contracting and service activities.
- A program to rehabilitate irrigation canals through provision of canal maintenance equipment (project 263-0040, \$19 million) is nearing completion. All equipment is under procurement, and the hydraulic dredge maintenance equipment has arrived in country and is in use. Delivery of all equipment is expected to be completed by June 30, 1983.
- Significant yield increases have been achieved in field trials of the \$47 million Major Cereals project (263-0070) during the 1981/82 crop seasons. 6,742 farmers working on 6,021 feddans produced an average 2.46 MT of wheat per feddan (about one acre), 47.3% higher than nearby controlled plots and 60% higher than the national average. Maize demonstration plots on 6,000 feddans yielded an average 2.93 MT per feddan, 52% higher than controlled plots and 60% above the national average. Sorghum demonstration plots on 500 feddans yielded an average 2.66 MT per feddan, 64% above control group plots. Soybean demonstration plots on 2,000 feddans yielded an average 1.49 MT per feddan, 27% greater than those plots in the control group.
- A careful blend of farm management and credit practices in the Small Farmer Production Project (263-0079) has resulted in tomato yield increases from 6 MT a feddan to 14 to 22 MT per feddan in

Sharkiya Governorate. Pest control efforts on eggplants are yielding increases of 35%. The GOE has waived production quotas and mandatory cropping patterns for farmers participating in this project. The resulting significant production increases realized by participating farmers are providing an opportunity for the government to gauge the serious disincentives to agricultural production posed by present price policies and production controls. In achieving these results, participating farmers have been willing to pay the substantially higher credit interest rates called for in this project (8% versus 4% in Government controlled quota and mandatory cropping pattern programs).

PROGRAM EVALUATION

Evaluation findings are used for a number of different purposes. Final evaluation of one project may lead to the design of a new project or replication of the original project in a subsequent phase. A mid-term evaluation may lead to modifications and adjustments or, if necessary, to project termination.

An evaluation that contributed to the improved design of a project continuation is the April, 1980 look at Phase I of the Applied Science and Technology project (263-0016). Phase II was approved in July, 1980, after taking into consideration a recommendation to support more precise policy studies at the sector and sub-sector level "so that Egypt could provide appropriate incentives and guidance to managers on choice of technology consistent with growth, employment and equity objectives."

As an example of a new project design resulting from lessons learned, a major finding from the Strengthening Rural Health Delivery Systems project (263-0015) led to the development of the Control of Diarrheal Diseases project (263-0137). One of the most successful activities of the Rural Health project, as pointed out

in the February, 1981 evaluation, was an effort that demonstrated the effectiveness of Oral Rehydration Therapy (ORT) in the treatment of childhood diarrhea.

Several mid-term evaluations have affected subsequent project implementation. For example, in 1981, the Agriculture Development Systems project (263-0041) was evaluated and a number of recommendations were made. As a result, the implementing parties have refocused the project on two major activities, agricultural economics and horticulture, both of which are progressing satisfactorily.

Beyond traditional evaluations, several AID-financed studies have provided critically needed program direction for both U.S. assistance and Government of Egypt planning.

The National Urban Policy study reviewed all major sectoral plans and demonstrated that it is not economically feasible as currently planned to simultaneously upgrade all existing urban settlements, develop extensive industrial bases in all of the largest cities, substantially expand urban places in remote areas, and build free-standing new cities. The study recommends substantial modifications in current Government of Egypt policies and programs, including: greater emphasis on growth opportunities in existing urban areas, curtailing investments in free standing towns and encouraging private investment in job creation and housing while concentrating public investment on site preparation and services. A companion study on Informal Housing in Egypt has documented that the stock of housing is expanding faster than the rate of new family formation and that the bulk of new housing constructed -- over 80% in Cairo -- is executed by the private, unregulated sector.

In a wide-ranging study of AID involvement in the industrial sector, a 1982 Coopers and Lybrand report argued that past AID programs for public sector industries needed greater focus on longer term effects

of interventions and more consistent use of decision criteria such as financial and economic rates of return studies. The report concluded that the public sector is an important part of the Egyptian economy and will remain so in the foreseeable future, but that many Egyptian officials acknowledge the need to make it more efficient. The authors emphasized that significant reform steps have been taken or are pending that add up to substantial movement in a market oriented direction by public sector firms but that public sector firms in particular have been slow to exercise authorities that are already available. The report concluded that AID assistance can be best utilized as a bridge between the banking system and public sector companies for firms willing to take market risks and operate under liberalized charters. The study noted that short term liquidity in the banking system has not been a problem. Rather it is the lack of medium- to long-term credits for the financing of capital formation that poses difficulties.

Finally, the report of the Presidential Mission, which analyzed strategies for accelerating agricultural development in Egypt, documents the significant yield increases that can be achieved based on new technologies resulting from agricultural research efforts -- rice by 54% over present levels, wheat by 65% and corn by 44% -- if the structure of farmgate prices is rationalized and the institutional mechanisms for supporting agricultural production are strengthened.

REQUESTED YEAR PROGRAM (FY 1984)

For FY 1984, \$259 million for PL-480 Food for Peace programs and \$750 million in ESF funds are requested.

The PL-480 Title I program in the amount of \$250 million will provide wheat and wheat flour against estimated import requirements in excess of 5 million tons. In addition, \$8.9 million is requested for Title II commodities to continue support of private voluntary agency activities (C.A.R.E. and C.R.S.).

The \$750 million requested in Economic Support funds will be obligated for CIP requirements and to support infrastructure, industry, technology transfer, and human resources activities.

CIP funding of \$300 million is requested to finance U.S. imports such as machinery, equipment, spare parts, industrial raw materials, semi-finished goods and consumables needed to increase domestic production and maintain essential public services.

In infrastructure, a sum of \$200 million is requested for funding of water and sewerage programs (263-K608), principally in Cairo (\$75 million) and Alexandria (\$75 million). Since the master water and sewerage planning has largely been completed for Cairo, Alexandria and the Canal Cities, and in a continuing effort to achieve greater program flexibility and to be responsive to the February 4, 1982 joint US/Egyptian Statement of Principles, A.I.D. will seek to structure these activities within a unified obligating instrument for water and sewerage program support. Infrastructure, and water and sewerage in particular, is the central funding focus of A.I.D. non-CIP funding for FY 1984.

For industry, \$45 million is requested, \$30 million in additional funds for the Private Sector Production Credit project (263-0147), and -- in an effort to respond to growing Egyptian concern with industrially-caused environmental threats to the Nile Valley and Delta areas -- \$15 million to expand industrial pollution control efforts already underway through the Industrial Production Project (263-0101).

A sum of \$25 million is requested to support agricultural activities, \$15 million for expansion of the Small Farmer Production Credit project (263-0079) and \$10 million for the Irrigation Management Systems project (263-0132).

A.I.D. requests \$102 million to be used as incremental funding under the existing authorization for decentralization activities. These funds will be allocated among the Basic Village Services, Provincial Cities, Neighborhood Urban Services and Decentralization Support Fund sub-activities included in program 263-K605.

A sum of \$48 million is requested for health and population activities, \$40 million for the critical, continuing, and increasingly successful family planning program (263-0144) and \$4 million for each of two ongoing health initiatives: Strengthening Rural Health (263-0015) and Suez Community Health Personnel Training (263-0136) projects.

For technology transfer, \$15 million is requested, \$10 million is for energy policy and planning and alternative energy initiatives, and \$5 million to initiate a new workforce planning project which will emphasize long term workforce planning by selected Egyptian agencies and ministries.

In education, a sum of \$15 million is requested to continue funding for the Basic Education project (263-0139) which will further expand access to primary schooling, particularly for females, in additional rural governates.

MISSION DIRECTOR: M.P.W. STONE

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

PAGE 2
02/04/83

PROGRAM: EGYPT

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	
ECONOMIC SUPPORT FUND											
COMMODITY IMPORT PROGRAM I	L 263-K026	75	75	80,000	80,000	80,000	79,926	---	---	---	---
COMMODITY IMPORT PROGRAM II	L 263-K027	75	75	69,986	69,986	69,986	69,909	---	---	---	---
COMMODITY IMPORT PROGRAM III	L 263-K029	76	76	100,000	100,000	100,000	99,843	---	---	---	---
COMMODITY IMPORT PROGRAM IV	L 263-K030	76	76	150,000	150,000	149,999	149,166	---	---	---	---
COMMODITY IMPORT PROGRAM V	L 263-K036	76	76	65,000	65,000	65,000	63,906	---	---	---	---
COMMODITY IMPORT PROGRAM VI	L 263-K038	77	77	440,000	440,000	440,000	414,947	---	25,053	---	---
COMMODITY IMPORT PROGRAM VII	L 263-K045	78	78	300,000	300,000	300,000	292,505	---	7,495	---	---
COMMODITY IMPORT PROGRAM VIII	L 263-K052	79	79	250,000	250,000	250,000	237,300	---	11,000	---	1,700
COMMODITY IMPORT PROGRAM IX	L 263-K053	80	80	30,000	30,000	30,000	28,729	---	1,271	---	---
COMMODITY IMPORT PROGRAM XI	L 263-K054	80	80	250,000	250,000	250,000	224,765	---	25,235	---	---
COMMODITY IMPORT PROGRAM XII	L 263-K055	81	81	70,000	70,000	70,000	32,591	---	20,000	---	5,000
COMMODITY IMPORT PROGRAM	G 263-K601	79	79	85,000	85,000	85,000	74,560	---	8,000	---	2,440
COMMODITY IMPORT PROGRAM	G 263-K602	80	80	55,000	55,000	55,000	49,803	---	4,000	---	1,197
COMMODITY IMPORT PROGRAM	G 263-K603	81	81	230,000	230,000	230,000	85,063	---	88,000	---	50,000
COMMODITY IMPORT PROGRAM	G 263-K604	82	82	350,000	350,000	350,000	6,250	---	74,000	---	175,000
DECENTRALIZATION SECTOR SUPPORT	G 263-K605	82	85	269,000	269,000	75,000	---	---	20,886	102,000	74,255
COMMODITY IMPORT PROGRAM	G 263-K606	83	83	---	300,000	---	---	300,000	35,000	---	100,000
COMMODITY IMPORT PROGRAM	* G 263-K607	84	84	---	300,000	---	---	---	---	300,000	---
WATER SEWERAGE PROGRAM SUPPORT	G 263-K608	83	86	---	450,000	---	---	110,000	---	200,000	220
ISMAILIA ELECTRIC POWER PLANT	G 263-0009	76	83	141,000	238,000	141,000	109,796	97,000	25,000	---	6,204
MAHALLA TEXTILE PLANT REHABILITATION	L 263-0010	76	76	96,000	96,000	96,000	85,715	---	6,645	---	---

* Refers to the planned project summary sheet

C Level of effort activity

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

PAGE 3
02/04/83

PROGRAM: EGYPT

CP 84

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY84- EXPENDI TURES	
SUEZ CEMENT PLANT	G 263-0012	76	80	100,000	100,000	100,000	94,951	---	4,880	---	169
STRENGTHENING RURAL HEALTH DELIVERY	G 263-0015	76	85	7,800	14,900	7,800	4,547	1,500	1,600	4,000	1,653
APPLIED SCIENCE AND TECHNOLOGY RESEARCH	G 263-0016	77	80	24,400	24,400	24,400	8,281	---	3,500	---	3,500
WATER USE AND MANAGEMENT	G 263-0017	76	81	13,000	13,000	13,000	7,742	---	2,294	---	2,964
DEVELOPMENT INDUSTRIAL BANK I	L 263-0018	76	76	32,000	32,000	32,000	21,873	---	4,170	---	---
PVC PIPE DRAINAGE	L 263-0019	76	76	31,000	31,000	31,000	13,033	---	4,538	---	1,125
INTEGRATED SOCIAL WORK TRAINING CENTERS	G 263-0020	77	79	4,000	4,000	4,000	1,973	---	759	---	---
DEVELOPMENT DECENTRALIZATION	G 263-0021	78	81	26,200	26,200	26,200	11,742	---	5,100	---	7,750
NATIONAL ENERGY CONTROL CENTER	G 263-0023	76	80	2,500	2,500	2,500	---	---	220	---	2,280
NATIONAL ENERGY CONTROL CENTER	L 263-0023	76	80	41,000	41,000	41,000	34,578	---	6,422	---	---
TECHNICAL AND FEASIBILITY STUDIES III	G 263-0025	77	77	18,000	18,000	17,948	17,786	---	214	---	---
TECHNOLOGY TRANSFER AND MANPOWER DEV I	G 263-0026	77	82	34,500	34,500	34,500	20,397	---	5,000	---	6,000
RICE RESEARCH AND IRRIGATION	G 263-0027	77	81	21,767	21,767	21,767	2,010	---	6,740	---	5,100
GRAIN STRDRAGE FACILITIES	G 263-0028	75	83	---	13,500	---	---	13,500	---	---	5,000
GRAIN STORAGE FACILITIES	L 263-0028	75	83	44,275	44,275	44,275	37,905	---	2,197	---	4,173
FAMILY PLANNING	G 263-0029	77	85	67,400	67,400	67,400	29,600	---	17,000	---	18,000
SHOUBRA THERMAL POWER PLANT	G 263-0030	79	81	190,000	190,000	190,000	34,051	---	55,000	---	60,000
AGRICULTURAL MECHANIZATION	G 263-0031	79	80	40,000	40,000	40,000	6,722	---	7,549	---	10,000
URBAN ELECTRIC DISTRIBUTION SYSTEM	G 263-0033	77	80	10,000	10,000	10,000	146	---	---	---	6,950
URBAN ELECTRIC DISTRIBUTION SYSTEM	L 263-0033	77	80	46,012	46,012	46,012	32,976	---	6,235	---	6,801

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

PAGE 4
02/04/83

PROGRAM: EGYPT

CP 84

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY84- EXPENDI TURES
CANAL DREDGING EQUIPMENT	L 263-0035	77	79	26,000	26,000	26,000	23,888	---	1,256	---
FOOD GRAIN/VEG OIL STORAGE AND DIST FAC	L 263-0037	77	77	42,000	42,000	42,000	28,548	---	6,478	---
CAIRO WATER SYSTEM	G 263-0038	77	82	61,400	61,400	61,400	490	---	1,408	20,542
CAIRO WATER SYSTEM	L 263-0038	77	82	30,000	30,000	30,000	3,828	---	15,592	10,580
IRRIGATION EQUIPMENT	G 263-0040	77	80	8,000	8,000	8,000	4,550	---	3,214	236
IRRIGATION EQUIPMENT	L 263-0040	77	80	11,000	11,000	11,000	9,962	---	1,038	---
AGRICULTURAL DEVELOPMENT SYSTEMS	G 263-0041	77	79	12,900	12,900	12,900	7,491	---	5,409	---
TECHNICAL AND FEASIBILITY STUDIES IV	G 263-0042	78	80	31,000	31,000	31,000	16,019	---	6,000	8,981
DEVELOPMENT INDUSTRIAL BANK II	G 263-0045	78	78	2,000	2,000	2,000	581	---	950	469
SUEZ PORT DEVELOPMENT	L 263-0047	78	78	30,000	30,000	30,000	567	---	4,000	3,900
CANAL CITIES WATER AND SEWAGE SYSTEM	G 263-0048	78	83	36,000	123,000	36,000	---	87,000	5,971	23,000
CANAL CITIES WATER AND SEWAGE SYSTEM	L 263-0048	78	78	60,000	60,000	60,000	50,270	---	9,730	---
QUATTAMIA CEMENT PLANT	L 263-0052	78	78	95,000	95,000	95,000	54,436	---	20,000	20,564
TELECOMMUNICATION EQUIPMENT	L 263-0054	78	78	40,000	40,000	40,000	25,998	---	14,002	---
POULTRY IMPROVEMENT	G 263-0060	77	81	12,542	12,542	12,542	4,207	---	8,335	---
DEVELOPMENT PLANNING STUDIES	G 263-0061	78	80	15,800	15,800	15,800	8,252	---	2,500	2,500
AQUACULTURE DEVELOPMENT	G 263-0064	78	80	27,500	27,500	27,500	5,663	---	6,542	9,200
URBAN LOW-COST HEALTH DELIVERY	G 263-0065	79	81	37,253	37,253	37,253	5,048	---	5,610	10,200
LOW INCOME HOUSING/COMMUNITY UPGRADING	G 263-0066	78	81	80,000	80,000	80,000	7,750	---	5,750	15,000
MAJOR CEREALS	G 263-0070	79	80	47,000	47,000	47,000	13,741	---	9,055	13,000

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

PAGE 5
02/04/83

PROGRAM: EGYPT

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY84- EXPENDI TURES
PORT SAID SALINE PRODUCTION PLANT	G 263-0072	77	77	13,000	13,000	6,933	---	4,288	---	1,779
TELECOMMUNICATIONS II	G 263-0075	79	79	80,000	80,000	---	---	27,000	---	31,000
SMALL FARMER PRODUCTION	G 263-0079	79	85	25,000	55,000	4,841	---	3,405	15,000	7,000
ALEXANDRIA SEWAGE I	L 263-0089	77	77	15,000	15,000	10,607	---	3,224	---	1,169
INDUSTRIAL PRODUCTIVITY IMPROVEMENT	G 263-0090	80	81	39,000	39,000	520	---	5,093	---	8,200
CAIRO SEWAGE	G 263-0091	78	81	99,100	129,000	17,224	---	21,650	---	25,000
AGRICULTURE COOPERATIVE DEVELOPMENT	G 263-0095	79	79	5,000	5,000	4,009	---	295	---	---
SMALL SCALE AGRICULTURE ACTIVITIES	G 263-0096	79	79	1,700	1,700	470	---	968	---	262
PRIVATE INVESTMENT ENCOURAGEMENT FUND	G 263-0097	79	79	33,000	33,000	737	---	1,000	---	10,000
ALEXANDRIA SEWAGE SYSTEM EXPANSION II	G 263-0100	79	79	167,000	87,321	11,151	---	10,442	---	23,500
INDUSTRIAL PRODUCTION	G 263-0101	78	84	98,555	113,555	8,389	---	7,000	15,000	9,200
INDUSTRIAL PRODUCTION	L 263-0101	78	84	46,445	46,445	2,782	---	7,400	---	22,263
TECH TRANSFER AND FEASIBILITY STUDIES	G 263-0102	83	85	---	40,000	---	---	20,000	---	5,000
BASIC VILLAGE SERVICES I	G 263-0103	80	81	70,000	70,000	45,886	---	24,114	---	---
MINERAL, PETROLEUM AND GROUNDWATER	G 263-0105	80	84	37,200	37,200	20,700	---	1,500	---	5,070
PEACE FELLOWSHIPS	G 263-0110	80	81	54,000	54,000	7,376	---	5,984	---	8,210
PRIVATE SECTOR FEASIBILITY STUDY	G 263-0112	79	79	5,000	5,000	1,378	---	808	---	1,500
SINAI PLANNING STUDY	G 263-0113	79	80	5,000	5,000	1,956	---	500	---	---
VEHICLE MAINTENANCE TRAINING	G 263-0114	80	80	4,500	4,500	1,169	---	1,575	---	670
TAX ADMINISTRATION	G 263-0115	80	83	2,100	3,600	863	1,500	839	---	398

* Refers to the planned project summary sheet

C Level of effort activity

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

PAGE 6
02/04/83

PROGRAM: EGYPT

CP 84

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG EXPENDI ATIONS TURES	-ESTIMATED FY83- OBLIG EXPENDI ATIONS TURES	-PROPOSED FY84- OBLIG EXPENDI ATIONS TURES				
AGRICULTURAL MANAGEMENT DEVELOPMENT	G 263-0116	80	80	5,000	5,000	5,000	758	---	1,268	---	1,550
TELECOMMUNICATIONS III	G 263-0117	80	82	122,000	122,000	122,000	135	---	13,000	---	14,700
UNIVERSITY LINKAGES	G 263-0118	80	85	27,500	42,500	27,500	657	---	2,900	---	3,750
UTILITY MANAGEMENT AND ENERGY POLICY	G 263-0123	82	85	32,600	48,000	7,800	---	---	1,000	10,000	2,250
WORKFORCE PLANNING AND DEVELOPMENT	* G 263-0125	84	87	---	20,000	---	---	---	---	5,000	1,000
PROVINCIAL CITIES	G 263-0127	81	81	20,000	20,000	20,000	2,496	---	7,500	---	10,000
IRRIGATION WATER MANAGEMENT	G 263-0132	81	85	42,000	112,000	38,000	5,001	---	6,000	10,000	7,500
SUEZ CANAL UNIV - FACULTY OF MEDICINE	G 263-0136	80	85	8,100	14,700	8,100	2,830	---	1,967	4,000	2,700
CONTROL OF DIARRHEAL DISEASES	G 263-0137	81	81	26,000	26,000	26,000	104	---	2,255	---	4,300
BASIC EDUCATION	G 263-0139	81	84	39,000	74,000	39,000	1,519	20,000	13,800	15,000	14,200
AG DATA COLLECTION AND ANALYSIS	G 263-0142	80	80	5,000	5,000	5,000	276	---	316	---	1,300
DECENTRALIZATION SUPPORT FUND	G 263-0143	80	82	50,000	50,000	50,000	13,117	---	32,000	---	4,883
FAMILY PLANNING II	G 263-0144	83	87	---	82,600	---	---	20,000	---	40,000	4,201
PRIVATE SECTOR PRODUCTION CREDIT	G 263-0147	82	84	68,000	148,000	68,000	---	50,000	20,100	30,000	10,500
SUPPORTING AGRICULTURAL SYSTEMS	G 263-0152	83	85	---	35,000	---	---	20,000	---	---	3,000
NEIGHBORHOOD URBAN SERVICES	G 263-0153	81	81	20,000	20,000	20,000	6,233	---	8,000	---	5,767
BUSINESS SUPPORT AND IMPROVEMENT	G 263-0159	83	85	---	15,000	---	---	9,500	---	---	2,000
ASWAN HIGH DAM REHABILITATION	G 263-0160	82	85	100,000	100,000	85,000	---	---	5,300	---	4,400
SAFAGA GRAIN SILOS	G 263-0165	82	82	80,000	80,000	80,000	---	---	6,550	---	10,600

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

PAGE 7
02/04/83

PROGRAM: EGYPT

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82-		.-ESTIMATED FY83-		-PROPOSED FY84-	
					OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES
TOTAL FOR ACCOUNT			5,936,035	7,601,956	5,602,003	2,915,805	750,000	866,884	750,000	964,475
GRANTS			3,445,317	5,111,238	3,111,286	785,252	750,000	663,903	750,000	887,200
LOANS			2,490,718	2,490,718	2,490,717	2,130,553	---	202,981	---	77,275
TOTAL FOR COUNTRY			5,936,035	7,601,956	5,602,003	2,915,805	750,000	866,884	750,000	964,475
GRANTS			3,445,317	5,111,238	3,111,286	785,252	750,000	663,903	750,000	887,200
LOANS			2,490,718	2,490,718	2,490,717	2,130,553	---	202,981	---	77,275

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PROGRAM: EGYPT

PLANNED PROGRAM SUMMARY SHEET

CP 84-06 (8-82)

TITLE Commodity Import Program		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 84 300,000	LIFE OF PROJECT FUNDING: 300,000	
NUMBER 263-K607 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 87

Purpose: To finance U.S. imports such as machinery, equipment, spare parts, industrial raw materials, semi-finished goods and consumables needed to increase domestic production and maintain essential public services.

Project Description: Despite significant increases in its foreign exchange earnings and sizeable amounts of assistance from donor countries over the past few years, Egypt continues to face foreign exchange constraints and has requested support in the form of commodity financing. Imports financed by this program encourage greater domestic production and employment and help avoid shortages of basic consumer items.

Egypt is unable to import with its own foreign exchange all of the goods it needs to revitalize its economy and improve the daily life of its poor. It is expected that the deficit between exports and needed imports will remain around \$1.5 billion in 1983.

In addition to providing balance of payments support, the Commodity Import Program (CIP) has helped achieve development objectives. For example, some 15% of Egypt's 1980-81 investment budget of about \$3.5 billion equivalent was for maintenance and replacement of existing capital infrastructure. Significant amounts of CIP funds have been used to support these maintenance and replacement investments.

FY 1975-82 Commodity Import Program allocations centered on:

Industry	\$1,025 Million
Infrastructure	668
Basic Human Needs	322
Agriculture	241
Private Business	137
Other	132

\$2,525

The FY 83 and FY 84 programs will finance machinery, equipment, spare parts, raw materials, semi-finished goods and consumables. Trade Financing Facility (TFF) transactions will be eligible for CIP-financing, but no specific set-aside for the TFF will be made. The TFF is used to encourage Egyptian purchasers to utilize U.S. suppliers by matching more favorable mixed-credit financing packages

offered by non-U.S. suppliers for international tenders in situations where the U.S. suppliers are the lowest bidders.

Relation of Project to A.I.D. Country Strategy: Through this program, the United States demonstrates continued support of Egyptian leadership, and helps ensure domestic stability and development by encouraging domestic production, employment, and availability of basic goods at reasonable prices. Increasingly, the CIP will be used in FY 1983 and 1984 for capital goods to stimulate increased industrial productivity.

Host Country and Other Donors: CIP equivalent funding of other donors appears to have been modest in 1981 and the first half of 1982. The Netherlands, Belgium, and Finland funded CIP type loans in this period. In prior years, Japan, France and West Germany included sizeable CIP equivalent programs in their annual development assistance packages.

Beneficiaries: The various activities of this program touch directly on the lives of a large percentage of the Egyptian people, either as consumers of imported goods or as users of improved public services. Many Egyptians also benefit as owners, managers or employees of companies that receive capital goods or raw materials under this program.

TITLE Workforce Planning		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0125		POPULATION:	ED. & HR:	SEL. ACT.:	FY 84 5,000	LIFE OF PROJECT FUNDING: 20,000	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>				INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 87	ESTIMATED COMPLETION DATE OF PROJECT FY 87

Purpose: To assist the GOE in strengthening selected public and private sector training systems responsive to labor market needs, and to provide training in priority areas.

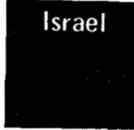
Project Description: There is clear evidence that growth of the domestic labor force is straining the ability of the economy to provide employment; that public sector employment can no longer grow fast enough to absorb those who cannot find employment in the private sector; that emigration is likely to decline; that education and training investments are currently only marginally related to meeting specific skill/managerial requirements; that job-related education and training suffers from inadequate coordination among the several public sector agencies involved in such training and between them and the private and public sector enterprises which they are supposed to serve and that, consequently, public policies, subsidies and programs to catalyze private sector training are inadequate. Therefore, the first phase of the project (approximately one year) will be dedicated to a) developing an education and training resource allocation model which takes into account the shortcomings of employment forecasting, the limitations of the educational data base, the existing but largely unidentified human capital base in the country and likely fiscal resources available to the nation; and b) using the model for policy and program decisions to bring investments in education and training into line with public and private sector enterprise requirements and to induce private sector initiatives in the production and utilization of human capital. Phase I project inputs will be primarily technical assistance, commodities (e.g., information system) and training related to developing and implementing the model. The second phase of the project (approximately three years) will assist the GOE to implement policy and program decisions through the provision of training (with modest amounts of technical assistance and commodities) with particular emphasis given to employment and productivity determinants and the increased involvement of the private sector in meeting the education/training needs of the labor force.

Relation to Overall AID Strategy: This project relates directly to two main objectives of AID: i.e., to increase equity within the society and to enhance employment/productivity in both public and private sectors. The former will be enhanced through more rational allocation of resources to basic education (the pool from which the

labor force is drawn) while the latter will be enhanced because the relationship between specific kinds of education and its utility for productivity/employment purposes will be better understood; i.e., education/training will be more demand driven.

Host Country and Other Donors: The GOE is becoming increasingly concerned about the relationship between labor force supply and demand. Efforts to meaningfully relate training/education to public and private sector needs flounder for lack of a rational resource allocation process which takes into account wages and prices in both public and private sectors, incentives and the obvious need to encourage job creation through labor intensive industrial growth. The GOE will provide central government Ministerial level support to project efforts through the provision of policies, staff and physical facilities and will assure adequate coordination between public and private sector agencies. The ILO will continue its effort to improve employment forecasting which will serve as part of the basis for the allocation model under the project.

Beneficiaries: Immediate beneficiaries of the project will be those individuals in public and private sector institutions who receive training under phases I and II of the project. No less significantly, millions of school children are likely to receive more relevant education and improved employment opportunities because the demands in the labor market will be more adequately reflected in educational objectives and program offerings.



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FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: ISRAEL

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1982) 3,916
 PER CAPITA GNP..... (DOLLARS,1980) 4,500
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 3.2%
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 6.0% (1970-80) 39.7%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1981) TOTAL 72.6 MALE 71.2 FEMALE 74.2
 (1968) TOTAL 70.2 MALE 68.8 FEMALE 71.7
 ADULT LITERACY RATE (1971) TOTAL 82% MALE 93% FEMALE 83%
 (1961) TOTAL 84% MALE 91% FEMALE 78%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1970-1981) 0.9%
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 5%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 844
 MAJOR CROPS) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT 21% (1981)
 CASH: CITRUS FRUIT 9% (1981)
 MAJOR AGRICULTURAL EXPORTS:(1981) CITRUS FRUIT COTTON
 MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT CORN SORGHUM
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 7%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1978) 2,430 (79) 5,132 (80) 12,169
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1979) 3,415 (79) 7,090 (80) 17,321
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1978) -995 (79) -1,958 (80) -5,152
 DEFENSE EXPENDITURES.
 AS % OF TOTAL EXPENDITURES.. (1978) 34.0% (79) 38.8% (80) 34.2%
 AS % OF GNP..... (1978) 24.1% (79) 30.5% (80) 30.4%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1979) 3,120 (80) 3,405 (81) 3,545
 EQUIVALENT TO 4.0 MONTHS OF IMPORTS (1980)

FOREIGN TRADE

MAJOR EXPORTS... (1981) DIAMONDS FRUITS & NUT TEXTILES
 EXPORTS TO U.S.
 (\$ MILLIONS, US. FOB) (1979) 749 (1980) 886 (1981) 1222
 AS % OF TOTAL EXPORTS (1979) 16% (1980) 16% (1981) 22%
 MAJOR IMPORTS... (1981) MIL. EQUIP DIAMONDS PETROIEUM
 IMPORTS FROM U.S.
 (\$ MILLIONS, US. CIF) (1979) 1512 (1980) 1549 (1981) 1620
 AS % OF TOTAL IMPORTS (1979) 18% (1980) 16% (1981) N.A.
 TRADE BALANCE(\$ MILLIONS, U.S.) (1978) -3,529(79) -4,040(80) -4,226
 MAIN TRADING PARTNERS: UNITED STATES GERMANY, FFD UNITED KINGDO
 EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 62.2%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1980) 1193
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO) ... (1980) 11.8%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 3.1% (1975) 2.2% (1982) 1.9%
 POPULATION IN URBAN AREAS..... (1969) 82% (1977) 87%
 LIVE BIRTHS PER 1,000 POPULATION....(1970) 27 (1982) 24
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. N.A.
 POPULATION (1981) IN AGE GROUP:
 (0-14YRS) 33.3% (15-64YRS) 58.4% (65+ YRS) 8.2%
 INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 15
 PEOPLE PER PHYSICIAN..... (1977) 1,840
 MAJOR CAUSES OF DISEASE (1976) DYSENTERY
 DEATH.. (1978) HEART DISEASE CFBREOVASCULAR ILL-DEFINED CAUS
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS . (1977) 123%
 POPULATION WITH REASONABLE ACCFSS TO SAFE WATER SUPPLY(1971) 97%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1978) TOTAL 96.0% MALE 95.0% FEMALE 97.0%
 SECONDARY..... (1978) TOTAL 68.0% MALE 64.0% FEMALE 73.0%
 POST SECONDARY.. (1978) TOTAL 25.6% MALE 26.9% FEMALE 24.2%
 ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 2%

U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS (U.S. Fiscal Years - Millions of Dollars)									ECONOMIC PROGRAMS OF ALL DONORS (Millions of Dollars)			
COUNTRY ISRAEL									A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS			
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	FY 1980	FY 1981	FY 1982	FY 1946-82
	1977	1978	1979	1980	1981							
I. ECONOMIC ASSISTANCE - TOTAL	742.0	791.8	790.1	786.0	764.0	6350.0	786.3	5563.7	0.0	0.0	30.0	340.9
Loans	252.0	266.8	265.1	261.0	-	2079.6	786.3	1293.3	0.0	0.0	0.0	263.8
Grants	490.0	525.0	525.0	525.0	764.0	4270.4	-	4270.4	0.0	0.0	0.0	10.5
a. A.I.D. and Predecessor Agencies	735.0	785.0	785.0	785.0	764.0	5685.8	330.6	5355.0	0.0	0.0	0.0	0.0
Loans	245.0	260.0	260.0	260.0	-	1509.3	330.6	1178.5	0.0	0.0	0.0	0.0
Grants	490.0	525.0	525.0	525.0	764.0	4176.5	-	4176.5	0.0	0.0	0.0	15.4
(Economic Support Fund)	735.0	785.0	785.0	785.0	764.0	5133.5	-	-	0.0	0.0	0.0	1.2
b. Food for Peace (PL 480)	7.0	6.8	5.1	1.0	-	664.1	455.5	208.6	0.0	0.0	0.0	0.0
Loans	7.0	6.8	5.1	1.0	-	570.3	455.5	114.8	0.0	0.0	0.0	0.0
Grants	-	-	-	-	-	93.8	-	93.8	0.0	0.0	0.0	0.0
Title I - Total Sales Agreements	7.0	6.8	5.1	1.0	-	601.7	455.5	146.2	0.0	0.0	0.0	0.0
Repayable in U.S. Dollars - Loans	7.0	6.8	5.1	1.0	-	323.1	194.5	128.6	0.0	0.0	0.0	0.0
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	278.6	261.0	17.6	0.0	0.0	0.0	0.0
Title II - Total Grants	-	-	-	-	-	62.4	-	62.4	0.0	0.0	0.0	0.0
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	2.2	-	2.2	0.0	0.0	0.0	0.0
Voluntary Relief Agencies	-	-	-	-	-	60.2	-	60.2	0.0	0.0	0.0	0.0
c. Other Economic Assistance	-	-	-	-	-	0.1	-	0.1	0.0	0.0	0.0	0.0
Loans	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
Grants	-	-	-	-	-	0.1	-	0.1	0.0	0.0	0.0	0.0
Peace Corps	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
Narcotics	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
Other	-	-	-	-	-	0.1	-	0.1	0.0	0.0	0.0	0.0
II. MILITARY ASSISTANCE - TOTAL	1000.0	1000.0	1000.0	1000.0	1400.0	14304.2	2584.5	11719.7	0.0	0.0	0.0	0.0
Credits or Loans	500.0	500.0	2700.0	500.0	400.0	8554.2	2584.5	5969.7	0.0	0.0	0.0	0.0
Grants	500.0	500.0	1300.0	500.0	500.0	5750.0	-	5750.0	0.0	0.0	0.0	0.0
a. MAP Grants	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
b. Credit Financing - FMS	500.0	500.0	2700.0	500.0	400.0	8554.2	2584.5	5969.7	0.0	0.0	0.0	0.0
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
e. Other Grants	500.0	500.0	1300.0	500.0	500.0	5750.0	-	5750.0	0.0	0.0	0.0	0.0
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	1742.0	1791.8	1790.1	1786.0	2164.0	20654.2	3370.8	17283.4	0.0	0.0	0.0	0.0
Loans	752.0	766.8	765.1	761.0	400.0	10633.8	3370.8	7263.0	0.0	0.0	0.0	0.0
Grants	990.0	1025.0	1025.0	1025.0	1264.0	10020.4	-	10020.4	0.0	0.0	0.0	0.0
Other U.S. Government Loans and Grants	0.9	5.4	68.7	305.9	217.4	1116.3	415.4	500.9	0.0	0.0	0.0	0.0
a. Export-Import Bank Loans	0.9	5.4	68.7	305.9	217.4	1116.3	415.4	500.9	0.0	0.0	0.0	0.0
b. All Other Loans	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER (7/1/76 - 9/30/76)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				
	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL	0.0	0.0	30.0	340.9
IBRD	0.0	0.0	0.0	263.8
IFC	0.0	0.0	0.0	10.5
IDA	0.0	0.0	0.0	0.0
IDR	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AIFB	0.0	0.0	0.0	0.0
UNDP	0.0	0.0	0.0	15.4
OTHER-UN	0.0	0.0	0.0	1.2
EEC	0.0	0.0	0.0	30.0
B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. O.A.C. COUNTRIES (Gross Disbursements)				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	804.0	799.0	4435.0	
Germany	136.3	22.4	340.9	
Other	2.1	2.7	7.9	
Total	942.4	824.1	4783.8	
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	
	-	-	-	

ISRAEL

CP 84-07(9-82)

ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1982 Actual	FY 1983 Estimated	FY 1984 Proposed
Grants	806	785	785
Loans	-	-	-
Total	806	785	785

FY 84 PROGRAM HIGHLIGHTS

- A \$785 million cash transfer from the Economic Support Fund

Development Overview:

After the 1973 Arab-Israeli War, events converged to threaten Israel's ability to provide for the security and economic well-being of its people. First, the Government's decision to expand and modernize its military forces required a massive diversion of civilian manpower and financial resources to meet these needs, over one-third of GNP and 20-25% of the labor force. Concurrently with upgrading of defense capabilities came the general world inflation, which raised Israel's import bill, and recession in the economies of Israel's traditional trading partners, which adversely affected its ability to export.

The resultant large balance of payments deficit and accelerating inflation became the principal non-military problems facing the government. To deal with them, Israel introduced policies designed to constrain demand, including demand for imports, stimulate exports and restrain monetary expansion.

Initially, these restrictive policies succeeded in reducing the balance of payments deficit. However, beginning in 1978 the gap began to grow again, reaching \$4.4 billion in 1981. At the same time, inflation accelerated to triple-digit levels in 1979 through 1981.

Real economic growth, which had averaged about 9% per year during the 1960s, dropped to less than 2% in 1976 and 1977. It began to accelerate in 1978 as the Government relaxed some of the stringent measures adopted to deal with the economic crisis of the mid-1970s. Since that time it has averaged about 3.6% a year.

For the past several years, the Government of Israel's economic policy has reflected its attempts to wrestle with and reconcile several conflicting objectives, namely:

ISRAEL

RESOURCE FLOWS (in thousands of dollars)			
Program	CP 84-08 (8-82)		
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*			
Loans	-	-	-
Grants	808,600	788,000	788,000
Total AID	808,600	788,000	788,000
P.L. 480**			
Title I	()	()	()
(of which Title III is)			
Title II			
Total P.L. 480			
Total AID and P.L. 480	808,600	788,000	788,000

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

PERSONNEL/PARTICIPANTS DATA			
Category	CP 84-17 (8-82)		
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
AID Personnel ^a			
Direct Hire ^b	1	--	--
PASA ^c			
Contract			
Total	1	--	--
Participants ^d			
Noncontract			
Contract			
Total			

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1983 and FY 1984 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

Program	CP 84-14 (8-82)					
	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						

- maintenance of a strong defensive capability,
- provision of a high level of social services,
- creation of an economic environment more conducive to immigration,
- reduction in the rate of inflation,
- cushioning Israelis against the worst effects of inflation (until such time as it can be significantly reduced), and
- reestablishment of an equilibrium position in Israel's balance of payments, with progressively reduced requirements for concessional assistance from abroad.

ISRAEL

The relative priorities accorded to these objectives and, in consequence, the means by which the Government has attempted to balance them, have changed as economic conditions have changed. Thus, subsidies on government provided goods and services have been raised and lowered, defense procurement schedules have sometimes been adjusted to take into account availability of resources, and tax rates and government expenditures have been adjusted up and down at various times. The problems remain. With our assistance, and that of private institutions and individuals in the United States and elsewhere, Israel has succeeded in avoiding economic crises and indeed in recent years has achieved rates of growth and levels of employment which exceed those of most developing and industrialized countries. Nevertheless, triple-digit inflation and large trade deficits persist and are a reminder that the economy remains vulnerable.

Total Resources:

Revenues from taxes, other compulsory payments and other domestic sources have been sufficient to finance only two-thirds to three-quarters of public expenditures for the past several years. The remainder has come from foreign sources, of which U.S. economic and military assistance are the most important components. Perennial deficits in the balance of payments current account have required financing from abroad in the form of private transfers, borrowing on commercial markets and from private individuals and institutions willing to lend on concessional terms, and official assistance, particularly from the United States. In fact, aside from West Germany,

which loans the Israeli Government approximately \$80 million a year on very favorable terms, the United States is Israel's only significant source of official aid.

Israel continues to require concessional foreign exchange resources in order to finance public expenditures and imports at a level consistent with a modest rate of economic growth and maintenance of a strong defense capability.

U.S. Interests and Objectives:

Israel's political and economic stability are requisites for achieving peace in the Middle East. U.S. assistance programs tangibly reflect U.S. support and help give Israel confidence to take the risks necessary to achieve peace.

A.I.D. Assistance Strategy:

A.I.D. is directly supporting Israel's civilian economy, thereby facilitating maintenance of a modest rate of economic growth and management of Israel's balance of payments problem. Economic policy issues are discussed with Government of Israel representatives periodically.

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

In FY 1982 A.I.D. provided \$806 million and in FY 1983 A.I.D. plans to allocate \$785 million from the Economic Support Fund as a cash transfer to Israel. The FY 1982 amount included \$21 million to replace the same amount "borrowed" from the FY 1981 program to meet urgent needs elsewhere. A.I.D.'s program permits Israel to meet short-term balance of payments requirements, maintain budgeted foreign exchange expenditures, and import the goods and services it needs to maintain a moderate rate of

ISRAEL

economic growth without resorting to borrowing massive amounts at market terms or drawing down foreign exchange reserves. Provision of assistance in the form of a cash transfer is conditional upon receipt of satisfactory Israeli Government assurances that Israel will import from the United States an amount of non-defense goods at least equal to our level of economic assistance obligations, that U.S. exporters continue to enjoy equal access to Israeli markets, and that Israel will follow procedures worked out in cooperation with the U.S. Government for bulk shipments of grain on dry bulk carriers. Israel has provided these assurances each year since FY 1979 when the commodity import program was terminated and replaced by a cash transfer, and has complied with them. In fact, Israeli imports of non-defense goods from the United States have increased substantially since FY 1979.

Requested Year Program: (FY 1984)

For FY 1984, A.I.D. proposes a \$785 million cash transfer.

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

PROGRAM: ISRAEL

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES	
ECONOMIC SUPPORT FUND											
CASH TRANSFER	G 271-K618	83	83	785,000	785,000	---	---	785,000	785,000	---	---
CASH TRANSFER	G 271-K619	84	84	785,000	785,000	---	---	---	---	785,000	785,000
DESALTING PLANT	G 271-0005	75	75	20,000	20,000	20,000	12,287	---	3,000	---	3,000
TOTAL FOR ACCOUNT GRANTS				1,590,000	1,590,000	20,000	12,287	785,000	788,000	785,000	788,000
LOANS				1,590,000	1,590,000	20,000	12,287	785,000	788,000	785,000	788,000
				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				1,590,000	1,590,000	20,000	12,287	785,000	788,000	785,000	788,000
LOANS				1,590,000	1,590,000	20,000	12,287	785,000	788,000	785,000	788,000
				---	---	---	---	---	---	---	---

* 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.

Jordan

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: JORDAN

BASIC DATA				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS, MID 1982)	3.246			MAJOR EXPORTS... (1981)	FRUITS & VEG	PHOSPHATES	
PER CAPITA GNP..... (DOLLARS, 1981)	1.620			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	5.7%			(\$ MILLIONS, US. FOB)	(1980)	1	(1981) 2
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	1.1%	(1970-76)	9.6%	AS % OF TOTAL EXPORTS	N.A.		
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..			N.A.	MAJOR IMPORTS... (1981)	PETROLEUM	TEXTILES	MACHINERY
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 61.7 MALE 59.8 FEMALE 63.6				(\$ MILLIONS, US. CIF) (1979)	133	(1980) 206	(1981) 674
(1968) TOTAL 50.7 MALE 49.3 FEMALE 52.2				AS % OF TOTAL IMPORTS (1979)	7%	(1980) 9%	(1981) 21%
ADULT LITERACY RATE (1977) TOTAL 70% MALE 82% FEMALE 59%				TRADE BALANCE (\$ MILLIONS, U.S.) (1979)	-1,560	(80) -1,822	(81) -2,451
(1961) TOTAL 32% MALE 50% FEMALE 15%				MAIN TRADING PARTNERS: SAUDI ARABIA	UNITED STATES	GERMANY, FED	
AGRICULTURE				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	37.4%		
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,			
(1970-1981) -1.8%				(\$ MILLIONS, U.S.)..... (1980)	134		
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	6%			AS % OF EXPORT EARNINGS (DFBT SERVICE RATIO) ... (1980)	5.4%		
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	559			*SOCIAL DATA*			
MAJOR CROPS)		ARABLE LAND	YEAR	POPULATION GROWTH RATE... (1970)	3.5%	(1975) 3.0%	(1982) 3.2%
SUBSISTENCE: WHEAT BARLEY		21%	(1981)	POPULATION IN URBAN AREAS..... (1961)	44%	(1974) 42%	
CASH: FRUIT VEGETABLES		18%	(1981)	LIVE BIRTHS PER 1,000 POPULATION... (1970)	48	(1982) 45	
MAJOR AGRICULTURAL EXPORTS: (1981) CITRUS FRUIT VEGETABLES				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1976)	23%		
MAJOR AGRICULTURAL IMPORTS: (1981) WHEAT BARLEY FRUIT				POPULATION (1981) IN AGE GROUP:			
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980)	20%			(0-14YRS) 46.3%	(15-64YRS) 51.1%	(65+ YRS) 2.7%	
CENTRAL GOVERNMENT FINANCES				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	75		
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				PEOPLE PER PHYSICIAN..... (1977)	2.666		
(1978) 522 (79) 606 (80) 733				MAJOR CAUSES OF			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				DISEASE (1978) MUMPS CHILDHOOD DIS. MEASLES			
(1978) 1,091 (79) 1,624 (80) 1,734				DEATH.. (1975) ILL-DEFINED CAUS HEART DISEASE			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS . (1977)	62%		
(1978) -569 (79) -1,018 (80) -1,001				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1979)	61%		
DEFENSE EXPENDITURES,				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
AS % OF TOTAL EXPENDITURES.. (1978) 27.3% (79) 23.7% (80) 23.4%				PRIMARY..... (1979) TOTAL 102.0% MALE 106.0% FEMALE 99.0%			
AS % OF GNP..... (1978) 12.3% (79) 13.1% (80) 11.3%				SECONDARY... (1978) TOTAL 56.0% MALE 63.0% FEMALE 49.0%			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,				POST SECONDARY.. (1977) TOTAL 7.3% MALE 8.7% FEMALE 5.6%			
(\$ MILLIONS, U.S.) (1978) 1,248 (80) 1,245 (81) 1,193				ENERGY PRODUCTION AS % OF CONSUMPTION.....	N.A.		
EQUIVALENT TO 4.0 MONTHS OF IMPORTS (1981)							

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY **JORDAN**

A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS

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	85.0	102.9	100.8	72.7	10.5	1432.7	36.8	1395.9
Loans	30.3	54.0	65.1	31.0	-	309.1	36.8	272.3
Grants	55.0	48.9	35.7	41.7	10.5	1123.6	-	1123.6
a. A.I.D. and Predecessor Agencies	70.0	95.0	95.0	69.0	10.0	1230.9	10.9	1220.0
Loans	20.5	48.0	56.0	30.0	-	246.2	10.9	235.3
Grants	49.5	47.0	39.0	39.0	10.0	984.7	-	984.7
(Economic Support Fund)	70.0	95.0	95.0	69.0	10.0	919.7	-	919.7
b. Food for Peace (PL 480)	13.0	9.9	7.8	3.7	0.5	200.3	25.9	174.4
Loans	9.8	6.0	5.1	1.0	-	62.9	25.9	37.0
Grants	3.2	3.9	2.7	2.7	0.5	137.4	-	137.4
Title I - Total Sales Agreements	9.8	6.0	5.1	1.0	-	62.9	25.9	37.0
Repayable in U.S. Dollars - Loans	9.8	6.0	5.1	1.0	-	59.2	23.0	36.2
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	3.7	2.9	0.8
Title II - Total Grants	3.0	3.9	2.7	2.7	0.5	137.4	-	137.4
Emerg. Relief, Econ. Develop. & World Food Program	2.1	1.5	0.6	0.5	-	91.9	-	91.9
Voluntary Relief Agencies	1.7	2.4	1.9	2.2	0.5	45.5	-	45.5
c. Other Economic Assistance	-	-	-	-	-	1.5	-	1.5
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	1.5	-	1.5
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	0.2	-	0.2
Other	-	-	-	-	-	1.3	-	1.3
II. MILITARY ASSISTANCE — TOTAL	130.9	127.4	109.6	79.3	44.3	1039.4	223.6	815.8
Credits or Loans	75.0	71.0	67.0	50.0	42.1	484.9	223.6	261.3
Grants	55.9	56.4	42.6	29.3	2.2	554.5	-	554.5
a. MAP Grants	54.4	55.0	41.0	28.3	1.4	497.3	-	497.3
b. Credit Financing - FMS	75.0	71.0	67.0	50.0	42.1	484.9	223.6	261.3
c. Military Assistance Service-Funded (MASF) Grants	1.0	1.4	1.0	1.0	0.8	11.2	-	11.2
d. Transfers from Excess Stocks	0.5	*	-	-	-	46.0	-	46.0
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	214.0	230.3	210.4	152.0	54.8	2472.1	260.4	2211.7
Loans	105.3	125.0	130.1	81.0	42.1	794.0	260.4	533.6
Grants	109.2	105.3	80.3	71.0	12.7	1678.1	-	1678.1
Other U.S. Government Loans and Grants	-	-	65.8	276.3	-	364.4	39.2	325.2
a. Export-Import Bank Loans	-	-	65.8	276.3	-	359.7	33.8	325.9
b. All Other Loans	-	-	-	-	-	4.7	5.4	0.7

* LESS THAN \$50,000.

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL.....	63.6	33.1	73.8	429.7
IBRD	50.0	25.0	60.0	185.0
IFC	0.0	2.5	10.3	95.3
IDA	0.0	0.0	0.0	86.1
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	2.2	1.6	0.0	37.9
OTHER-UN	0.4	0.0	0.5	7.4
EEC	11.0	4.0	3.0	18.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	52.0	46.0	304.0
Germany	27.5	20.7	120.8
Austria	0.3	19.4	20.5
U.K.	10.9	14.3	65.8
France	3.6	10.4	14.0
Other	10.3	11.8	44.9
Total	104.6	122.6	570.0

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

	CY 1980	CY 1981	CY 1976-81
	1135.0	1240.1*	4141.8

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

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

*Estimate

ECONOMIC SUPPORT FUND		CP 82-21(8-82)	
PROGRAM SUMMARY			
<i>(In millions of dollars)</i>			
	FY 1982 Actual	FY 1983 Estimated	FY 1984 Proposed
Loans	10	10	7
Grants	5	10	13
Total	15	20	20

FY 84 PROGRAM HIGHLIGHTS
Jordan's FY 1984 program emphasizes institution building with active participation of the private sector. Half of planned obligations will be for the Rural Community Development and Executive Management Institute projects: \$7 million and \$3 million respectively. The Technical Services and Feasibility Studies IV project (\$5 million) will continue technology transfer. The Water Systems and Services Management project (\$5 million) will continue efforts to overcome the lack of water as a development constraint.

Development Overview

Unlike the situation in many developing countries, most of Jordan's population of 3.2 million resides in urban areas. Jordan has a high literacy rate (over 70%) and little unemployment. With per capita income of \$1,620 (1981), Jordan is a middle income developing country. Real growth in Gross Domestic Product (GDP) averaged approximately 9% annually from 1975-1980. While growth did slow slightly in 1981, the country still recorded a favorable 7.6% rate. Since the Jordanian economy is highly dependent on outside influences and financing, continued development in the next decade depends on: political stability and peace in the region; continued development of technical and administrative skills needed to operate a more complex, diversified economy; expanding domestic revenues and foreign exchange earnings; continued high levels of foreign aid; rational, productive development of scarce water and land resources; and reduction of the extremely high population growth rate.

Jordan's ambitious Five-Year Development Plan, 1981-1985, calls for an annual growth rate of 10.9% in GDP. Domestic revenues are projected to grow sufficiently by 1985 to cover all recurrent government expenditures, while remittances from overseas workers, tourism earnings, and diversified exports are projected to reduce the trade deficit. The plan gives priority attention to the agriculture, water and irrigation, mining and manufacturing, and energy sectors. Development of industrial infrastructure and public services are intended to meet basic human needs and narrow regional disparities in income and access to opportunities. Total investments for the Plan period are estimated at about \$10 billion, of which a third is to come from the private sector. External assistance is to provide another third.

Jordan's economy is dominated by the services sector, which represented 64% of GDP in 1981. About 300,000 professional, skilled and semi-skilled Jordanian workers are in Saudi Arabia and the Gulf oil states. Ironically, as a result of this movement, Jordan must

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*			
Loans.....	26,994	27,534	28,500
Grants.....	7,032	12,372	14,249
Total AID.....	34,026	39,906	42,749
P.L. 480**			
Title I.....	--	--	--
(of which Title III is)	()	()	()
Title II.....	406	218	234
Total P.L. 480.....	406	218	234
Total AID and P.L. 480.....	34,432	40,124	42,983

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
AID Personnel ^a			
Direct Hire ^b	16	18	17
PASA ^c	2	2	2
Contract.....	1	--	--
Total.....	19	20	19
Participants ^d			
Noncontract.....	89	110	98
Contract.....	35	9	26
Total.....	124	119	124

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1983 and FY 1984 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

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.....		406		124		--
World Food Programs.....		--		94		234
Gov't-to-Gov't.....		--		--		--
Title II Total.....		406		218		234
Total P.L. 480.....		406		218		234

now import both skilled and un-skilled labor.

The structure of Jordanian production has changed markedly, with the share of mining, manufacturing and construction doubling during the 1970s to 30% in 1981. Expansion of phosphate mining has increased the importance of the mining sector, making it an important source of income and foreign exchange.

Water remains a major resource need and development constraint. Jordanians consume only 50 to 60 liters of water per day, substantially below the 80 liters per day set as the minimum safe health standard by the World Health Organization. Water supply and distribution must be expanded and use of existing supplies, including reflows, intelligently and conservatively managed. To maintain the current sub-standard consumption levels, Jordan will have to forego planned irrigation of additional arable land in the Jordan Valley unless and until its last available uncontrolled surface water, the Yarmouk River, is harnessed or until additional groundwater resources are discovered and developed. Jordan plans to establish a national water

JORDAN

policy and an Authority to manage, allocate and conserve its water resources among competing demands for urban, industrial, and agricultural uses. Improved management of this scarce and essential resource is the central theme of the current Jordanian Plan.

Improved health is also stressed in the Plan, and it is recognized that good health depends in part on water availabilities. The lack of adequate potable water and of sewerage disposal and treatment contributes directly to some of Jordan's major health problems, which are compounded by the concentration of people in urban areas. Water-borne enteric diseases are major killers of children under five. Other health problems include respiratory illnesses, pregnancy and childbirth complications, and malnutrition among children. Inadequate cadres of auxiliary health care staff, capable of providing good quality primary health care services, impede the upgrading of nationwide health services.

Agriculture's share of GDP fell from 14% in 1970 to only 6% in 1981, and the sector employed a decreasing share of the labor force (about 20% in 1981). This is due to better, more reliable opportunities for higher income and employment elsewhere. However, agricultural exports make up about 33% of all domestic exports, reflecting the increasing importance of citrus fruits and vegetables grown in the Jordan Valley, adoption of new production technologies, and expanded irrigation. At the same time, expanding and diversifying production is inhibited by the declining availability of arable land due to expansion of urban centers and soil erosion, restricted water availability, and inadequate technology. About 60% of the food consumed in Jordan is imported. With good rains, Jordan produces half its wheat requirements; in a bad year such as 1981, production does not meet the requirements for seed replacement. In 1981, wheat production from the rainfed northern plateau dropped 62% and other field crops were down by 45%. While vegetable production did increase by 6% in 1981 because of improved agricultural techniques in the Jordan Valley, yields of vegetable crops under

irrigation are only one-third of the yields obtained in the United States.

Jordan's comparatively abundant, well-educated, and trained labor force is a major asset. Strong demand for Jordanian workers at home and abroad results in low unemployment rates and some technical skills shortages. An open labor emigration policy prevails, as remittances comprise a major source of foreign exchange (\$1.03 billion in official transfers during 1981). The government is rapidly expanding and modernizing vocational/technical education and training for both men and women, and expects 30% of secondary school students to enter the vocational training stream during 1981-1985.

Jordan's population growth rate is currently estimated at 3.6% per annum. At this rate the population will double by the year 2000. Such population growth will greatly constrain Jordan's development efforts. The reasons for such rapid growth include a continuing high birth rate attributable to customary youthful marriages, continuous child bearing throughout a woman's productive years, and a continuing desire in the society for large families. The high growth rate is further attributable to a halving of the death rate between 1960 and 1978 to 10 per 1000, increasing life expectancy to 61 years, and overall health improvements from which women especially have benefitted. Two waves of immigration from the West Bank in 1948 and 1967 have also contributed to this growth.

Existing conditions which favor a natural decline in Jordan's population growth rate over time are: higher educational levels for women (49% in secondary schools in 1978); greater participation of women in the labor force (16% in 1980 versus 4% in 1975); and urbanization. A well-defined and implemented official population policy would accelerate the projected decline in population growth. The government is aware of this, but is moving cautiously because of political, social and religious sensitivities to active government involvement in family planning.

JORDAN

For its energy needs, Jordan is totally dependent on imported oil purchased at market prices. Although the use of solar energy units is expanding, and the government is in the early stages of exploring the possibilities of developing domestic oil shale deposits and geothermal sources, the dependence on foreign oil is unlikely to change significantly in the near term. As a result of rapid economic growth in recent years, Jordan has one of the highest energy consumption growth rates in the world, over 16% annually. With oil prices likely to remain at high levels, Jordan must conserve energy. Technical and economic feasibility studies of Jordan's shale oil deposits are under way with financing from West Germany and the Soviet Union. The 1981-85 Development Plan includes concerted efforts in gas and oil exploration.

Total Resources

Jordan's development financing is drawn from domestic revenues, grant financing from abroad, and domestic and foreign borrowing. External assistance provided 51% of government spending in 1981. Jordan continued to enjoy an overall balance of payments surplus, although the \$50 million surplus in 1981 was considerably less than the 1980 surplus of \$360 million. The largest sources of foreign exchange were worker remittances (\$1.03 billion), and economic assistance provided under the Baghdad agreements (\$1.2 billion).

Domestic revenues continued to rely heavily on import duties in 1981, although revenue generated from income taxes is becoming more important. From 1978-1982, total domestic revenues more than doubled, and during this same period income tax collections more than tripled. Currently, income taxes represent approximately 14% of domestic revenues, but they have increased in recent years at a compound annual rate of 20% due to improved tax administration and changes in tax laws. This reflects Jordan's efforts to become less reliant on external grant subsidies.

Exports increased by 29% in 1981 over 1980. Jordan's principal exports include phosphates, fruits and vegetables, chemicals and light manufactures. Despite increased exports, Jordan's terms of trade deteriorated as the cost of imports, particularly raw materials, fuel and capital goods, increased significantly. Raw materials and capital goods constitute two-thirds of Jordan's imports. Net receipts from services, transfers, and capital movements continued to cover the balance of trade deficit, which rose to \$2.4 billion in 1981. Jordan's 1982 budget calls for total expenditures of approximately \$2.2 billion, a 15% increase over actual budget expenditures in 1981. Capital expenditures amount to 45% of total expenditures in the new budget, and a deficit of slightly over \$1 billion is forecast.

New foreign economic aid (loans and technical assistance) totalled \$224 million in 1981, of which A.I.D. contributed 6%. Although A.I.D.'s share of such lending is small, especially in comparison with assistance from Arab governments, it is a catalyst for mobilizing other donor support for development activities.

The National Planning Council coordinates all foreign assistance. Major donors include Kuwait, Abu Dhabi, Saudi Arabia, Iraq, the Arab Fund for Economic and Social Development, the World Bank, West Germany, Great Britain, the European Economic Community, Japan and the United States. The largest source of assistance is Arab.

U.S. Interests and Objectives

Bordering Israel, Syria, Iraq and Saudi Arabia, Jordan is geographically and politically important to the United States. The King and government have followed a moderate and constructive course within the Arab world, and Jordan plays an important role in Arab regional affairs. Long supportive of a comprehensive Middle East peace settlement, Jordan has taken a positive approach toward the U.S. initiative of September 1, 1982 and could play a critical role in the achievement of U.S. objectives in the peace process.

JORDAN

The key objective of the A.I.D. program is to promote the continued development of a moderate, western-oriented Jordanian state that is socially and politically stable and capable of participating in the Middle East peace process. A.I.D.'s strategy is to provide financing for programs and projects in those areas consistent with A.I.D. development assistance priorities and strengths that are important to Jordan's continued economic and social development. In FY 1982, A.I.D. began a reorientation of its program away from capital assistance and infrastructure-type projects toward technical assistance and technology transfer projects which stress institution building, thereby enhancing the prospects for long-term development benefits and lasting U.S.-Jordanian relationships in a post-A.I.D. era. While A.I.D.'s priorities remain basically unchanged, the methodologies with which A.I.D. and the Government of Jordan (GOJ) are addressing key developmental problems are being refocused on developing institutional capacities in both the public and private sectors that will enable Jordan to continue its economic progress without U.S. assistance.

By promoting the transfer of technology and active participation by the private sector, A.I.D. plans to assist Jordan to create the institutional capacities to: provide minimum safe water and controlled sewerage services to its people; fully exploit, conserve, and manage its limited water resources; double irrigated agricultural productivity per hectare; address maternal, infant and child health, and nutritional problems in a more cost-effective manner; increase public awareness of Jordan's population problem; help the government decentralize development activities; expand Jordan's domestic revenues; and diversify and increase the supply of technically trained labor, including women, in critical development areas.

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

In FY 1982, A.I.D. contributed \$10 million in loan funds to the \$79 million Zarqa-Ruseifa Water and Wastewater project (278-0234) to help Jordan construct water and

wastewater treatment facilities in the twin cities of Zarqa and Ruseifa where 250,000 people live. Three other similar projects in the cities of Aqaba, Amman, and Irbid are also being implemented and will provide more than 50% of Jordan's urban population with increased amounts of water for consumption, in addition to sewage collection and treatment services. Two other ongoing projects being implemented in the water sector are assisting the GOJ to investigate the availability of groundwater resources in Jordan. The projects, Groundwater Resources Investigation (278-0243) and Rift Valley Water Resources (278-0229), have been under implementation since FY 1980 and FY 1978 respectively.

An additional \$5 million in grant funds was obligated in FY 1982 for the Technical Services and Feasibility Studies III project (278-0258), which assists the GOJ and A.I.D. to identify, develop, appraise and execute jointly selected priority development efforts.

The FY 1983 A.I.D. program will provide a \$1 million grant and \$10 million in loans for a new project entitled Water Systems and Services Management (278-0259) to help institutionalize, through the transfer of U.S. technology and training, Jordanian capabilities to: protect, conserve and effectively manage known water resources to help Jordan realize its industrial and agricultural goals; and extend and improve the distribution of water and the collection and treatment of wastewater and other related services to at least two of the four southern cities of Karak, Ma'an, Madaba and Tafila. The project will allow the GOJ to strengthen its overall water and wastewater management capability through new forms of technical assistance and training, while strengthening the private sector capacity to implement water projects for the GOJ. A \$5 million grant for technical assistance and training will complete A.I.D.'s funding commitment to the Zarqa-Ruseifa Water and Wastewater project (278-0234) begun in FY 1982. The Maqarin Dam Design project (278-0200) is still included in A.I.D.'s potential water portfolio, but must remain dormant until Jordan, Syria and Israel can settle their legal differences. The Maqarin Dam project is of broad regional interest and has A.I.D.'s

JORDAN

continuing support.

In the Health sector, the Health Management and Services Development project (278-0208) will receive additional grant funding of \$1 million in FY 1983. An evaluation conducted in FY 1982 recommended that the management element of the project be broadened and strengthened. Based on this recommendation, the project is proposed for extension and should strengthen the overall effectiveness of the Ministry of Health to deliver primary health care services. This ongoing project has a strong technology transfer and institutional development component, as does the Health Education project (278-0245). As a result of a needs assessment of the health sector by a Westinghouse Health Systems team, it was decided that an improved method of providing health information to the population was needed. A program is now underway to introduce health education in the Ministry of Health's preventative and curative health services delivery system.

Jordan's limited resource base and future population growth at current rates makes it imperative that consideration be given to the distribution and limitation of population growth. A.I.D has a continuing dialogue to stress this point with GOJ policy makers. In the absence of an official Jordanian population policy, A.I.D continues to work with centrally-funded PVOs who serve as intermediaries in such areas as education, demography, medical training, and family planning. Education of the population, especially as it relates to child spacing, is an area that A.I.D is stressing and will continue to pursue.

In the Education sector, A.I.D. is involved in vocational training, construction of compulsory cycle schools (grades 1-9), and participant training through the Development Administration Training (DAT) projects. In FY

1983, as a follow-on to the DAT I and II projects, A.I.D. plans to obligate \$3 million for DAT III (278-0257) to assist in providing training to GOJ officials in the fields of management, public administration, commerce, finance, education, health, engineering, and other technical areas related to Jordan's development. Under the DAT II project (278-0214) in FYs 1981 and 1982, 158 officials received training in the fields mentioned above, and an additional 24 participants will be trained under the project. DAT III will continue to support one of A.I.D's most important and successful endeavors over the past 30 years in Jordan.

The construction of the A.I.D-financed Amman Trade Training Center under the Vocational Training project (278-0238) is 77% complete. When completed, the school will contribute to the training of students in many of the vocational trades that are in short supply in Jordan. This is only one of six schools being constructed by the Vocational Training Corporation. Other donors will provide assistance for the construction of the remaining five schools. 21 of 32 compulsory cycle schools under the Schools Construction I and II projects (278-0232) have been constructed and are operational.

Increased mobilization of domestic resources is a key development objective of both Jordan and A.I.D. Through a PASA agreement with the U.S. Internal Revenue Service (IRS), A.I.D. is assisting the GOJ Income Tax Department to improve its management, administration and information gathering procedures under the Income Tax Assistance project (278-0247). Both long-term and short-term IRS advisors are currently assisting the GOJ in income tax assessment, collection, data processing, and administrative services.

In the Agricultural sector, A.I.D. is implementing two projects which are aimed at increasing the access of farmers in the Jordan Valley to more effective

JORDAN

agricultural services and improving the quality of their lives. The Jordan Valley Farmers Association (JVFA) project (278-0186) was evaluated in early FY 1981 by A.I.D. and the GOJ. Evaluation findings identified a number of problems concerning management and operations of the JVFA. As a result, the project was re-targetted in an attempt to make the Association more viable. Members of the Association are now taking a more active role in its activities, and the Director General position was recently filled after a long vacancy. Building an institution such as the JVFA requires substantial time, and although improvements have been made in its operation, additional time is required to bring its overall effectiveness and contribution to the desired level. The second agriculture project, Jordan Valley Agricultural Services (278-0241), is also a direct attempt at institution building, using the Title XII mode. This project is developing and institutionalizing a program of applied agricultural research and extension in the Jordan Valley under the auspices of the Ministry of Agriculture.

The Technical Services and Feasibility Studies (TSFS) projects (278-0224 and 0258) have provided resources to undertake a broad range of endeavors, including a health management seminar involving all key officials in the Ministry of Health, geothermal investigations conducted by the Jordanian Royal Scientific Society and the U.S. Geological Service, consulting services for computer utilization at the University of Jordan, a study conducted for the Ministry of Health on the feasibility of establishing a National Health Insurance scheme, and provision of consultants to assist in monitoring the quality of surface and ground water. These TSFS studies and activities have provided the foundations for larger projects that make a contribution to GOJ development goals.

FY 1983 will be the final year of the small PL 480 Title II program. Recent reviews of the program revealed little evidence that it was continuing to make a measurable nutritional impact on recipients. In coordination with CARE (the implementing agency) and the GOJ, agreement has

been reached to terminate the PL 480 Title II program at the end of FY 1983

Requested Year Program (FY 1984)

The proposed program of \$20 million for FY 1984 represents the first year in which most of the requested funding will be used for technical assistance, transfer of technology, and training that also seeks to strengthen the role of the private sector. The FY 1984 activities have been designed to develop and enhance a series of relationships between Jordanian and American individuals and institutions that can be continued after the eventual termination of the bilateral A.I.D. program.

In FY 1984, A.I.D. is proposing a new Rural Community Development project (278-0255) which would receive a grant of \$5 million and a loan of \$2 million. The project would be based on an initial study of one micro-region of Jordan, and a representative sampling of the towns and villages throughout Jordan. The study would collect and generate data on demographic and human resources, the economic base of the communities, and other social/economic activities and patterns of the region. Once the study is completed, analysis will focus on identifying constraints to local area development and enhancing the role of Jordan's private sector to carry out income-generating activities. Community development consultants and/or PVOs would assist in implementing the project. A.I.D. loan funds, together with additional GOJ funding, would be made available to the Cities and Villages Development Bank (CVDB) to finance local public and private sector projects. The grant funds would be used to finance technical assistance and implementation of activities identified in the selected micro-region, and for additional feasibility studies for the design and development of other project activities.

JORDAN

A grant of \$3 million is also proposed for FY 1984 to assist the GOJ to develop an Executive Management Institute (278-0261). The Institute would provide both long and short-term training to executives drawn from government entities and the private sector, principally from Jordan, but perhaps from other Arab states as well. A.I.D. funds would finance advisors to help establish the Institute and to serve as faculty members, as well as consultants to run special short-term seminars. Funds will also be used to train Jordanian staff for the Institute and for commodities and equipment to support training activities.

\$5 million in loan funds in FY 1984 would provide the second increment of funding for the Water Systems and Services Management project (278-0259) scheduled to begin in FY 1983. A.I.D. also proposes to provide a grant of \$5 million for the Technical Services and Feasibility Studies IV project (278-0260), which is similar to its predecessors and should serve as a primary resource for promoting transfers of appropriate technology and encouraging the continuation of U.S.-Jordanian private sector ventures.

AID DIRECTOR: Walter Bollinger

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

PAGE 10
02/04/83

PROGRAM: JORDAN

CP 84

PROJECT TITLE	• L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	
ECONOMIC SUPPORT FUND											
JORDAN VALLEY FARMERS ASSOCIATION	G 278-0186	77	78	1,161	1,161	1,161	814	---	347	---	---
WATER MANAGEMENT TECHNOLOGY	G 278-0192	77	79	1,320	1,320	1,320	685	---	423	---	212
AQABA SEWERAGE	L 278-0206	79	79	7,500	7,500	7,500	---	---	2,500	---	2,500
HEALTH MANAGEMENT AND SERVICES DEVELOPME	G 278-0208	77	83	1,875	2,875	1,875	1,255	1,000	500	---	120
RURAL AND URBAN ELECTRIFICATION	L 278-0209	77	77	9,000	9,000	9,000	7,736	---	1,264	---	---
POTASH DESIGN AND CONSTRUCTION	L 278-0210	78	79	38,000	38,000	38,000	35,757	---	2,243	---	---
DEVELOPMENT ADMINISTRATION TRAINING II	G 278-0214	79	80	2,000	2,000	2,000	1,377	---	400	---	223
AMMAN WATER AND SEWERAGE	L 278-0220	78	79	39,000	39,000	39,000	16,279	---	11,000	---	8,500
VILLAGE DEVELOPMENT, III	L 278-0221	79	79	7,000	7,000	7,000	5,283	---	1,717	---	---
TECH SERVICES AND FEASIBILITY STUDIES II	G 278-0224	79	80	5,700	5,700	5,700	4,440	---	1,260	---	---
RIFT VALLEY WATER RESOURCES STUDY	L 278-0229	78	78	5,000	5,000	5,000	4,190	---	810	---	---
SCHOOL CONSTRUCTION II	G 278-0232	80	80	6,700	6,700	6,700	5,216	---	900	---	584
IRBID WATER AND SEWERAGE	G 278-0233	80	80	2,500	2,500	2,500	---	---	1,100	---	1,100
IRBID WATER AND SEWERAGE	L 278-0233	80	80	21,000	21,000	21,000	---	---	6,000	---	9,500
ZARQA RUSEIFA WATER AND WASTEWATER	G 278-0234	83	83	---	5,000	---	---	5,000	1,000	---	4,000
ZARQA RUSEIFA WATER AND WASTEWATER	L 278-0234	82	82	10,000	10,000	10,000	---	---	2,000	---	6,000
VOCATIONAL TRAINING	G 278-0238	79	80	2,125	2,125	2,125	1,073	---	1,052	---	---
JORDAN VALLEY AGRICULTURAL SERVICES	G 278-0241	81	81	5,620	5,620	5,620	41	---	1,880	---	2,000

* Refers to the planned project summary sheet

• 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)

PAGE 11
02/04/83

PROGRAM: JORDAN

CP 94

PROJECT TITLE	• L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY84- EXPENDI TURES	
GROUNDWATER RESOURCES INVESTIGATION	G 278-0243	80	81	5,000	5,000	126	---	1,200	---	3,200	
HEALTH EDUCATION	G 278-0245	80	81	980	980	23	---	350	---	350	
INCOME TAX ASSISTANCE	G 278-0247	81	81	1,000	1,000	280	---	360	---	360	
RURAL COMMUNITY DEVELOPMENT	• G 278-0255	84	84	---	5,000	---	---	---	5,000	---	
RURAL COMMUNITY DEVELOPMENT	• L 278-0255	84	84	---	2,000	---	---	---	2,000	---	
DEVELOPMENT ADMINISTRATION TRAINING III	G 278-0257	83	83	---	3,000	---	3,000	---	---	200	
TECH SERVC AND FEASIBILITY STUDIES III	G 278-0258	82	82	5,000	5,000	73	---	1,600	---	1,700	
WATER SYSTEMS AND SERVICES MANAGEMENT	G 278-0259	83	84	---	1,000	---	1,000	---	---	200	
WATER SYSTEMS AND SERVICES MANAGEMENT	L 278-0259	83	84	---	15,000	---	10,000	---	5,000	2,000	
TECH SERVC AND FEASIBILITY STUDIES IV	* G 278-0260	84	84	---	5,000	---	---	---	5,000	---	
EXECUTIVE MANAGEMENT INSTITUTE	* G 278-0261	84	84	---	3,000	---	---	---	3,000	---	
TOTAL FOR ACCOUNT GRANTS				177,481	217,481	177,481	84,648	20,000	39,906	20,000	42,749
LOANS				40,981	63,981	40,981	15,403	10,000	12,372	13,000	14,249
				136,500	153,500	136,500	69,245	10,000	27,534	7,000	28,500
TOTAL FOR COUNTRY GRANTS				177,481	217,481	177,481	84,648	20,000	39,906	20,000	42,749
LOANS				40,981	63,981	40,981	15,403	10,000	12,372	13,000	14,249
				136,500	153,500	136,500	69,245	10,000	27,534	7,000	28,500

* 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: JORDAN

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE Rural Community Development		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 84 5,000 (G) 2,000 (L)	LIFE OF PROJECT FUNDING: 5,000 (G) 2,000 (L)	
NUMBER 276-0255 GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 87

Project Purpose: To broaden the geographic distribution of the benefits of development through public and private sector efforts aimed at providing opportunities for generating income in rural communities.

Project Description: The economic base of small towns and villages suffers from two major problems: 1) the difficulty faced by farmers and herders in trying to earn an adequate income from agriculture in arid areas chronically subject to drought; and 2) the lack of opportunity for earning non-farm income in their villages and the surrounding areas. The economic situation in such small towns consists of a diminishing agricultural pastoral sector and increasing out-of-village employment. Access to education, health and similar services remains limited. The provision of such basic services depends on the ability of the villagers to raise local funds to tap central government resources, and to compete for limited funds available from central "services" ministries.

This project will be based upon an initial study of one micro-region of Jordan and a representative sample of towns and villages throughout Jordan. Once the data has been collected, analysis will focus on identifying the potential for the growth and development of the private sector and of income-generating activities, and for the attraction and retention of capital and productive manpower in the selected micro-region. Public infrastructure needed to attract and retain private investment will be identified, studied and recommended for implementation with funds to be provided by the local community or public credit institutions. Specific income-generating activities with potential will be further analyzed with feasibility studies resulting in projects to be financed by the Cities and Villages Development Bank (CVDB). Under the proposed project, the grant component of \$5,000,000 will finance technical assistance and implementation of the

activities identified in the selected micro-region and further feasibility studies for design and development of projects for implementation in other regions. Emphasis will be on formulating income-generating sub-projects for communities in less developed areas of the country, encouraging private sector development in these areas, encouraging local institutions to provide and support similar development activities, and providing technical assistance to the CVDB to improve its capability in providing necessary support to local communities. The \$2,000,000 loan component of this project, together with funding from the GOJ, will establish a loan fund for implementing recommendations of the feasibility studies. Community development consultants and/or PVOs (local and/or U.S.) are expected to assist in implementing this project, working with local institutions and private sector groups, identifying potential sub-projects, designing sub-project proposals, obtaining financing from the the loan fund and other sources (both private and public), and implementing activities.

Relationship of Project to A.I.D. Strategy: In helping develop a Jordanian capacity to carry out decentralized development efforts by stimulating and assisting public and private sector efforts to generate income in rural communities, this project supports A.I.D.'s strategy of developing long-run institutional capabilities in areas of mutual development priority to A.I.D. and the GOJ.

Host Country and Other Donors: At this time, it is not anticipated that other donors will participate in the proposed project, although the project will be complementary to the World Bank's assistance to the Cities and Villages Development Bank. The GOJ contribution to the project will be approximately \$3 million (equivalent). It is anticipated that local and/or U.S. PVOs will contribute additional resources.

Beneficiaries: Beneficiaries will be the inhabitants of the less developed areas of Jordan in which project activities are designed and implemented.

PROGRAM:

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE Technical Services and Feasibility Studies IV		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)			
NUMBER 276-0260 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	FY 84 5,000	LIFE OF PROJECT FUNDING: 5,000	
						INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 87

Project Purpose: To assist the Government of Jordan (GOJ) with the identification, development, appraisal and execution of priority development projects associated with Jordan's Five-Year Plan.

Project Description: This is a follow-on project to the on-going TSFS II and III projects, which will provide the GOJ with advisory assistance, project design, evaluation and other activities that contribute to the achievement of A.I.D. and GOJ development objectives.

This grant-funded project will provide a mechanism for A.I.D. to continue to promote the transfer of appropriate technology to Jordan and to encourage the GOJ to allocate larger amounts of financial resources to areas of mutual concern. It will also be used for activities involving the private sector, such as pre-feasibility studies for productive industries, and to encourage U.S.-Jordanian private sector joint ventures. It will provide seed money to establish relationships between U.S. institutions and GOJ agencies.

Relationship of Project to AID Country Strategy: Providing the GOJ with qualified technicians to conduct studies related to priority developmental activities is an integral part of the A.I.D. program and a high priority for the GOJ. This proposed project complements ongoing efforts and provides the GOJ with additional resources to help meet A.I.D and GOJ development objectives.

Host Country and Other Donors: The GOJ, as in the past, will contribute not less than 25% of project costs.

Beneficiaries: This project will support a wide range of activities. The number of beneficiaries cannot be determined at this time, but it is anticipated that Jordanians at all economic levels will be the ultimate beneficiaries of the various development programs to be supported under this project.

PROGRAM: JORDAN

PLANNED PROGRAM SUMMARY SHEET

CP 84-06 (8-82)

TITLE Executive Management Institute		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (in thousands of dollars)		
					FY 84 3,000	LIFE OF PROJECT FUNDING: 3,000	
NUMBER 278-0261 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 88

Project Purpose: To develop management capabilities, especially at the senior level, among public and private sector executives.

Project Description: Jordan's labor force is possibly the most highly trained and capable in the Middle East. Some of its best professional and managerial talent have migrated to Saudi Arabia and the Gulf oil states where their skills and Arabic language capabilities are in great demand and where they command higher salaries than are offered by either the private or public sectors in Jordan. Although the local private sector is more successful than the public sector in attracting available management talent, the number of suitably qualified personnel for both sectors is constrained by rapidly changing technologies, by the ever more complex requirements placed on such senior-level personnel, and by limited opportunities in Jordan for formal training in executive management techniques. For Jordan to continue the growth of its open market-oriented economy and meet ambitious development plan targets, the bottleneck created by lack of qualified managers must be overcome and indigenous management capability must increase markedly.

Accordingly, A.I.D proposes to assist the Government of Jordan (GOJ) to develop an Executive Management Institute, modeled along lines similar to the Asian Management Institute in Manila. The Institute may be located on the campus of Yarmouk University in Irbid, and would provide short and long-term training for executives drawn from Government entities and private enterprises, principally from Jordan, but possibly from other Arab states as well. Staff of the Institute would also be available for specific problem-solving assignments in Jordan or elsewhere in the region. A.I.D. grant funding will provide technical assistance advisors to help establish the Institute and to serve as faculty members, plus consultants to run special short-term seminars. The project will also train Jordanian staff for the Institute and provide the commodities and equipment to support training activities.

Relationship of Project to AID Country Strategy: Rapid growth since 1975 has resulted in Jordan's economy becoming more advanced, but also more sophisticated and complex, thereby heightening the importance of good management. The development of Jordan's institutional capabilities will require trained managers able to cope with changing economic conditions and more complex development problems. For these reasons, helping the GOJ to train managers in both private and public sectors is an important A.I.D. program priority.

Host Country and Other Donors: At this time, it is not anticipated that other donors will participate in the proposed project. The GOJ contribution to the project will be approximately \$1 million to finance the construction of required buildings for classrooms, dormitories and administrative offices.

Beneficiaries: This project will benefit Jordanians, and eventually entrepreneurs and executives of other countries, who will be trained at the rate of 400-500 per year. Individuals trained at the Institute will contribute to Jordan's economic development through the application of improved management practices in both the public and private sectors.

Morocco

FY84 OF ECONOMIC AND SOCIAL DATA

COUNTRY: MOROCCO

BASIC DATA				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS, MID 1982) 22,230				MAJOR EXPORTS... (1981) PHOSPHATES			
PER CAPITA GNP..... (DOLLARS, 1981) 870				EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 2.5%				(\$ MILLIONS, US FOB) (1979) 46 (1980) 30 (1981) 26			
AVERAGE ANNUAL RATE OF INFLATION (1960-70) 2.2% (1970-80) 8.1%				AS % OF TOTAL EXPORTS (1979) 2% (1980) 1% (1981) 1%			
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.				MAJOR IMPORTS... (1981) MACHINERY FOODSTUFFS OIL PRODUCTS			
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 56.9 MALE 55.2 FEMALE 58.7				(\$ MILLIONS, US, CIF) (1979) 212 (1980) 221 (1981) 304			
(1968) TOTAL 50.4 MALE 49.0 FEMALE 51.8				AS % OF TOTAL IMPORTS (1979) 6% (1980) 5% (1981) 8%			
ADULT LITERACY RATE (1971) TOTAL 21% MALE 34% FEMALE 10%				TRADE BALANCE(\$ MILLIONS, U.S.) (1979) -1,805(80) -1,817(81) -1,530			
(1960) TOTAL 14% MALE 22% FEMALE 6%				MAIN TRADING PARTNERS: FRANCE SPAIN GERMANY, FFD			
AGRICULTURE				EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 38.6%			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1970-1981) -2.2%				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT, (\$ MILLIONS, U.S.)..... (1980) 1191			
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 13%				AS % OF EXPORT EARNINGS (DFBT SERVICE RATIO) ... (1980) 27.5%			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 284				*SOCIAL DATA*			
MAJOR CROP(S) ARABLE LAND YEAR LIVE BIRTHS PER 1,000 POPULATION....(1970) 48 (1982) 44				POPULATION GROWTH RATE... (1970) 2.8% (1975) 3.0% (1982) 2.9%			
SUBSISTENCE: WHEAT BARLEY 25% (1981)				POPULATION IN URBAN AREAS..... (1969) 32% (1978) 41%			
CASH: WHEAT ORANGES SUGAR BEETS 15% (1981)				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1979) 15%			
MAJOR AGRICULTURAL EXPORTS:(1981) ORANGES TOMATOES				POPULATION (1981) IN AGE GROUP:			
MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT SUGAR VEG. OIL				(0-14YRS) 45.8% (15-64YRS) 51.1% (65+ YRS) 3.1%			
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 52%				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 114			
CENTRAL GOVERNMENT FINANCES				PEOPLE PER PHYSICIAN..... (1977) 22,806			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				MAJOR CAUSES OF DISEASE (1976) MEASLES WHOOPING COUGH			
(1979) 2,970 (79) 3,506 (80) 3,861				DEATH.. (1971) MEASLES RESPIRATORY GASTROINTESTINAL			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS . (1977) 107%			
(1979) 4,386 (79) 4,951 (80) 5,350				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1970) 51%			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				DEFENSE EXPENDITURES,			
(1979) -1,416 (79) -1,445 (80) -1,489				AS % OF TOTAL EXPENDITURES.. (1978) 18.7% (79) 17.5% (80) 19.4%			
AS % OF GNP..... (1978) 5.7% (79) 5.3% (80) 5.7%				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, (SMILLIONS, U.S.) (1979) 590 (80) 428 (81) 253				PRIMARY..... (1979) TOTAL 75.0% MALE 93.0% FEMALE 56.0%			
EQUIVALENT TO 1.0 MONTHS OF IMPORTS (1981)				SECONDARY..... (1979) TOTAL 22.0% MALE 27.0% FEMALE 17.0%			
				POST SECONDARY.. (1977) TOTAL 4.2% MALE 6.5% FEMALE 1.8%			
				ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 15%			

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY MOROCCO

A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS

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	26.8	30.2	27.2	27.1	33.8	1001.0	342.8	718.8
Loans	8.0	8.8	9.7	5.8	23.0	544.9	342.8	202.1
Grants	18.8	21.4	17.5	21.3	30.8	510.7	-	516.7
a. A.I.D. and Predecessor Agencies	2.1	10.0	4.1	9.1	12.1	413.0	245.2	167.8
Loans	-	-	-	-	-	341.5	245.2	96.3
Grants	2.1	10.0	4.1	9.1	12.1	71.5	-	71.5
(Economic Support Fund)	-	-	-	-	-	71.5	-	-
b. Food for Peace (PL 480)	23.1	24.5	20.9	15.7	41.2	622.7	97.6	525.1
Loans	8.0	8.8	9.7	5.8	23.0	203.4	97.6	105.8
Grants	15.1	15.7	11.2	9.9	18.2	419.3	-	419.3
Title I - Total Sales Agreements	8.0	8.8	9.7	5.8	23.0	203.4	97.6	105.8
Repayable in U.S. Dollars - Loans	8.0	8.8	9.7	5.8	23.0	152.2	57.1	95.1
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	51.2	40.5	10.7
Title II - Total Grants	15.1	15.7	11.2	9.9	16.2	419.3	-	419.3
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	1.4	186.9	-	186.9
Voluntary Relief Agencies	15.1	15.7	11.2	9.9	14.8	232.4	-	232.4
c. Other Economic Assistance	1.6	1.7	2.2	2.3	2.5	25.9	-	25.9
Loans	-	-	-	-	-	-	-	-
Grants	1.6	1.7	2.2	2.3	2.5	25.9	-	25.9
Peace Corps	1.6	1.7	2.2	2.3	2.5	25.9	-	25.9
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE — TOTAL	30.8	44.2	46.1	25.9	34.4	350.7	175.0	175.7
Credits or Loans	30.0	43.0	45.0	25.0	33.4	292.8	175.0	117.8
Grants	0.8	1.2	1.1	0.9	1.0	57.9	-	57.9
a. MAP Grants	-	-	-	-	-	29.0	-	29.0
b. Credit Financing - FMS	30.0	43.0	45.0	25.0	33.4	292.8	175.0	117.8
c. Military Assistance Service-Funded (MASF) Grants	0.8	1.2	1.1	0.9	1.0	16.4	-	16.4
d. Transfers from Excess Stocks	-	-	-	-	-	11.9	-	11.9
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	57.6	80.4	73.3	53.0	90.2	1412.3	517.8	894.5
Loans	38.0	51.8	54.7	30.8	58.4	857.7	517.8	319.9
Grants	19.6	28.6	18.6	22.2	31.8	574.6	-	574.6
Other U.S. Government Loans and Grants	24.1	-	1.8	10.5	22.5	210.3	105.0	45.3
a. Export-Import Bank Loans	11.1	-	7.0	10.5	22.3	120.9	77.0	43.3
b. All Other Loans	13.0	-	-	-	-	89.4	28.0	2.0

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL.....	193.5	387.7	168.3	2180.0
IFRU	146.0	363.0	136.0	1908.5
IFC	16.5	15.8	2.3	62.0
IDA	0.0	0.0	0.0	52.6
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	26.8
UNDP	5.0	0.2	0.0	52.1
OTHER-UN	0.0	8.7	0.0	27.0
EEC	26.0	0.0	30.0	56.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)			
Donor	CY 1980	CY 1981	CY 1977-81
U.S.	26.0	47.0	159.0
France	151.0	138.1	584.8
Germany	23.4	31.5	167.1
Belgium	14.2	15.2	71.6
Japan	4.1	1.7	20.8
Other	7.5	30.4	56.6
Total	226.2	263.9	1059.9

2. O.P.E.C. COUNTRIES (Gross Disbursements)			
	CY 1980	CY 1981	CY 1976-81
	404.9	-	918.4

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1980	CY 1981	CY 1954-81
USSR	-	-	2,100
Eastern Europe	-	-	215
China	-	-	55
Total	-	-	2,370

* LESS THAN \$50,000.

MOROCCO

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	11,671	7,525	1,700	560	1,786	100	-	-
Total	11,671	7,525	1,700	560	1,786	100	-	-
1983								
Loans	1,180	1,180						
Grants	10,670	6,100	1,150	2,000	1,420	-	-	-
Total	11,850	7,280	1,150	2,000	1,420	-	-	-
1984								
Loans								
Grants	26,000	10,400	4,500	1,600	2,500	-	7,000	-
Total	26,000	10,400	4,500	1,600	2,500	-	7,000	-

FY 84 PROGRAM HIGHLIGHTS

- \$25 million Title I to help meet food-grain import requirements.
- \$7 million in ESF for activities which support increased cereals production.
- \$10.4 million for ongoing activities, with emphasis on rainfed agriculture.
- \$9.5 million Title II and a \$1.6 million grant in support of a nutrition education program.
- \$4.5 million to help expand family planning services.
- \$2.5 million to finance U.S. academic and in-country training programs under the Sector Support Training project.

DEVELOPMENT OVERVIEW

With per capita GNP of \$870 in 1981, Morocco is considered a middle income country. There are, however, sharp disparities between income levels in the modern, urban sector and the traditional, rural sector where more than 40% of the country's populace live at subsistence levels. In the mid 1970's a sustained 7% growth rate and high export earnings permitted Morocco to embark on a broad and ambitious development program which marked the government's departure from the post-Colonial era of extreme conservatism in fiscal and economic management. During the period 1978 to 1980 the rate of economic growth fell by more than half to 3%. Soaring energy and food import costs, plummeting phosphate revenues, and debt service obligations on the country's considerable short-term commercial credits forced Morocco to abandon its development program. The government put in effect austerity measures intended to curb imports, restrain domestic consumption, and limit public expenditure.

In conjunction with an IMF structural adjustment program in 1980, Morocco announced its intention within the fiscal austerity context to reallocate investment resources to more productive uses, reduce the public costs of social services, and generate domestic savings. A new Five Year Plan aimed at economic rejuvenation and an increase in agricultural output in particular, as well as a narrowing of economic and regional disparities, was promulgated in 1981.

However, large chronic trade deficits, mounting external debt and persistent domestic and external financial imbalances continue to impede implementation of the Five Year Plan and progress toward economic recovery. In 1981, Morocco experienced a negative GNP growth rate. Several factors contribute to Morocco's

RESOURCE FLOWS (In thousands of dollars)			
CP 84-08 (8-82)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*			
Loans	266	2,741	120
Grants	9,562	15,490	24,228
Total AID	9,828	18,231	24,348
P.L. 480**			
Title I	35,000	25,000	25,000
(of which Title III is)	(13,444)	(9,061)	(9,799)
Title II			
Total P.L. 480	48,444	34,061	34,799
Total AID and P.L. 480	58,272	52,292	59,147
*AID levels represent actual and estimated expenditures.			
**P.L. 480 levels represent actual and estimated value of shipments.			

PERSONNEL/PARTICIPANTS DATA			
CP 84-17 (8-82)			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
AID Personnel ^a			
Direct Hire ^b	16	19	18
PASA ^c	7	13	17
Contract			
Total	23	32	35
Participants ^d			
Noncontract	17	60	72
Contract	77	89	76
Total	94	149	148
^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.			

continuing economic difficulties and limit the resources required for development:

CP 84-14 (8-82)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat	200	35,000	192	25,000	144.5	25,000
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total		35,000		25,000		25,000
(of which Title III is)		(----)		(----)		(----)
Title II						
Voluntary Agencies		10,724		8,799		9,496
World Food Programs		-		262		303
Gov't-to-Gov't		2,720		-		-
Title II Total		13,444		9,061		9,799
Total P.L. 480		48,444		34,061		34,799

--A lack of sustained growth in agriculture, mainstay of the traditional sectors of the economy and occupation of about half the population, has resulted in increasing dependence on imported food. In a normal year Morocco imports nearly 2 million metric tons of wheat, about 35% of total consumption. Total food imports exceed agricultural exports by some 30%. A severe drought in 1981 doubled cereals imports, exacerbating the trade deficit.

--A 2.9% net population growth rate offsets increases in agricultural production and strains the country's social services. Provision of education for Morocco's burgeoning population is the government's largest single budget item. Urban unemployment is approximately 20%; rural underemployment is substantially higher.

--About 85% of energy requirements are imported, placing a heavy burden on the country's balance of payments and cutting deeply into resources which might otherwise be available for investment.

--Morocco's foreign exchange and current accounts picture is further clouded by poor export performance, especially deterioration in the phosphate market. Total exports cover less than 50% of imports. In the wake of falling phosphate earnings, Morocco has borrowed heavily to finance imports and its development program, resulting in a serious and mounting debt burden currently equivalent to 35% of annual earnings from exports and remittances.

--The Saharan conflict consumes financial and human resources, and perpetuates a climate of uncertainty.

The new Five Year Plan and parallel policy planning endeavors in education, agriculture, and private investment describe major steps the government views as necessary to a dynamic and equitable development process. These measures include a reorientation of public investment to the country's long-neglected and underproductive rainfed agricultural regions; reduction of heavy public subsidies for foodstuffs, gasoline and education; easing duties on imported capital goods; and promulgation of a new investment code. Fiscal and investment policy actions agreed to in conjunction with an International Monetary Fund Credit of about \$570 million in 1981 are supportive of these measures. Whether and where Morocco will obtain the requisite funding to fuel its development program, given constraints on further borrowing, is a fundamental concern.

TOTAL RESOURCES

The current Five Year Plan (1981-85) sets a total investment target of \$18 billion (60% from the private sector). Presently, public revenues barely cover government operating expenses, and it is generally accepted that the Plan's investment targets will be extremely difficult to meet. This perception is reinforced by a current account deficit now running about \$2 billion and the imperative of limiting foreign commercial borrowing. Morocco has thus far maintained its creditworthiness, and access to credit is expected to continue at least in the short term.

France, with an annual assistance package of about \$200 million, remains a major bilateral donor, often mixing lines of credit with training and technical assistance. Arab contributions are substantially higher, but difficult to document. Eastern European concessional assistance is negligible, although trade is well established and some technicians are employed in Morocco. World Bank project disbursements are running at about \$300 million per year. Prospects for additional IMF credits depend on Morocco's success in meeting conditions of the existing stand-by agreement. A.I.D.'s contribution to total external resource needs is relatively small at \$50-60 million per year (including PL 480), but does have impact by virtue of being focussed on meeting basic human needs of the poor majority, increasingly in key sectors such as dryland agriculture and family planning.

Ultimately, the Government of Morocco's ability to muster the resources to implement the Five Year Plan investment program hinges in large measure on the effectiveness of its efforts to limit the recurrent costs of public sector operations and balance foreign and domestic accounts. New investment initiatives will have to be selective and will require difficult policy choices.

U.S. INTERESTS AND OBJECTIVES

Morocco is a long-standing friend with a strategic position on the southern flank of NATO and in the Middle East. Its signing of an access agreement for American armed forces in certain contingencies enhances its strategic importance to the United States. In the Muslim world, Morocco plays a moderating role. Since independence in 1956, the U.S. Government has encouraged Morocco's efforts to improve the economic prospects and access to basic services of its poorest citizens. The request for Economic Support Funds in addition to Development Assistance in FY 1984 affirms the importance to the United States of its relationship with Morocco and of Moroccan economic progress, which is vital to political stability in the nation. In addition, given the size of Morocco's economy, the United States has an interest in the Moroccan Government's desire to encourage U.S. investment and trade.

A.I.D. ASSISTANCE STRATEGY

Morocco's substantial wheat import requirement, poor agricultural performance, and high rural underemployment lead A.I.D. to a strategy for the 1980s which concentrates on two priorities - increased food production and reduction of the net population growth rate.

The United States' long-term interest in assisting the Moroccan Government to tap the considerable potential for greater cereals production in its large, low rainfall agricultural regions was signaled during King Hassan's first visit in 1982 to Washington. Production in the rainfed zones is constrained by a formidable combination of inefficient technology; inadequate access to inputs, credit, and technical advice; fragmentation of the land; producer risk factors; insufficient storage facilities; and costly public

policies with respect to consumer and producer prices. The complex and poorly coordinated array of public entities involved in agriculture, coupled with Moroccan investment priorities which have favored costly irrigation projects, complicate the problem. A.I.D.'s cereals strategy combines development assistance funding, PL 480 Title I proceeds, and ESF in a program to encourage and support greater Moroccan government attention to and investment in rainfed agriculture. An essential element of the strategy calls for a continuing dialogue with the Moroccan government to establish the policy framework and specific targets and resource commitments necessary for success.

The current rate of population increase equals and in some years exceeds growth in food production. This situation is unacceptable if Morocco is to overcome its chronic food deficit. A.I.D.'s population strategy seeks to reduce the birth rate by extension of family planning services. A principal component of the strategy is to strengthen the capacity of Moroccan institutions, particularly the government ministries, to effectively furnish family planning and health services on a nationwide scale. Delivery of certain basic health services is combined with family planning education and commodity distribution in order to make the most effective use of personnel and facilities. A.I.D. is encouraging government entities other than the Ministry of Health also to extend family planning services. DA and PL 480 resources support implementation of the program.

A.I.D. also provides relatively modest levels of support for development of renewable energy in a project targetted particularly at rural areas lacking access to conventional energy. In these areas, traditional sources are rapidly being depleted, jeopardizing the environment and lowering income.

A.I.D. PROGRAM (FYs 1982-1983)

Agriculture: FY 1983 represents a year of transition in A.I.D.'s assistance to Morocco in agriculture. A.I.D. is formulating with the Moroccans a program to increase cereals production in rainfed regions. The Rainfed Agriculture Project (608-0170) is the centerpiece of the program. The project, which will begin in 1983, aims at improving the quality and applicability of research directed at small farm production in rainfed zones, and more effective extension of research results and other necessary inputs to increased production. American expertise and technology will be made available through technical assistance and academic training linked to cereals research and demonstration activities. Extension of research results to the farmer will be coupled with measures to ensure access to credit for purchase of fertilizer and other inputs essential to increased yields. A.I.D. is seeking ways to make the most effective use of PL 480 Title I resources in conjunction with these agriculture sector objectives in Morocco. Thus, proceeds from the \$25 million FY 1983 PL 480 Title I program have also been earmarked in support of the cereals program, particularly for importation and wider distribution of nitrogenous fertilizer presently in scarce supply. Title I proceeds will also cover some of the local costs of the program. Ongoing projects which precede the cereals production strategy are being modified in FY 1983 to bring these resources to bear fully on implementation of the cereals strategy. An external evaluation in 1979 reflected very favorably on an A.I.D. Title XII collaborative assistance project through which the University of Minnesota was providing degree training in the United States for Moroccan technicians and university faculty in the agricultural sciences. As a result of this evaluation, the Agronomic Institute Project (608-0160) was initiated in 1980. This project is now under review to ascertain ways in which training of Moroccan agricultural educators and scientists, and

their research programs, can best contribute to rainfed agriculture. The Dryland Agriculture Applied Research Project (608-0136) began in 1978 as a limited-scale effort to test and develop alternative technologies for improving cereals harvests in low rainfall zones. Implementation of this project, especially its extension activities, will be accelerated following an in-depth evaluation in 1983.

Range management and animal grazing practices are important elements in land use patterns in Morocco's rainfed zones. Utah State University and the Peace Corps, under the Range Management Project (608-0145), are assisting the GOM Livestock Service and local communities to establish grazing associations and improve vegetative and range conditions on communal range lands poorly suited for agriculture. Improvement of range conditions will be brought about by reseeding and by the introduction of range management practices.

Population: A basic premise underlying A.I.D.'s population assistance strategy, being implemented through the Family Planning Support II Project (608-0155), is that Morocco's population growth is not an accurate reflection of Moroccan couples' fertility preferences. On-going efforts are aimed largely at expanding contraceptive availability through extension of a village-level delivery system to eleven provinces, provision of contraceptive supplies to the Ministry of Public Health, training of physicians and paramedics in family planning, and development of family planning information and motivation activities. Consistent with GOM policy, all of these activities are carried out as elements of an integrated health, nutrition and family planning program.

Health: The Ministry of Public Health has indicated its intention to improve its outdated management and administrative systems so that additional GOM resources

can be targeted on primary health care, and extension of such vital services as family planning can be made more effective. The Health Management Improvement Project (608-0151) was recently launched to achieve these ends.

Nutrition: One manifestation of the social impact of Morocco's food production problem among those living near the margins of subsistence is the high prevalence of poor nutrition and malnutrition among pre-school age children. In 1980, an evaluation of A.I.D.'s PL 480 Title II assistance to the Moroccan Government's Nutrition Education and Child Health Program highlighted a positive, quantifiable impact on the nutritional status of its participants. The evaluation concluded that with tighter selection and accelerated turnover of beneficiaries, and with more economical food rations including locally produced alternatives to Title II commodities, the government could accomplish much wider coverage. Following up on this evaluation, A.I.D. is initiating in FY 1983 the Nutrition Development Project (608-0168) to help the government plan and administer an expanded nutrition program based on improved nutrition surveillance and more cost-effective use of resources.

Education: In the past, Moroccan education policy has made little or no attempt to match formal education to employment needs. Two A.I.D. projects respond to emerging Moroccan interest in new and practical approaches to the overriding problem of unemployment among the economically disadvantaged, especially women and school dropouts, through vocational education. These are the Industrial and Commercial Job Training for Women Project (608-0147) and the Social Services Training Project (608-0157). The latter involves Peace Corps volunteers in the training of Moroccan vocational instructors.

With consolidation of A.I.D. resources for food and family planning objectives, planned education sector assistance will be limited to providing Moroccans in positions of responsibility in key sectors with administrative and resource management skills. A dearth of these skills now severely hinders the government's ability to formulate and implement its development programs. To this end, the Development Training and Management Support Project (608-0149) provides university level training in the United States for administrative and technical staff.

Energy: The enormous cost of petroleum imports claims financial resources which might otherwise be allocated to development investments. The Renewable Energy Project (608-0159) supports the creation of an institutional capacity to design and implement a research and development program in renewable alternatives to conventional energy sources. Research focuses on technology applicable to agriculture and rural enterprise and to diminishing the rapid depletion of forest lands.

REQUESTED YEAR PROGRAM (FY 1984)

For FY 1984, a total of \$26 million in DA and ESF funds is requested. In Agriculture, Rural Development and Nutrition, \$7.7 million in DA funding is needed to continue projects which implement the cereals production strategy: Rainfed Agriculture (0170), Dryland Agriculture Applied Research (0136), Agronomic Institute (0160). In addition, \$25 million in PL 480 Title I is requested to support provision of agriculture inputs and to cover some local costs of the cereals program. The ESF request of \$7 million is principally to finance facilities for rainfed agriculture, particularly needed grain storage capacity for small farmers. For completion of the Range Management Improvement Project (0145) and continuation of Renewable Energy (0159), \$2.7 million in DA is requested.

In Population \$4.5 million is needed to finance technical assistance, contraceptives and some local costs associated with substantial expansion of family planning services delivery under the Family Planning Support Project (0171). In Health \$1.6 million in DA funds and \$9.5 million in PL 480 Title II is budgeted for continuation of the Nutrition Development Project (0168).

In Education and Human Resources \$2.5 million is requested for the Sector Support Training Project (0178) to continue university-level and in-country training for Moroccan personnel, including regional and local officials, in agriculture and other sectors where A.I.D. projects are concentrated.

MISSION DIRECTOR: ROBERT C. CHASE

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

PAGE 14
02/04/83

PROGRAM: MOROCCO

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	-ESTIMATED FY83- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	-ESTIMATED FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	-PROPOSED FY84- EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
DOUKKALA IRRIGATION	L 608-0127	76	76	13,000	13,000	10,259	---	2,741	---	---	
DRYLAND AGRICULTURE APPLIED RESEARCH	G 608-0136	78	87	4,500	19,491	4,342	1,631	---	1,900	1,645	811
RANGE MANAGEMENT IMPROVEMENT	G 608-0145	80	84	5,075	5,200	2,800	1,050	1,400	800	875	860
RENEWABLE ENERGY	G 608-0159	80	85	6,100	9,200	3,919	82	1,500	2,200	1,880	2,000
AGRONOMIC INSTITUTE	G 608-0160	80	88	9,721	23,000	6,300	3,760	1,900	2,500	2,000	2,600
RAINFED AGRICULTURE	G 608-0170	83	87	---	15,000	---	---	1,300	200	4,000	3,000
RAINFED AGRICULTURE	L 608-0170	83	87	---	10,000	---	---	1,180	---	---	120
TOTAL FOR ACCOUNT GRANTS				38,396	94,891	30,361	16,782	7,280	10,341	10,400	9,391
LOANS				25,396	71,891	17,361	6,523	6,100	7,600	10,400	9,271
				13,000	23,000	13,000	10,259	1,180	2,741	---	120
POPULATION PLANNING											
FAMILY PLANNING SUPPORT II	G 608-0155	78	83	13,017	11,350	8,929	4,015	1,150	2,600	---	773
FAMILY PLANNING SUPPORT III	* G 608-0171	84	87	---	20,000	---	---	---	---	4,500	2,000
TOTAL FOR ACCOUNT GRANTS				13,017	31,350	8,929	4,015	1,150	2,600	4,500	2,773
LOANS				13,017	31,350	8,929	4,015	1,150	2,600	4,500	2,773
				---	---	---	---	---	---	---	---
HEALTH											
HEALTH MANAGEMENT IMPROVEMENT	G 608-0151	81	83	3,147	3,485	1,485	238	700	800	---	1,000
FAMILY PLANNING SUPPORT II	G 608-0155	80	80	100	100	100	23	---	77	---	---
NUTRITION DEVELOPMENT	G 608-0168	83	85	---	3,270	---	---	1,300	600	1,600	1,200
TOTAL FOR ACCOUNT GRANTS				3,247	6,855	1,585	261	2,000	1,477	1,600	2,200
LOANS				3,247	6,855	1,585	261	2,000	1,477	1,600	2,200
				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											

* Refers to the planned project summary sheet

C Level of effort activity

79

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)

PAGE 15
02/04/83

PROGRAM: MDROCCO

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY84- EXPENDI TURES
INDUSTRY AND COMM JOB TRAINING FOR WOMEN	G 608-0147	78	82	3,236	3,236	2,626	---	450	---	160
DEV TRAINING AND MANAGEMENT IMPROVEMENT	G 608-0149	78	82	4,497	4,497	3,397	---	950	---	150
SOCIAL AND ECONOMIC RESEARCH	G 608-0154	79	79	450	450	125	---	200	---	125
SOCIAL SERVICES TRAINING	G 608-0157	80	83	5,400	5,580	1,791	1,120	1,400	---	1,209
STATISTICAL SERVICES	G 608-0162	80	83	1,200	1,500	792	300	450	---	258
SECTOR SUPPORT TRAINING	* G 608-0178	84	87	---	9,000	---	---	---	2,500	1,000
TOTAL FOR ACCOUNT GRANTS				14,783	24,263	12,663	1,420	3,450	2,500	2,902
LOANS				14,783	24,263	12,663	1,420	3,450	2,500	2,902
SELECTED DEVELOPMENT ACTIVITIES										
LOW COST HOUSING DEVELOPMENT I	G 608-0156	80	82	900	900	462	---	356	---	82
TOTAL FOR ACCOUNT GRANTS				900	900	462	---	356	---	82
LOANS				900	900	462	---	356	---	82
ECONOMIC SUPPORT FUND										
AGRICULTURAL SUPPORT	* G 608-0179	84	84	---	7,000	---	---	---	7,000	7,000
TOTAL FOR ACCOUNT GRANTS				---	7,000	---	---	---	7,000	7,000
LOANS				---	7,000	---	---	---	7,000	7,000
TOTAL FOR COUNTRY GRANTS				70,343	165,259	54,438	11,850	18,224	26,000	24,348
LOANS				57,343	142,259	41,438	10,670	15,483	26,000	24,228
				13,000	23,000	13,000	1,180	2,741	---	120

* 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.

TITLE Family Planning Support III		FUNDING SOURCE: DA	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (in thousands of dollars)		
					FY 84 4,500	LIFE OF PROJECT FUNDING: 20,000	
NUMBER 608-0171 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION: 4,500	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 88	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To extend the availability of family planning (FP) information and services to the majority of eligible couples in Morocco by the end of 1989.

Project Description: The health portion of the Government of Morocco's (GOM) Five-Year-Plan (1981-85) identifies family planning as a priority activity of the Ministry of Public Health (MOPH). The health plan further establishes the specific family planning objective that 24% of eligible women in Morocco will be practicing an effective contraceptive method by the end of 1985. The MOPH is currently implementing a number of changes in its health delivery system in order to attain this objective. These include:

- 1) training a paramedical staff for FP service delivery;
- 2) provision of integrated FP health nutrition services by itinerant health workers at the village and household level;
- 3) provision of IUD-insertion services at more than 700 rural health clinics.

A.I.D. population assistance provided under the Population/Family Planning Support II project (FY 1978-83) was a catalytic factor in motivating the GOM to introduce these measures. A new population project beginning in FY 1984 will assist the MOPH to translate these policy initiatives into an expanded FP service delivery program. Several of the elements of the new project were proposed in the course of an evaluation (Dec. 1981) of the previous program. Objectives of the new project will be to extend the availability of contraceptive services to the majority of the country's population. Specific activities to be undertaken include implementation of a household-level service program in eleven of Morocco's most populous provinces; the development of an FP service program for urban slums, particularly in Casablanca; introduction of voluntary sterilization services into the country's hospital system; improvement of FP training for lower-level staff of the MOPH; and the preparation and distribution of FP information/education materials suitable for illiterate or semi-literate people. The major portion of required funding over the five-year life of the project will be for contraceptive commodities and for operational costs of the expanded household-level service delivery program.

Relationship of the Project to A.I.D. Country Strategy: The A.I.D. assistance strategy for Morocco assigns highest priority to effecting improvements in the two inter-related areas of food production and population growth. Other A.I.D. projects in Morocco, including activities to increase the income-earning potential of poor women and a health management improvement project, may also be expected to contribute indirectly to a decline in fertility.

Host Country and Other Donors: The World Bank is in preliminary negotiations with the MOPH toward a possible loan to expand the physical infrastructure of the Ministry's health system.

The UNFPA is the only other major donor participating in GOM population activities. UNFPA and A.I.D. collaborate closely at the country level to ensure complementarity of the two assistance programs. UNFPA assistance for the FY 1983-85 period is expected to total approximately \$4 million.

The Government of Morocco will contribute to the costs of staffing and operating the expanded household delivery program and family planning referral centers, including salaries, field support, supplies, and training of lower-level Moroccan staff.

Beneficiaries:

Direct: 1,500,000 households will benefit from access to family planning information and services.

TITLE Sector Support Training		FUNDING SOURCE: DA	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 84 2,500	LIFE OF PROJECT FUNDING: 9,000	
NUMBER GRANT <input checked="" type="checkbox"/> 608-0178 LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR: 2,500	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 88	ESTIMATED COMPLETION DATE OF PROJECT FY 88

Purpose: To upgrade Government of Morocco (GOM) management capabilities by providing U.S. academic training to Moroccan officials working in Ministries which support U.S.-financed development activities, as well as managers of selected private sector industries.

Project Description: The Moroccan education system has been successful in producing a cadre of highly competent government officials. Frequently, however, the cadre is too small and levels of competence drop sharply in the mid and lower levels of government and private sector management. While lack of managerial depth is only part of the reason for over-centralization in many Moroccan entities, it is an important element. Another problem is the lack of skills upgrading for mid-level managers. Mid-career training is not well established, and management techniques are not infused into the system. Many Moroccans feel that this is an area of particular U.S. strength, and they have sought U.S. assistance.

This project will build on experience in the Development Training and Management Improvement project (0149) and emphasize U.S. academic and in-country training of Moroccans working in areas which support U.S.-financed development activities.

Under this project, Moroccans will receive both long-term academic training and short-term technical training in the U.S. In addition, the project will finance in-country training of local-level Moroccan officials and technicians. Training will concentrate mainly on economic planning, financial management, statistical analysis, agriculture, rural industry and health. In addition, consultant services will be provided under the project to introduce improved management practices to selected government agencies.

The Ministry of Plan will create a panel to select participants under this project. The panel will include representatives from the Moroccan Government and the private sector.

Relationship of the Project to A.I.D. Country Strategy: The lack of administrative and management expertise severely limits the Moroccan Government's ability to plan and implement programs benefiting the poor. This training project will increase the effectiveness of such efforts by improving the technical and administrative capacity of government personnel, particularly in rural areas.

Host Country and Other Donors: The GOM will provide international air transportation and continue to pay salaries of officials selected under this project for training in the U.S. For in-country training, classrooms and support staff will be provided to ensure that U.S. educators financed by the project are fully utilized.

Beneficiaries: The immediate beneficiaries of this project will be the approximately 1,500 personnel who receive training. Indirectly, a large segment of the Moroccan population will benefit from more efficient and effective management of development programs.

TITLE Agriculture Support		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)			
NUMBER 608-0179 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	FY 84 7,000	LIFE OF PROJECT FUNDING: 7,000	
						INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 85

Purpose: To finance facilities and inputs necessary to increase production and marketing of cereals by small and medium sized farmers in rainfed agricultural regions.

Project Description: A.I.D. has identified inadequate grain storage capacity and insufficient access to basic, mechanized farm equipment as major constraints to increased cereals production on Morocco's rainfed farmlands. This conclusion is shared by other donors such as the FAO and IBRD. The Agriculture Support Project will help cover the foreign exchange and local costs of improving and increasing the capacity of storage facilities, access to equipment and related inputs. The project will focus on meeting these requirements in the Moroccan interior and will emphasize the needs of small and medium scale farmers. A combination of small on-farm and somewhat larger shared or cooperative storage is envisioned as well as the purchase and use of equipment on a cooperative basis. ESF funding will help cover the purchase of materials for construction of storage facilities, farm equipment, limited U.S. technical assistance and certain non-recurrent local costs of the project.

Relationship of the Project to A.I.D. Strategy: A lack of sustained growth in Moroccan agriculture and the country's high rate of population increase has resulted in increasing dependence on imported food. Total food imports currently exceed agricultural exports by some 30%. The considerable costs associated with the chronic food production deficit exacerbate Morocco's serious foreign exchange and debt service problems, and absorb resources which could otherwise be made available for investment purposes. The Moroccan Government's new Five Year Plan (1981-1985) established increased domestic food production as a leading objective. To assist in this aim, USAID has developed a strategy to achieve substantially higher grain production in Morocco's extensive and long-neglected rainfed agricultural regions, where the majority of Morocco's low-income farmers live.

A.I.D.'s cereals strategy combines DA funding, PL 480 Title I proceeds and ESF in a program of applied research and extension, input supply and distribution, and improvement in storage facilities and marketing arrangements. The Agriculture Support Project will use ESF funds principally to implement the grain storage and input supply components of the strategy.

Host Country and Other Donors: The FAO recently performed a major study of the potential for increased cereals production in Morocco, and related constraints. The FAO concluded that having storage facilities near the farmers would markedly improve production incentives. The FAO also pinpointed insufficient use of basic, mechanized farm equipment as an obstacle to higher yields. The Government of Morocco will contribute a substantial share of the local currency costs of new grain storage facilities, as well as salaries and related expenses of Moroccan staff to advise cooperatives and farmers on installation, operation and maintenance of facilities and equipment provided by the project.

Beneficiaries: An estimated 5,000 small and medium farm families in the targetted rainfed agricultural areas stand to benefit directly from improved storage as post-harvest losses are reduced and higher income prospects as cereals yields improve.

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY	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							
	Loans	0.4	0.5	0.5	5.6	0.7	8.4	-	8.4
	Grants	-	-	-	-	-	-	-	-
	Loans	0.4	0.5	0.5	5.6	0.7	8.4	-	8.4
	Grants	-	-	-	-	-	-	-	-
	a. A.I.D. and Predecessor Agencies	-	-	-	5.0	-	5.0	-	5.0
	Loans	-	-	-	5.0	-	5.0	-	5.0
	Grants	-	-	-	-	-	-	-	-
	(Economic Support Fund)	-	-	-	5.0	-	5.0	-	5.0
	b. Food for Peace (PL 480)	-	-	-	-	-	-	-	-
	Loans	-	-	-	-	-	-	-	-
	Grants	-	-	-	-	-	-	-	-
	Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
	Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
	Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
	Title II - Total Grants	-	-	-	-	-	-	-	-
	Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	-	-	-
	Voluntary Relief Agencies	-	-	-	-	-	-	-	-
	c. Other Economic Assistance	0.4	0.5	0.5	0.6	0.7	3.4	-	3.4
	Loans	-	-	-	-	-	-	-	-
	Grants	0.4	0.5	0.5	0.6	0.7	3.4	-	3.4
	Peace Corps	0.4	0.5	0.5	0.6	0.7	3.4	-	3.4
	Narcotics	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-
	II. MILITARY ASSISTANCE -- TOTAL	-	-	-	25.0	25.0	50.0	3.8	46.2
	Credits or Loans	-	-	-	25.0	25.0	50.0	3.8	46.2
	Grants	-	-	-	*	*	*	-	*
	a. MAP Grants	-	-	-	-	-	-	-	-
	b. Credit Financing - FMS	-	-	-	25.0	25.0	50.0	3.8	46.2
	c. Military Assistance Service-Funded (MASF) Grants	-	-	-	*	*	*	-	*
	d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
	e. Other Grants	-	-	-	-	-	-	-	-
	III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	0.4	0.5	0.5	30.6	25.7	56.4	3.8	54.6
	Loans	-	-	-	25.0	25.0	50.0	3.8	46.2
	Grants	0.4	0.5	0.5	5.6	0.7	6.4	-	6.4
	Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
	a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
	b. All Other Loans	-	-	-	-	-	-	-	-

* LESS THAN \$50,000.

A. ASSISTANCE FROM INTERNATIONAL AGENCIES -- COMMITMENTS	FY 1980	FY 1981	FY 1982	FY 1946-82
	TOTAL	22.0	0.0	15.0
IBRD	22.0	0.0	15.0	61.5
IFC	0.0	0.0	0.0	2.0
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFCB	0.0	0.0	0.0	0.0
UNDP	0.0	0.0	0.0	3.7
OTHER-UN	0.0	0.0	0.0	0.5
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.	-	1.0	1.0	
Japan	0.6	1.3	1.9	
U.K.	0.9	0.9	1.8	
France	0.2	0.1	0.3	
Other	0.1	0.1	0.2	
Total	1.8	3.4	5.2	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
	CY 1980	CY 1981	CY 1976-81	
	169.5	289.3*	458.8	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
	CY 1980	CY 1981	CY 1954-81	

*Estimate

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CP 84-07(9-82)

ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>		CP 82-21(8-82)	
	FY 1982 Actual	FY 1983 Estimated	FY 1984 Proposed
Grants	7.5	2.5	5
Loans	7.5	12.5	10
Total	15	15	15

FY 84 PROGRAM HIGHLIGHTS
- \$5 million grant funds will continue to support projects in fisheries, training and other areas.
- A \$10.0 million loan will assist the Oman government in co-financed projects corresponding to the development objectives of the Omani-American Joint Commission.

Development Overview

Despite modest oil production that has provided a moderate but growing stream of income for the past 15 years, Oman remains an underdeveloped country with a very low literacy rate (about 20%), a large proportion of the indigenous population working in subsistence agriculture and fisheries, and an infant mortality rate of 135 per 1,000. Great strides are being made in meeting the basic needs of most of the population but much remains to be done to create an economy that will continue to be productive when oil resources are exhausted.

Prior to 1970, the government resisted efforts to modernize and kept the country isolated from the rest of the world. Oil production began in 1967, but very little development took place initially. Health, education, and other services were virtually nonexistent and most of the population was engaged in subsistence agriculture and fishing.

In July 1970, the present Sultan came to power. His policies stimulated a period of rapid change and growth, aided by the oil price rises of the 1970s which greatly increased the resources available for development. Changes have been impressive. The number of students, for example, has jumped from a few hundred to nearly 100,000; health facilities have increased from a handful to over 100. These and other services now reach most of the population. Constructing basic infrastructure -- roads, ports, airports, etc. -- has also been a major priority. Most is now in place, although a number of roads are still being built or improved. Less progress has been made in developing the productive sectors of the economy. A few light industries have been established but agriculture and fishing have stagnated, in part because of labor migration from rural areas.

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*			
Loans	-	2,500	6,500
Grants	331	2,762	2,500
Total AID	331	5,262	9,000
P.L. 480**			
Title I (of which Title III is)	()	()	()
Title II			
Total P.L. 480			
Total AID and P.L. 480	331	5,262	9,000

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

CP 84-08 (8-82)

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
AID Personnel ^a			
Direct Hire ^b	3	4	4
PASA ^c			
Contract			
Total	3	4	4
Participants ^d			
Noncontract	1	60	60
Contract		16	24
Total	1	76	84

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1983 and FY 1984 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

CP 84-17 (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						

CP 84-14 (8-82)

Defense spending remains high following a South Yemeni-supported insurgency in the southern province of Dhofar. Although the insurgency was largely extinguished by the mid-1970s, continued tensions in the region give defense a top priority.

The Omani economy is based on oil. Over two-thirds of GNP and most government revenues come from oil production, but the oil industry employs only a small fraction of the labor force. Production peaked in 1976 at about 365,000 barrels per day (bpd) and subsequently fell to 282,000 bpd in 1980, but has now risen due to new discoveries in the southern part of the country. The production level is planned at 330,000 bpd for the period of the Second Five-Year Plan (1981-1985), in an effort to spread revenues over a longer period of time. Reserves are estimated at about 2.5 billion barrels, small by regional standards but enough to sustain current production rates for about 20 years. Nevertheless lagging oil prices in 1982 have reduced expected oil income and forced some slowdown in the pace of development.

OMAN

The Government of Oman remains committed to a free market economy with as few economic controls as possible. However, the government's substantial oil revenues enable it to take an active role in allocating resources for development and public services.

The economic challenge in Oman is to develop sectors that will become productive as oil revenues diminish. The harsh and extremely arid climate, the lack of water, the scarcity of proven resources other than oil and the poorly trained labor force make this a difficult task.

In agriculture, Oman is somewhat better endowed than its neighbors, although only about 0.12% of the total land area is cultivated. The major crop is dates, but there is some potential for vegetable production for the domestic market (nearly half the food is imported) and for export to other Gulf States. All agriculture is irrigated; therefore, the lack of water is a major constraint to increased production. In addition, the high rate of migration from rural areas has depleted the labor force available for agriculture, and agricultural production has stagnated over the past decade.

The same is true for fisheries, another traditional occupation. The waters around Oman appear to be fairly rich in a variety of fish, but the declining labor supply and lack of knowledge about the extent of fisheries resources has prevented fishing from being fully exploited, despite government efforts to develop this sector

Non-oil minerals may also be a potential income earner, although exploration is just beginning. A copper mine and smelter is being developed and there are indications of deposits of chromite, marble, gypsum, and other minerals.

Oman has tried to encourage industry through tax incentives, concessional loans, and other forms of government support. There have been a few successes, such as a flour mill and a pipe plant. Two cement plants and a small oil refinery intended to meet domestic needs are near completion and other industrial projects are being planned.

A major political as well as economic problem in Oman is the severe indigenous labor shortage. It exists in all parts of the labor market and has required importing about 70% of the labor force in the modern sector from Egypt, India, Pakistan, and other countries. The high cost of labor will continue to be a problem until more Omani labor can be trained.

The First Five Year Plan (1976-80), emphasizing infrastructure and development of the productive sectors of the economy, was only partially implemented. The Second Five Year Plan (1981-85) places increased emphasis on economic diversification, private enterprise and development of selected private sector areas such as agriculture, fisheries, mining and handicrafts. Vocational education and water resources are also priorities in this plan. The decline in oil prices has forced the cancellation of some of these projects.

Total Resources

Oman's financial resources have grown rapidly with the large increases in oil prices. GNP grew to over \$5.3 billion in 1980, raising annual per capita income to \$5,920 in 1981. Government revenues have also risen sharply to over \$3.4 billion in 1980, including \$2.8 billion from oil.

OMAN

Although the government budget was in deficit through much of the 1970s, the 1979 oil price rises put it into a strong surplus position at least temporarily, and allowed the creation of a State General Reserve Fund into which 15% of oil revenues are annually saved for future use. The recent declines in oil prices are beginning to create a budget squeeze because the Five-Year Development Plan was based on assumed 5% annual increases in oil prices.

Oman receives both general budget support and project loans from Saudi Arabia, Kuwait, and the United Arab Emirates. These donors have funded projects such as a gas pipeline and copper smelter which would have been difficult to finance otherwise. In 1981, foreign assistance totalled about \$256 million in loans and \$145 million in grants. This source of capital has been ad hoc and varies considerably from year to year.

Other donors, principally the United Kingdom, provide technical and military assistance on a reimbursable basis. The UN and WHO supply a number of experts in various fields, and the World Bank has given assistance in education, highways, telecommunications and other areas.

U.S. Interests and Objectives

Oman occupies a strategic location on the Arabian Peninsula, commanding the southern side of the Straits of Hormuz and bordering on major oil producing states. The United States has a vital interest in maintaining free passage through the Strait and ensuring stability among the states in this volatile but crucial region. Oman is providing important support for the expansion of the U.S. military capability in Southwest Asia by agreeing to the use of certain Omani facilities by U.S. forces under agreed conditions.

Moreover, Oman has generally adopted moderate stances on international issues. It is one of the few states in the region to support the Egypt/Israel Peace Treaty.

In connection with the facilities agreement, the United States and Oman have established an economic development dimension to their expanded relationship by creating a Joint Commission on Economic and Technical Cooperation. The Commission coordinates and directs economic aid and facilitates access to U.S. technology, thereby responding to the Omani desire for a closer relationship in these areas. The Commission and the development projects it sponsors are intended to provide tangible evidence to the Omani population of the benefits of our expanded relationship.

A.I.D. Development Strategy

The ability of the Government of Oman to continue its constructive policies on regional and international issues depends in part on continued progress in developing the country and meeting the needs of the people. The United States assistance strategy is to support these Omani objectives through a Joint Commission program of technical assistance and modest capital projects directed to Omani development priorities.

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

The A.I.D. program consists of grants and loans to the Omani-American Joint Commission. Under the terms of the agreements establishing the Joint Commission, the United States will provide, subject to Congressional authorization and appropriation, a grant of \$5 million dollars annually to support the operation and technical assistance activities of the Commission

OMAN

and \$10 million in loan assistance to finance specific development projects. In FY 1982, \$7.5 million in grants and \$7.5 million in loans was provided, since the total cost, including the Omani contribution, of the FY 82 loan project was only \$15 million (the Oman Government provides matching loan funds by mutual agreement). Only \$7.5 million in loan funds could thus be utilized in FY 1982. In compensation, the loan will be raised by \$2.5 million and the grant reduced by \$2.5 million in FY 1983.

The Commission was formally established in August 1980. It is based in Muscat and has as co-chairmen the U.S. Ambassador to Oman and the Omani Minister of State for Foreign Affairs. An Omani official is Managing Director of the Commission; the A.I.D Representative is his counterpart. The A.I.D staff assigned to the Joint Commission assists in project identification, development and implementation.

The program concentrates on a few critical areas where technical assistance and support are most needed. Particular emphasis is given to the transfer of United States technology appropriate to fostering Oman's economic development and to training Omanis in the United States. As needed, the Commission can draw on the resources of A.I.D., the Export-Import Bank, OPIC, and other U.S. government agencies with international components to assist in these development programs.

The first \$5 million in grant support for the Joint Commission was obligated in September 1980 and a second grant for \$7.5 million was obligated in August 1982. These grants have financed training activities, project analysis and feasibility studies, project costs and some operating costs of the Commission. A feasibility study and design for a small dams project has been completed, and technical assistance is being provided in construction; construction costs will be supported with an FY 1982 loan of \$7.5 million. A project providing technical assistance and training for fisheries development and a general participant training project are getting underway.

A \$12.5 million loan for schools construction is under discussion with the Omani Government for FY 1983 funding.

Requested Year Program (FY 1984)

In FY 1984, \$5 million in grants and \$10 million in loans are requested to finance Joint Commission activities. Grant funds will support the operation of the Commission, project studies, and training and technical assistance activities. These are expected to include further support for the fisheries and participant training projects, and possible new activities in other areas. The Commission will also continue to provide short-term consultants and support feasibility studies and other activities on a limited basis that will strengthen the economic and technical ties between the U.S. and Oman.

A \$10 million loan is planned for a co-financed project corresponding to the development objectives of the joint U.S.-Omani Commission. Continuation of the FY 1983 schools construction project is a possibility.

AID REPRESENTATIVE: Chester Bell

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

PAGE 16
02/04/83

PROGRAM: OMAN

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
ECONOMIC SUPPORT FUND											
OMANI - US JOINT COMMISSION	G 272-0101	80	C	---	---	12,500	641	2,500	2,762	5,000	2,500
WADI AL KHAWA AQUIFIER RECHARGE	L 272-0102	82	82	7,500	7,500	7,500	---	---	2,500	---	2,500
SCHOOLS CONSTRUCTION	L 272-0103	83	83	---	12,500	---	---	12,500	---	---	2,000
SCHOOLS CONSTRUCTION	L 272-0104	84	84	---	10,000	---	---	---	---	10,000	2,000
TOTAL FOR ACCOUNT GRANTS				7,500	30,000	20,000	641	15,000	5,262	15,000	9,000
LOANS				---	---	12,500	641	2,500	2,762	5,000	2,500
				7,500	30,000	7,500	---	12,500	2,500	10,000	6,500
TOTAL FOR COUNTRY GRANTS				7,500	30,000	20,000	641	15,000	5,262	15,000	9,000
LOANS				---	---	12,500	641	2,500	2,762	5,000	2,500
				7,500	30,000	7,500	---	12,500	2,500	10,000	6,500

* 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.

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: PORTUGAL

-----				-----			
BASIC DATA				*FOREIGN TRADE*			
-----				-----			
TOTAL POPULATION.. (THOUSANDS, MID 1982)	10,056			MAJOR EXPORTS... (1981)	TEXTILES	CORK	
PER CAPITA GNP..... (DOLLARS, 1981)	2,530			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	5.0%			(\$ MILLIONS, US. FOB) (1979)	208	(1980) 265	(1981) 216
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	3.0%	(1970-80)	18.6%	AS % OF TOTAL EXPORTS (1979)	6%	(1980) 6%	(1981) 5%
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1973)	7.3%			MAJOR IMPORTS... (1981)	PETROLEUM	COTTON	MACHINERY
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 71.1	MALE 67.8	FEMALE 74.6		(\$ MILLIONS, US. CIF) (1979)	769	(1980) 1018	(1981) 1173
(1968) TOTAL 66.1	MALE 63.2	FEMALE 69.3		AS % OF TOTAL IMPORTS (1979)	12%	(1980) 11%	(1981) 12%
ADULT LITERACY RATE (1970) TOTAL 71%	MALE 78%	FEMALE 65%		TRADE BALANCE (\$ MILLIONS, U.S.) (1979)	-3,054	(80) -4,669	(81) -5,652
(1960) TOTAL 62%	MALE 69%	FEMALE 55%		MAIN TRADING PARTNERS: GERMANY	FED	UNITED KINGDOM	UNITED STATES
-----				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	23.6%		
AGRICULTURE				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				(\$ MILLIONS, U.S.).....		(1980)	983
(1970-1981)	-1.4%			AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO) ...	(1980)	10.1%	
-----				-----			
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	13%			*SOCIAL DATA*			
-----				-----			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	634			POPULATION GROWTH RATE... (1970)	0.6%	(1975) 2.5%	(1982) 0.6%
MAJOR CROP(S)	ARABLE LAND	YEAR		POPULATION IN URBAN AREAS.....	(1960)	23%	(1970) 26%
SUBSISTENCE: WHEAT CORN PULSES	27%	(1979)		LIVE BIRTHS PER 1,000 POPULATION....	(1970)	20	(1982) 16
CASH: VEGETABLES FRUIT	34%	(1979)		MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.			N.A.
MAJOR AGRICULTURAL EXPORTS:(1980) WINE	TOMATOES			POPULATION (1981) IN AGE GROUP:			
MAJOR AGRICULTURAL IMPORTS:(1980) WHEAT	COTTON	CORN		(0-14YRS) 26.5%	(15-64YRS) 63.3%	(65+ YRS) 10.1%	
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980)	24%			INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	26		
-----				PEOPLE PER PHYSICIAN.....	(1977)	705	
CENTRAL GOVERNMENT FINANCES				-----			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				MAJOR CAUSES OF			
(1978) 2,671	(79) 3,400	(80) 5,004		DISEASE (1979) TUBERCULOSIS	GONORRHEA		
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				DEATH.. (1978) CIRCULATORY	CANCER	ACCIDENTS	
(1978) 4,387	(79) 5,044	(80) 6,704		PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS .	(1977)	127%	
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1975)	65%		
(1978) -1,716	(79) -1,644	(80) -1,700		TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
DEFENSE EXPENDITURES,				PRIMARY.....	(1977) TOTAL 117.0%	MALE 119.0%	FEMALE 115.0%
AS % OF TOTAL EXPENDITURES.. (1978) 12.5%	(79) 13.6%	(80) 12.9%		SECONDARY.....	(1977) TOTAL 55.0%	MALE 54.0%	FEMALE 56.0%
AS % OF GNP..... (1978) 3.6%	(79) 3.5%	(80) 3.7%		POST SECONDARY.. (1977) TOTAL 10.8%	MALE 12.4%	FEMALE 9.1%	
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,				ENERGY PRODUCTION AS % OF CONSUMPTION.....	(1980)	11%	
(\$ MILLIONS, U.S.) (1978) 1,860	(79) 1,951	(80) 6,445		EQUIVALENT TO 8.0 MONTHS OF IMPORTS (1980)			

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY	PORTUGAL								
	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									
	Loans	131.5	336.0	36.0	78.0	25.0	665.0	238.2	626.8
	Grants	126.5	336.0	36.0	38.0	-	688.9	238.2	450.7
		5.0	-	-	40.0	25.0	176.1	-	176.1
a. A.I.D. and Predecessor Agencies									
	Loans	65.0	300.0	-	40.0	25.0	350.0	139.8	410.8
	Grants	60.0	300.0	-	-	-	428.8	139.8	289.0
	(Economic Support Fund)	5.0	-	-	40.0	25.0	121.8	-	121.8
		65.0	300.0	-	40.0	25.0	410.0	-	410.0
b. Food for Peace (PL 480)									
	Loans	66.5	36.0	38.0	38.0	-	314.4	98.4	216.0
	Grants	66.5	36.0	38.0	38.0	-	260.1	98.4	161.7
	Title I - Total Sales Agreements	-	-	-	-	-	54.3	-	54.3
	Repayable in U.S. Dollars - Loans	66.5	36.0	38.0	38.0	-	260.1	98.4	161.7
	Payable in Foreign Currency - Planned for Country Use	66.5	36.0	38.0	38.0	-	256.7	95.0	161.7
	Title II - Total Grants	-	-	-	-	-	3.4	3.4	-
	Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	54.3	-	54.3
	Voluntary Relief Agencies	-	-	-	-	-	54.3	-	54.3
c. Other Economic Assistance									
	Loans	-	-	-	-	-	-	-	-
	Grants	-	-	-	-	-	-	-	-
	Peace Corps	-	-	-	-	-	-	-	-
	Narcotics	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE — TOTAL									
	Credits or Loans	55.5	27.9	28.2	31.9	52.8	538.0	-	538.0
	Grants	53.5	27.9	28.2	31.9	52.8	538.0	-	538.0
a. MAP Grants									
		52.5	25.0	25.7	30.0	51.0	477.3	-	477.3
b. Credit Financing - FMS									
		-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants									
		1.2	2.9	2.5	1.9	1.8	22.3	-	22.3
d. Transfers from Excess Stocks									
		*	*	-	-	-	24.1	-	24.1
e. Other Grants									
		-	-	-	-	-	14.3	-	14.3
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE									
	Loans	165.0	365.9	64.2	109.9	77.8	1403.0	238.2	1164.8
	Grants	126.5	336.0	38.0	38.0	-	688.9	238.2	450.7
		58.5	27.9	28.2	71.9	77.8	714.1	-	714.1
Other U.S. Government Loans and Grants									
	a. Export-Import Bank Loans	112.4	176.5	175.9	48.0	67.4	782.7	651.1	131.6
	b. All Other Loans	6.1	6.2	29.2	1.7	67.4	247.6	192.8	54.8
		118.5	176.3	146.7	46.3	-	535.1	458.3	76.6

* LESS THAN \$50,000.

A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS				
	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL	180.2	201.2	160.0	1164.8
IBRD	134.0	120.0	81.0	771.5
IFC	0.0	11.2	0.0	11.2
IDA	0.0	0.0	0.0	0.0
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	0.2	0.0	0.0	1.9
OTHER-UN	0.0	0.0	0.0	0.2
EEC	46.0	70.0	79.0	380.0
B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. O.A.C. COUNTRIES (Gross Disbursements)				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	81.0	48.0	337.0	
Germany	29.7	37.1	118.7	
Norway	6.1	10.5	36.5	
Sweden	3.6	2.2	22.0	
Other	5.0	5.6	35.5	
Total	125.4	103.4	549.7	
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	

PORTUGAL

CP 84-07(9-82)

ECONOMIC SUPPORT FUND PROGRAM SUMMARY (In millions of dollars)			
	FY 1982 Actual	FY 1983 Estimated	FY 1984 Proposed
Grants	20.0	20.0	40.00

FY 84 PROGRAM HIGHLIGHTS
- A \$40 million cash transfer to the Government of Portugal in support of a mutual security understanding now being negotiated. It is anticipated that up to \$10 million of this grant will be used by the Government of Portugal to establish a Luso-American Development Foundation.

Development Overview

During the period 1976 through 1980 Portugal made remarkable progress both politically and economically. The threat of a communist takeover in the aftermath of the 1974 revolution was successfully resisted and parliamentary democracy was firmly established. Portugal also repatriated some 700,000 refugees from its former African colonies and integrated them successfully into the economy, resulting in a population increase of almost ten percent. A balance of payments crisis in 1977 and 1978 was dealt with successfully through a program of stabilization supported by the IMF and bilateral donors, including the U.S. As a result, the balance of payments deficit on current account was nearly eliminated and real GDP grew by 4.5 percent in 1979 and 4.9 percent in 1980.

In 1980 the economic situation again began to deteriorate, in large part because of the international recession, and the government encountered increasing difficulties in dealing with economic problems. The deficit on current account increased to \$1.3 billion in 1980, and may reach \$3

billion in 1982. Investment has lagged behind targets and a severe drought hurt agricultural production in 1980 and 1981. As a result, real GDP increased only 1.8% in 1981, and will probably be only moderately higher in 1982. The deficit in the public sector has remained high -- at about 7% of GDP. Efforts to contain inflation have met with little success, as the consumer price index rose at an annual rate of 16% in 1980, 20% in 1981, and probably more than 22% in 1982.

The government has taken a number of measures to improve the situation. It has increased interest rates, established tight credit ceilings, and reduced widespread credit subsidies. The escudo has been allowed to devalue to maintain Portugal's export competitiveness. The government has established the very difficult goal of reducing the budget deficit to only 8.8% of GDP in 1982, and will propose an austerity budget for 1983.

Prospects over the longer run are more promising, particularly if the government can deal with problems

RESOURCE FLOWS (In thousands of dollars)			
Program	CP 84-08 (8-82)		
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*			
Loans	3,129	2,787	-
Grants	22,895	27,000	46,500
Total AID	26,024	29,787	46,500
P.L. 480**			
Title I	()	()	()
(of which Title III is)			
Title II			
Total P.L. 480			
Total AID and P.L. 480	26,024	29,787	46,500

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

PERSONNEL/PARTICIPANTS DATA			
Category	CP 84-17 (8-82)		
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
AID Personnel ^a			
Direct Hire ^b	5	1	1
PASA ^c	2	2	2
Contract	3	1	1
Total	10	4	4
Participants ^d			
Noncontract	37	35	25
Contract	47	45	40
Total	84	80	65

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1983 and FY 1984 position levels.
^cParticipating agency technicians.
^dProgrammed 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						

of the government deficit and get inflation under better control. The constitution has been recently re-written, omitting Marxist rhetoric and opening the way to a more liberal economic system. The government has announced its intent to open some sectors previously closed to the private sector, eliminate support for uneconomic public companies, and modify labor legislation to permit more management discretion. Exports, tourism receipts and emigrant remittances should all improve with recovery from the current world recession. Finally, Portugal hopes to enter the EEC in 1984, which should provide a considerable incentive to both foreign and domestic investment.

Under the 1979 exchange of notes continuing U.S. rights to the use of Lajes air base in the Azores, the United States agreed to provide the GOP, subject to Congressional authorization and appropriation, grant

economic assistance totalling \$80 million. These funds are being disbursed in four equal installments in FY 1980 through FY 1983. The GOP has utilized these funds to support development programs in the Azores, one of Portugal's poorest areas with a per capita income of \$700, or only one-third of the national average. Emigrants totalling half of the present population of the Azores have left in the last 20 years, primarily for lack of job opportunities. A widespread economic development program in the Azores, supported in part through the \$20 million annual grant, has helped reduce emigration rates despite a severe earthquake in 1980.

The 1979 extension of Lajes air base rights expires in February 1983. Discussions are now taking place regarding a new Security Cooperation Agreement. The United States may seek to extend its use of the Lajes facilities as well as have access to some facilities in mainland Portugal. Portugal is seeking expanded U.S. military and economic assistance to enable it to meet its NATO obligations and to support economic development, particularly in the Azores.

Total Resources

The GOP has taken a number of recent measures to control monetary expansion and reduce inflation. Interest rate levels have been increased twice in 1982, and credit subsidy programs are being reduced and better targeted. The government is trying to reduce the deficit of the government and publicly owned companies. Although Portugal's foreign debt grew from \$6.6 billion in December 1979 to \$11.6 billion in July 1982, it continues to have a very favorable credit rating among foreign banks.

Portugal has received substantial economic assistance from EEC countries before entering the EEC -- particularly from Germany, the Netherlands, and the European Investment Bank. Portugal also receives substantial assistance from the IBRD which has committed over \$630 million through 1981.

Unfortunately, Portugal's cumbersome bureaucracy makes implementation of projects difficult, so disbursement of project assistance has lagged seriously.

The government is taking steps to encourage both foreign and domestic private investment to invigorate the economy. U.S. private investment in Portugal now totals about \$430 million, and the United States was first among the countries undertaking investment or re-investment in 1981. In 1981 the United States was also Portugal's largest supplier, exporting about \$1.1 billion of goods, or 12% of total Portuguese imports. Agricultural products such as corn, wheat, and soybeans, accounted for 70% of U.S. exports.

U.S. Interests And Objectives

The United States has a continuing interest in strengthening the democratic process and in developing Portugal's technological and managerial know-how so that it can compete effectively in the European Economic Community. The United States also wishes to assist Portugal in meeting its NATO commitments and to have U.S. access to facilities on the mainland and the Azores. The latter interest, in turn, results in a special concern for the continued economic and social development of the Azores.

A.I.D.'s Assistance Strategy: U.S. assistance programs shifted from an initial emphasis in 1975 on helping in the resettlement of refugees from Africa, to loan programs for social infrastructure. Eight loans and two housing guarantees were made in the areas of low income housing, school construction, basic sanitation, and rural health prior to 1977. When the economy faltered in 1977-78, the United States loaned \$300 million as part of a massive and highly successful multi-lateral economic stabilization program. Since then most U.S. assistance has supported Azorean development and mutual security interests, through cash transfers totalling \$80 million. The United States also provided prompt emergency relief

and reconstruction support following the 1980 earthquake in the Azores. Since assistance began in 1975, the United States has also emphasized the transfer of American technical and management techniques through the provision of consultants to Portugal and training in the United States.

Although Portugal is currently in a difficult economic situation, it does not lack other bilateral and multilateral donors. In fact, the availability of project loan financing in many sectors seems to exceed Portugal's present absorptive capacity. What Portugal most lacks is the administrative capability, in both the public and private sectors, to make optimal use of available assistance.

A.I.D. does not intend to provide new funds for capital project assistance as Portugal prepares to enter the European Community and will receive increasing assistance from this source. Cash transfers will continue to be made on the basis of mutual security interests. Continued technical assistance will be made available through establishment of a Luso-American Development Foundation aimed primarily at strengthening the Portuguese private sector. Finally, a Housing Investment Guarantee program will help Portugal deal with its severe housing shortage.

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

Current Status: FY 1980 was the final year for new economic assistance funds for Portugal with the exception of support for the economic and social development of the Azores and relief and reconstruction activities resulting from the 1980 earthquake. However, a substantial program is still being implemented. The pipeline, which amounted to almost \$60 million by September 30, 1980, was drawn down to less than \$22 million on September 30, 1982. Some 45 primary and secondary schools have been constructed and put in use, as have 14 rural health

centers and a nursing school in the Azores. A total of 7,400 housing units have been completed, and 69 water and sewage systems are completed or in the final construction phase.

Over the past few years of program implementation, heavy attention has been given to institutional development, technology transfer, private sector development and selective involvement in policy dialogue with the Government of Portugal, as illustrated by the following examples:

Institutional development at three rural universities has been pursued through a contract with Purdue University which aims at enabling those universities to play a leading role in the development of their regions. The University Institute of Tras-os-Montes e Alto Douro, largely staffed with returnees from the former African colonies, has been notably successful in establishing research and extension activities meeting local needs and in forging close links with the Ministry of Agriculture. The Institute was recently selected by the World Bank to play a major role in its ambitious Tras-os-Montes integrated development project. Also, the New University of Lisbon, which is receiving assistance over a three year period from the Wharton School at the University of Pennsylvania, has done a remarkable job of utilizing A.I.D. and Portuguese public and private resources to establish a very high-quality graduate school of business administration.

Technology transfer has taken place in many ways. Almost 450 Portuguese have received training in the United States for periods varying from a few weeks to several years. A major program of cooperation has begun between the U.S. National Academy of Sciences and the Portuguese National Council for Scientific and Technical Research, which will provide advice from leading U.S. scientists in fields such as energy conservation, oceanography, and the management of research for economic development. A small grant to

the International Executive Service Corps (IESC) is enabling it to provide know-how to small Portuguese firms which otherwise could not fully fund IESC assistance. The latest techniques in emergency health care are being provided to doctors, nurses, ambulance drivers, and volunteer firemen through an agreement with the Department of Health and Human Services, while the U.S. Forest Service is helping to establish a forest fire academy and provide low-cost solutions to Portugal's worsening forest fire problem.

The largest A.I.D. - financed technology transfer activity is aimed at increasing soil fertility and forage/pasture production, primarily in the poor northern part of Portugal. Under this program, which is also supported by substantial credits generated from previous P.L. 480 programs, the institutional capacity of the Ministry of Agriculture to conduct relevant research and provide extension services is being improved by the U.S. Department of Agriculture. Notable success has already been achieved in increasing the production of limestone, which more than doubled in the first year, and in improving the quantity and quality of soil analyses.

Through the Agricultural Production Project (#023) we are also beginning a policy dialogue with the GOP. The University of Arizona and Stanford University are completing the first phase of studies which deal, in part, with GOP production and consumption subsidies and the impact of the forthcoming entrance to the European Community. These studies, conducted with the active participation of the planning division of the Ministry of Agriculture, will be used to encourage the government to remove gradually its extensive system of subsidies and price controls which are hampering agricultural productivity. Another study of the agricultural credit system will be used to discuss ways to improve the flow of credit and the effectiveness of IFADAP, a major agricultural lending institution.

A.I.D. has also supported several initiatives in private sector development, in addition to the programs mentioned above, at the New University of Lisbon and in support of the IESC. We are financing an advisor to the new and highly successful Portuguese Investment Society, the first private investment bank to be formed since the Portuguese revolution, and have also provided advice to the Chamber of Commerce of the Azores which hopes to form a similar organization. A technical assistance program with CIFAG (Management Development Center) will enable it to help the Portuguese private sector in fields such as marketing, small and medium size business development, and financial management. Price Waterhouse has recently completed a survey of the private investment climate in Portugal and developed investment profiles to facilitate joint ventures with nine promising companies. The report has been distributed to over 150 potential investors, primarily in the United States and Canada.

Finally, \$5 million obligated in 1980 for relief and reconstruction of the Azores was effectively and rapidly utilized, as evidenced by a recent A.I.D. evaluation. A second grant of \$5 million to finance 80% of the construction costs of 255 units of low cost public housing has encountered problems because of the financial failure of the Portuguese contractor. The Regional Government of the Azores has recently decided to assume direct responsibility for the construction.

Requested Year Program (FY 1984)

The United States and Portugal have initiated discussions concerning a renewed and possibly expanded security relationship to replace the present agreement which expires in February 1983. While it is premature to predict the results of these negotiations, we anticipate that a cash transfer of \$40 million will be required in FY 1984. The Government of Portugal intends to use these funds primarily for the economic

and social development of the Azores, but may also use some of them for similar purposes on the mainland, and to establish a Luso-American Development Foundation which will continue the technical cooperation relationship between Portugal and the United States that has existed over the past eight years.

A.I.D. REPRESENTATIVE: DONALD FINBERG

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

PAGE 18
02/04/83

PROGRAM: PORTUGAL

CP 84

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES	
ECONOMIC SUPPORT FUND											
TECHNICAL CONSULTANTS AND TRAINING	G 150-0001	75	80	10,750	10,750	10,000	5,356	---	2,000	---	2,000
BASIC SANITATION II	L 150-0010	77	77	12,000	12,000	12,000	10,240	---	1,760	---	---
RURAL VOCATIONAL EDUCATION	L 150-0012	77	77	6,000	6,000	6,000	4,973	---	1,027	---	---
AGRICULTURE PRODUCTION PROGRAM	G 150-0023	80	80	10,000	10,000	10,000	1,350	---	3,000	---	3,000
AZORES REHABILITATION II	G 150-0025	81	81	5,000	5,000	5,000	2,000	---	2,000	---	1,500
AZORES BASE AGREEMENT	G 150-8000	80	84	120,000	120,000	60,000	60,000	20,000	20,000	40,000	40,000
TOTAL FOR ACCOUNT GRANTS				163,750	163,750	103,000	83,919	20,000	29,787	40,000	46,500
LOANS				145,750	145,750	85,000	68,706	20,000	27,000	40,000	46,500
				18,000	18,000	18,000	15,213	---	2,787	---	---
TOTAL FOR COUNTRY GRANTS				163,750	163,750	103,000	83,919	20,000	29,787	40,000	46,500
LOANS				145,750	145,750	85,000	68,706	20,000	27,000	40,000	46,500
				18,000	18,000	18,000	15,213	---	2,787	---	---

* 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.

REGIONAL PROJECTS (ESF)

CP 84-07(9-82)

ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1982 Actual	FY 1983 Estimated	FY 1984 Proposed
West Bank/Gaza	6.0	6.5	7.0
Regional Cooperation	4.1	7.5 ^{1/}	7.0
Project Development and Support	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total	11.1	15.0 ^{1/}	15.0

CP 82-21(8-82)

FY 84 PROGRAM HIGHLIGHTS
-- \$7.0 million to finance small scale development projects in the West Bank and Gaza Strip.
-- \$7.0 million to fund cooperative scientific and technical activities of mutual interest to Israel and its Arab neighbors.
-- \$1.0 million to finance project development and support activities related to Economic Support Fund programs in the Near East.

Overview

Economic Support Fund (ESF) regional projects serve regional or country objectives that cannot be addressed through a conventional bilateral program. Much of the program is focused on efforts to develop mutual understanding among the nations and peoples of the region in order to help secure a lasting and equitable peace. The program finances collaborative research and small scale development projects in the area.

West Bank/Gaza

In FY 1984, \$7.0 million is requested for small scale development projects to benefit the population of the West Bank and Gaza Strip. These projects are implemented by United States private and voluntary organizations (PVOs) and provide assistance in the areas of vocational

and higher education, health and sanitation, community and rural development, land reclamation, agricultural development and marketing, and improved water storage and distribution.

From FY 1975 through FY 1983, PVO project activities have included: scholarship programs for undergraduates at three West Bank universities, 198 of whom will graduate by the end of FY 1983; advanced training of approximately 150 faculty members from West Bank institutions at U.S. universities; short term training in the United States for over 100 participants; training of over 100 teachers and provision of health education services to over 5,000 mothers in the West Bank and Gaza; approximately 50 small self-help projects with communities to expand and improve water supply systems; assistance to over 100 community groups for construction of access roads,

^{1/} Includes \$2.5 million supplemental request.

CP 84-08 (8-82)

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*			
Loans	-	-	-
Grants	11,082	8,448	7,999
Total AID	11,082	8,448	7,999
P.L. 480**			
Title I	-	-	-
(of which Title III is)	()	()	()
Title II	2,714	1,946	1,931
Total P.L. 480	2,714	1,946	1,931
Total AID and P.L. 480	13,796	10,394	9,930

*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			
PASA ^c			
Contract			
Total	-	-	-
Participants ^d			
Noncontract	-	-	-
Contract	55	60	65
Total			

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1983 and FY 1984 position levels.
^cParticipating agency technicians.
^dProgrammed 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		2,714		1,946		1,931
World Food Programs		-		-		-
Gov't-to-Gov't		-		-		-
Title II Total		2,714		1,946		1,931
Total P.L. 480		2,714		1,946		1,931

community centers, schools and clinics; and approximately 40 self-help projects with cooperatives in land reclamation and agricultural development and marketing. In recent years, A.I.D. has encouraged the PVOs to concentrate their activities in a few sectors of importance from an economic development perspective. Evaluations indicate that PVO projects are generally well designed and implemented. The numbers of projects proposed by community groups which are rejected or deferred by PVOs because of funding limitations indicate a substantial demand for assistance in self-help efforts which is not being met from other sources. The PVOs continue to encounter difficulties in obtaining clearance from the Israeli Government to proceed with individual sub-projects. In spite of the problems encountered, we continue to believe that the developmental needs of the population are being well served by this program and that

the continuation of this assistance demonstrates U.S. concern for the people of the West Bank and Gaza.

FY 1984 funding of \$7.0 million will permit American-Mideast Educational and Training Services to extend its faculty development program to an additional institution of higher education. Save the Children/Community Development Foundation will develop approximately 20 additional self-help projects in water storage and distribution, health services and agriculture. Catholic Relief Services will expand its rural community self-help program in the West Bank and Gaza, and American Near East Refugee Aid will continue to work with cooperatives in land reclamation, marketing, and provision of related agricultural services.

Regional Cooperation

For FY 1984, AID requests \$7.0 million to fund activities that strengthen the peace process and increase mutual understanding between Israel and its Arab neighbors, especially Egypt. Since FY 1979 when this program was first initiated by the Congress, joint research projects have been successfully initiated in marine sciences, psychological perceptions of the Middle East conflict, infectious diseases, and arid land agriculture. These activities involve a number of Egyptian, Israeli and U.S. universities, government ministries and other institutions. They bring Arabs and Israelis into direct contact on problems of mutual concern, creating ties and linkages which may lead to self-sustaining relationships. In FY 1983, \$7.0 million will be used for further funding of the marine sciences, infectious diseases, and arid land agriculture projects, and for support of new activities in such areas

as health, agriculture, energy and the social sciences. For FY 1984, funds will be needed to support the ongoing activities listed above and to respond to increasing numbers of proposals, many in new and innovative fields. The exact composition of the program and the ability to initiate new activities will depend on political conditions in the region. If the conditions are favorable, we would expect many additional proposals as the normalization process and the growth of cooperation continue.

Project Development and Support

For FY 1984, \$1.0 million is requested to enable A.I.D. to finance studies and other activities related to the development and support of Economic Support Fund programs in the Near East. This activity funds consulting services and experts to do economic, social, regional, and sectoral studies and analyses which are not funded under bilateral programs, as well as project design and certain project evaluations. To date, studies of migration, infant mortality, breastfeeding practices, and public/private partnerships in health care availability have been funded under this activity. In FY 1983, \$1.0 million will permit continuation of this type of regional study and analysis and of project-related design and evaluation activities. Environmental concerns will receive attention, including transfer of U.S. experience and technical expertise in pollution control to the growing industrial sector in many Near East countries. Other activities will be funded in such areas as nutrition, agriculture, and health. Up to \$500,000 is planned for family planning activities, primarily in countries without bilateral programs. In FY 1984, additional similar activities will be undertaken.

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

PAGE 29
02/04/83

PROGRAM: NEAR EAST REGIONAL - ESF

CP 94

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	
MIDDLE EAST SPECIAL REQUIREMENTS FUND											
WEST BANK/GAZA DEVELOPMENT ACTIVITIES	G 298-0159	78	78	1,858	1,858	1,858	1,789	---	---	---	
				1,858	1,858	1,858	1,789	---	---	---	
				---	---	---	---	---	---	---	
ECONOMIC SUPPORT FUND											
PROJECT DEVELOPMENT AND SUPPORT	G 298-0150	78	C	---	---	1,809	1,311	1,000	550	1,000	800
REGIONAL COOPERATION	G 298-0158	79	C	---	---	8,472	5,509	7,500	4,698	7,000	4,600
WEST BANK/GAZA DEVELOPMENT ACTIVITIES	G 298-0159	79	C	---	---	13,635	7,533	6,500	3,200	7,000	2,599
				---	---	23,916	14,353	15,000	8,448	15,000	7,999
				---	---	23,916	14,353	15,000	8,448	15,000	7,999
				---	---	---	---	---	---	---	---
				1,858	1,858	25,774	16,142	15,000	8,448	15,000	7,999
				1,858	1,858	25,774	16,142	15,000	8,448	15,000	7,999
				---	---	---	---	---	---	---	---

* 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.

REGIONAL PROJECTS - DEVELOPMENT ASSISTANCE

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	4,429	772	46	155	3,135	321		
Total	4,429	772	46	155	3,135	321		
1983								
Loans								
Grants	5,210	610	900	100	3,300	300		
Total	5,210	610	900	100	3,300	300		
1984								
Loans								
Grants	6,000	700	1,000	200	3,400	700		
Total	6,000	700	1,000	200	3,400	700		

Overview

The Near East Bureau's regional technical assistance grants support United States developmental and humanitarian interests in the region, and fund the studies needed to design and evaluate regional and bilateral country projects and programs.

A.I.D. Program

There are eight continuing Near East Regional projects: the American University of Beirut (AUB), Law and Development, Project Development and Support, ACSZAD, Regional Population Activities, National Technical Information Service, Private Enterprise Development, and Small Project Assistance-Peace Corps. The last five projects will receive initial funding in FY 1983.

American University of Beirut (AUB)

AID requests \$3 million for continuation of the AUB scholarship program in FY 1984.

FY 84 PROGRAM HIGHLIGHTS

- \$3 million for continuation of the scholarship program at the American University of Beirut.
- \$1,938,000 for five continuing Near East Regional Projects: ACSZCD, Regional Population, National Technical Information Service, Regional Private Enterprise and Small Project Assistance-Peace Corps.
- \$1,062,000 for the design and evaluation of Near East development assistance programs.

Despite the events of the summer of 1982, AUB was fortunate to sustain only minimal physical damage and was able to play, as it has in the past, a critical role in medical and relief efforts. While its operating deficit has increased significantly as a result of the war, AUB has once again been able to return remarkably quickly to normal operations, with 4,000 students enrolled for the fall semester 1982-83. This exceeds even AUB's anticipated enrollments. The \$11.5 million in emergency assistance provided by A.I.D. in FY 1982 and 1983 through the American Schools and Hospitals (ASHA) grant, in addition to the planned ASHA support, will help meet AUB's extraordinary requirements. A long-term institutional development study, in part financed by A.I.D., begun in June 1982 and continued in November, will assist AUB in its efforts to find long-term solutions to its current financial problems. The study is designed to help AUB build a more financially independent institution, the primary goal of its new president. AUB has already been called upon by the Government of Lebanon to assist extensively in the reconstruction and rehabilitation effort.

The United States has a long-standing economic and political interest in strengthening AUB as a regional institution serving the needs of the area. AUB has produced cadres of trained

REGIONAL PROJECTS - DEVELOPMENT ASSISTANCE

RESOURCE FLOWS (In thousands of dollars)			
Program	CP 84-06 (8-82)		
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*			
Loans	-	-	-
Grants	2,520	5,611	6,581
Total AID	2,520	5,611	6,581
P.L. 480**			
Title I	()	()	()
(of which Title III is)			
Title II			
Total P.L. 480	-	-	-
Total AID and P.L. 480	2,520	5,611	6,581

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

PERSONNEL/PARTICIPANTS DATA			
Category	CP 84-17 (8-82)		
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
AID Personnel ^a			
Direct Hire ^b			
PASA ^c			
Contract			
Total	-	-	-
Participants ^d			
Noncontract			
Contract	70	57	50
Total	70	57	50

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1983 and FY 1984 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

Program	CP 84-14 (8-82)					
	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	()	()	()	()	()	()

personnel working in and providing leadership to Near Eastern and South Asian countries. It will continue to provide this service. The A.I.D. program maintains and develops AUB as a western-oriented center of excellence in the Near East, capable of providing high-quality education in a growing number of development-related fields. AUB supports stability and cooperation among the region's countries, and between them and the United States, by bringing together the countries' future leaders in a university where American cultural and educational values are prevalent. Since the inception of the A.I.D. scholarship program in 1951, 2,649 students have graduated with degrees in Arts and Sciences, including Education, Public Administration and Business Administration (1,349), Agriculture (764), Engineering (350), Nursing (47), Pharmacy (71), and Public Health (68). An additional 3,277 students have pursued non-degree programs: Public Health (951), Engineering (41), Agriculture (359), Arts and Sciences (72), Nursing (53), and Summer Institutes (1,801). In FY 1982, A.I.D. provided AUB with \$3,082,000 to fund the costs of 70 new students. In FY 1983, A.I.D. plans to provide \$2,918,000 to fund 57 additional students.

The management of this program is entirely the responsibility of AUB, which has done an excellent job in the recruiting and care of scholarship students. To meet the changing educational needs of the area, AUB is shifting the emphasis of the program from undergraduate training to graduate degrees and is giving greater attention to recruiting qualified women. To try to ensure that the program represents a full spectrum of social-economic interests and backgrounds, AUB is also giving increased attention to funding qualified applicants from the private sector.

In FY 1984, A.I.D. proposes to continue this scholarship program and provide \$3 million to finance full funding of 50 new students.

Law and Development

This project is strengthening our understanding of the legal context of development in the Near East by identifying areas where legal systems promote or facilitate beneficial social change and where they may hinder it. Understanding this context has enabled the Agency to design projects better adapted to the legal environment of the developing Near Eastern countries. It has provided a sufficiently precise legal support agenda for the Agency to have been able to assist in establishing an International Development Law Institute (IDLI) to serve the region.

The project began in FY 1979 and was fully funded in FY 1980. Implementation will continue through 1983. Activities undertaken to date include workshops on a broad range of topics, including law and property, taxation, and social legislation. In addition, an institute on law and social structure was held in Cairo during the summer of 1982. A program of post-doctoral grants for scholars from the Near East is underway.

Project Development and Support

This project supports regional and bilateral U.S. development assistance efforts primarily in Morocco, Tunisia and Yemen. The funds are used for pre-project studies to identify critical assistance needs and design projects and programs for maximum effectiveness, for specialized training and pilot activities, and for evaluations.

In FY 1982, \$1,347,000 was obligated for such activities as: the development of a rainfed agriculture project in Morocco; evaluations of the Tihama Health project in Yemen and management education in Tunisia; an assessment of the agricultural sector in Yemen; design of a new development training project in Yemen; assistance from the Bureau of the Census and the Department of Agriculture in the design and implementation of various A.I.D.-funded projects; and establishment of an International Development Law Institute for Africa and the Middle East that will be supported by Arab and other donors after initial A.I.D. start-up funding.

In FY 1983, \$550,000 will be used for such activities as: design of sub-project components of the Morocco rainfed agriculture project; evaluation of six elements of the Central Tunisia Rural Development program with emphasis on water projects; evaluations of the Local Resources for Development project and initial activities under the Basic Education Development project in Yemen; and design of a new energy project in Morocco.

In FY 1984, \$1,062,000 is requested for similar activities. Additional studies will be undertaken in the area of rainfed agriculture in Morocco. In addition, the family planning project in Tunisia will be evaluated, as will the Taiz Water and Sewage project and elements of the Agriculture Development Support project in Yemen.

Arab Center for the Study of Arid Zones and Dryland (ACSAZD)

ACSAZD is a regionally focused agency for addressing the problems of arid land agriculture common to most parts of the Near East. It was created in Damascus in 1971 and has established itself as an effective member of a growing number of international agricultural research and development organizations. The Center receives core budget support from the Arab League and funds from other sources, including the Kuwait Fund and the governments of France, Great Britain, Belgium and the Federal Republic of Germany.

A five-year program of assistance to ACSAZD is being developed for initial funding in FY 1983, and \$200,000 will be provided through a Participating Agency Services Agreement (PASA) with the U.S. Department of Agriculture (USDA) for short term technical assistance, advisory services regarding equipment needs for soils laboratories, and seminars and workshops on land use planning and soil fertility maintenance.

In FY 1984, A.I.D. requests \$200,000 for further training, technical exchange, advisory services on commodity utilization and procurement, and short term consultants under the agreement with USDA. This assistance will enable ACSAZD's Soil Division to prepare soils and land use capabilities maps for a number of Arab countries.

Regional Population Activities

This program assists relatively small scale and short duration population/family planning activities in Near East countries which do not have bilateral population programs. It also supports population activities spanning two or more countries in the region.

In FY 1983, \$900,000 will be used for such activities as: information, education and communication projects in support of local population programs; assistance in family planning program evaluation and target setting; international workshops, conferences and training seminars; and partial funding for certain intermediary organization activities. Private sector groups such as voluntary family planning associations, pharmacies, and traditional birth attendants will be encouraged under this project wherever feasible.

A.I.D. requests \$1 million in FY 1984 for similar activities. As in FY 1983, priority will be accorded to activities most conducive to large scale family planning acceptance, such as projects which strengthen family planning links to health and nutrition programs; enhancement of women's roles in traditional societies; and population policy activities to increase the understanding among economic planners of the consequences of rapid population growth.

National Technical Information Service (NTIS)

This project is designed to broaden and maximize the use of scientific and technological information in solving development problems in Near East countries. It will build and strengthen technical information services and staff capabilities of cooperating institutions in eight countries in the region, and expand technical information networks to include an appropriate technology component. In addition, it will stimulate greater awareness and application of U.S. and worldwide technical information in order to increase public and private research contacts and the development and application of appropriate technologies to individual countries' needs.

In FY 1983, A.I.D. will provide \$282,000 through a PASA with the National Technical Information Service of the U.S. Department of Commerce (NTIS) to identify cooperating agencies in Egypt, Jordan, Lebanon, Morocco, Portugal, Tunisia, Turkey and Yemen that are able to serve as national focal points to provide and promote access to U.S. technical information. It is anticipated that during this first year of the project agreements will be signed with four of the cooperating countries and in-country training efforts initiated in two of them. A.I.D. requests an additional \$118,000 in FY 1984 for in-country training in two additional countries, exchanges between Near East agencies and U.S. counterpart institutions, and the selection and training of an initial group of participants at NTIS. Agreements will be signed with the four additional countries during FY 1984.

Regional Private Enterprise Development

During 1982, the Near East Bureau sent teams to a number of countries to assess the state of the indigenous private sector and to identify problems and opportunities where A.I.D. could be of assistance.

During these visits, a number of important areas were identified where A.I.D. could be of assistance. These include technical assistance: to capital markets authorities to help improve and expand various forms of financial intermediaries as well as assistance in disclosure and capital market regulation; to investment promotion authorities in helping identify and stimulate priority investments and package investment proposals with U.S. companies; to development banks including assistance for small-scale enterprise financing; in training for mid-level and advanced level management; to stimulate country exports, including marketing, standardization of product lines, brand name development, etc.; to agribusiness development, particularly involving food

processing and food production; to develop relationships between professional societies and Chambers of Commerce in the host countries and the United States; and to increase activities of the International Executive Service Corps (IESC), particularly in small and medium-scale enterprises.

The Near East Bureau plans to establish a small regional project with initial funding of \$200,000 in FY 1983 to carry out these types of activities. A.I.D. Missions will be responsible for identifying the agencies and organizations to receive assistance and for implementation of projects. \$500,000 is requested in FY 1984 for continuation of this assistance to stimulate private enterprise development in assisted countries.

Small Project Assistance Program - Peace Corps

This is the Near East Bureau component of an Agency-wide project scheduled to begin in FY 1983 through which A.I.D. will provide up to \$40,000 for each A.I.D. recipient country where the Peace Corps also has a program for small self-help activities with impact at the community level. The projects will be in the areas of food, energy, and/or productive income generating activities. Projects will be identified and implemented by Peace Corps Volunteers who are knowledgeable about local conditions and have established working relationships at the community level.

It is anticipated that A.I.D. will provide \$160,000 in FY 1983 and \$120,000 in FY 1984 for this program, to be used in the four countries - Morocco, Oman, Tunisia, Yemen - where the Peace Corps has a program.

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

PAGE 27
02/04/83

PROGRAM: NEAR EAST REGIONAL - DA

CP 84

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
PROJECT DEVELOPMENT AND SUPPORT	G 298-0035	67	C	---	6,194	5,535	250	350	500	350	
ARAB CENTER FOR STUDY OF ARID ZONE AND D	G 298-0046	83	86	---	1,000	---	200	200	200	---	
SMALL PROJECTS - PEACE CORPS	G 298-0052	83	84	---	160	---	160	160	---	---	
TOTAL FOR ACCOUNT GRANTS				---	1,160	6,194	610	710	700	350	
LOANS				---	1,160	6,194	610	710	700	350	
POPULATION PLANNING											
REGIONAL POPULATION ACTIVITIES	G 298-0048	83	87	---	4,600	---	900	475	1,000	650	
TOTAL FOR ACCOUNT GRANTS				---	4,600	---	900	475	1,000	650	
LOANS				---	4,600	---	900	475	1,000	650	
HEALTH											
PROJECT DEVELOPMENT AND SUPPORT	G 298-0035	67	C	---	343	189	100	90	200	250	
TOTAL FOR ACCOUNT GRANTS				---	343	189	100	90	200	250	
LOANS				---	343	189	100	90	200	250	
EDUCATION AND HUMAN RESOURCES											
AMERICAN UNIVERSITY OF BEIRUT	G 298-0015	51	81	46,063	46,063	46,061	44,550	---	750	761	
PROJECT DEVELOPMENT AND SUPPORT	G 298-0035	67	C	---	---	996	985	100	85	250	
AMERICAN UNIVERSITY OF BEIRUT II	G 298-0044	81	85	13,790	13,790	4,872	1,790	2,918	3,100	3,500	
NATIONAL TECHNICAL INFORMATION SERVICE	G 298-0049	83	84	---	400	---	---	282	150	200	

* Refers to the planned project summary sheet

C Level of effort activity

115

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)

PAGE 28
02/04/83

PROGRAM: NEAR EAST REGIONAL - DA

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY84- EXPENDI TURES
TOTAL FOR ACCOUNT GRANTS LOANS				59,853 59,853 ---	60,253 60,253 ---	51,929 51,929 ---	47,325 47,325 ---	3,300 4,085 ---	3,400 3,400 ---	4,711 4,711 ---
SELECTED DEVELOPMENT ACTIVITIES										
PROJECT DEVELOPMENT AND SUPPORT	G 298-0035	67	C	---	---	899	633	100	95	80 250
REGIONAL PRIVATE ENTERPRISE ACTIVITIES	G 298-0050	83	88	---	5,000	---	---	200	100	500 250
SMALL PROJECTS - PEACE CORPS	G 298-0052	83	84	---	120	---	---	---	---	120 120
TOTAL FOR ACCOUNT GRANTS LOANS				---	5,120 5,120 ---	899 899 ---	633 633 ---	300 195 ---	195 700 ---	620 620 ---
TOTAL FOR COUNTRY GRANTS LOANS				59,853 59,853 ---	71,133 71,133 ---	59,365 59,365 ---	53,682 53,682 ---	5,210 5,555 ---	5,555 6,000 ---	6,581 6,581 ---

* 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.

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: TURKEY

BASIC DATA				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS, MID 1982) 48,105				MAJOR EXPORTS... (1981) COTTON TOBACCO FRUITS & NIIT			
PER CAPITA GNP..... (DOLLARS, 1981) 1,510				EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 3.6%				(\$ MILLIONS, US. FOB) (1979) 105 (1980) 127 (1981) 268			
AVERAGE ANNUAL RATE OF INFLATION (1960-70) 5.5% (1970-80) 29.7%				AS % OF TOTAL EXPORTS (1979) 5% (1980) 4% (1981) 6%			
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1973) 3.5%				MAJOR IMPORTS... (1981) CRUDE OIL MACHINERY TRANSPORT EO			
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 62.3 MALE 60.4 FEMALE 64.4				(\$ MILLIONS, US. CIF) (1979) 377 (1980) 442 (1981) 589			
(1968) TOTAL 54.4 MALE 52.8 FEMALE 56.1				AS % OF TOTAL IMPORTS (1979) 7% (1980) 6% (1981) 7%			
ADULT LITERACY RATE (1975) TOTAL 60% MALE 77% FEMALE 43%				TRADE BALANCE(\$ MILLIONS, U.S.) (1979) -2,809(80) -4,757(81) -4,272			
(1965) TOTAL 46% MALE 65% FEMALE 27%				MAIN TRADING PARTNERS: GERMANY FED IRAQ LIBYA			
AGRICULTURE				EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 22.4%			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1970-1981) 0.9%				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT, (\$ MILLIONS, U.S.)..... (1980) 988			
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 23%				AS % OF EXPORT EARNINGS (DFBT SERVICE RATIO) ... (1980) 15.8%			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 225				*SOCIAL DATA*			
MAJOR CROP(S) ARABLE LAND YEAR LIVE BIRTHS PER 1,000 POPULATION... (1970) 38 (1982) 32				POPULATION IN URBAN AREAS..... (1969) 38% (1977) 45%			
SUBSISTENCE: WHEAT BARLEY 48% (1981)				POPULATION GROWTH RATE... (1970) 2.3% (1975) 2.4% (1982) 2.2%			
CASH: COTTON TOBACCO PULSES 4% (1981)				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1978) 40%			
MAJOR AGRICULTURAL EXPORTS:(1981) TOBACCO COTTON FILBERTS				POPULATION (1981) IN AGE GROUP:			
MAJOR AGRICULTURAL IMPORTS:(1981) VEG. OIL WHEAT WOOL				(0-14YRS) 38 6% (15-64YRS) 56.9% (65+ YRS) 4.4%			
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 54%				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 131			
CENTRAL GOVERNMENT FINANCES				PEOPLE PER PHYSICIAN..... (1977) 1,761			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				MAJOR CAUSES OF DISEASE (1978) TUBERCULOSIS MALARIA ENTERIC DISFASE DEATH.. N.A.			
(1978) 3,859 (79) 6,510 (80) 11,244				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS . (1977) 116%			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				POPULATION WITH REASONABLE ACCFSS TO SAFE WATER SUPPLY(1975) 68%			
(1978) 4,550 (79) 7,830 (80) 13,975				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGF GROUP:			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				PRIMARY..... (1978) TOTAL 105.0% MALE 115.0% FEMALE 96.0%			
(1978) -691 (79) -1,320 (80) -2,731				SECONDARY..... (1978) TOTAL 34.0% MALE 46.0% FEMALE 22.0%			
DEFENSE EXPENDITURES.				POST SECONDARY.. (1978) TOTAL 7.7% MALE 11.4% FEMALE 3.9%			
AS % OF TOTAL EXPENDITURES.. (1978) 20.0% (79) 16.5% (80) 19.1%				ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 45%			
AS % OF GNP..... (1978) 5.4% (79) 4.5% (80) 4.6%							
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, (\$MILLIONS, U.S.) (1979) 926 (80) 1,433 (81) 1,444							
EQUIVALENT TO 2.0 MONTHS OF IMPORTS (1981)							

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

COUNTRY	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
	TURKEY							
	PROGRAM	1977	1978	1979	1980			
I. ECONOMIC ASSISTANCE — TOTAL	0.2	1.2	69.7	198.1	201.0	3187.5	833.5	2354.0
Loans	-	3.4	69.6	123.0	66.0	1717.4	833.5	883.9
Grants	0.2	0.8	0.1	75.1	135.0	1470.1	-	1470.1
a. A.I.D. and Predecessor Agencies	-	1.1	69.6	198.0	200.0	2591.9	624.7	1967.2
Loans	-	0.4	69.6	123.0	66.0	1395.0	624.7	770.3
Grants	-	0.7	-	75.0	134.0	1196.9	-	1196.9
(Economic Support Fund)	-	-	50.2	198.0	200.0	1299.4	-	-
b. Food for Peace (PL 480)	0.2	0.1	0.1	0.1	*	567.2	194.1	373.1
Loans	-	-	-	-	-	310.2	194.1	116.1
Grants	0.2	0.1	0.1	0.1	-	257.0	-	257.0
Title I - Total Sales Agreements	-	-	-	-	-	425.0	194.1	230.9
Repayable in U.S. Dollars - Loans	-	-	-	-	-	84.8	38.0	46.8
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	340.2	156.1	184.1
Title II - Total Grants	-	-	-	-	-	-	-	-
Emerg. Relief, Econ. Develop. & World Food Program	0.2	0.1	0.1	0.1	*	142.2	-	142.2
Voluntary Relief Agencies	0.2	0.1	0.1	0.1	*	54.8	-	54.8
	-	-	-	-	-	87.4	-	87.4
c. Other Economic Assistance	-	-	-	-	1.0	28.4	14.7	13.7
Loans	-	-	-	-	-	12.2	14.7	2.5
Grants	-	-	-	-	1.0	16.2	-	16.2
Peace Corps	-	-	-	-	-	15.2	-	15.2
Narcotics	-	-	-	-	1.0	1.0	-	1.0
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE — TOTAL	125.0	175.4	160.3	208.3	252.8	5630.1	205.5	5424.6
Credits or Loans	125.0	175.0	175.0	202.9	250.0	1237.9	205.5	1032.4
Grants	-	0.4	5.3	5.4	2.8	4392.2	-	4392.2
a. MAP Grants	-	0.4	5.0	4.0	1.1	3141.1	-	3141.1
b. Credit Financing - FMS	125.0	175.0	175.0	202.9	250.0	1237.9	205.5	1032.4
c. Military Assistance Service-Funded (MASF) Grants	-	-	0.3	1.4	1.7	114.4	-	114.4
d. Transfers from Excess Stocks	-	-	-	-	-	957.7	-	857.7
e. Other Grants	-	-	-	-	-	279.0	-	279.0
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	125.2	176.6	250.1	406.4	453.8	8817.6	1039.0	7774.6
Loans	125.0	175.4	244.6	325.9	316.0	2955.3	1039.0	1916.3
Grants	0.2	1.2	5.4	80.5	137.8	5862.3	-	5862.3
Other U.S. Government Loans and Grants	19.4	16.1	0.2	0.6	8.0	211.1	161.9	49.2
a. Export-Import Bank Loans	19.4	16.1	0.2	0.6	8.0	211.1	161.9	49.2
b. All Other Loans	-	-	-	-	-	-	-	-

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER (7/1/76 - 9/30/76)

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS	FY 1980	FY 1981	FY 1982	FY 1946-82
	TOTAL	514.1	872.3	712.1
IBRD	460.0	722.0	647.8	3762.2
IFC	5.6	13.5	14.8	240.5
IDA	0.0	0.0	0.0	196.2
IDR	0.0	0.0	0.0	0.0
ADR	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	2.5	1.8	0.0	62.9
OTHER-UN	0.0	0.0	0.5	11.7
EEC	46.0	135.0	49.0	625.0
B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. D.A.C. COUNTRIES (Gross Disbursements)				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	296.0	99.0	489.0	
Germany	330.8	386.6	1323.6	
Japan	8.8	58.4	88.9	
U.K.	18.7	55.5	82.1	
France	36.3	20.8	66.6	
Other	68.3	61.1	195.4	
Total	758.9	681.4	2245.6	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
	CY 1980	CY 1981	CY 1976-81	
	267.4	-	272.4	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	3,400	
Eastern Europe	355	-	755	
China	-	-	-	
Total	355	-	4,155	

TURKEY

CP 84-07(9-82)

ECONOMIC SUPPORT FUND PROGRAM SUMMARY (In millions of dollars)			
	FY 1982 Actual	FY 1983 Estimated	FY 1984 Proposed
Grants	200,000	200,000	100,000
Loans	100,000	100,000 ^{1/}	75,000
Total	300,000	300,000	175,000

FY 84 PROGRAM HIGHLIGHTS

- A \$175 million cash transfer will be provided to support continued Turkish economic recovery.

Development Overview

In the late 1970s, Turkey experienced increasing political instability, widespread terrorism, and rapid economic decline. A combination of misguided government economic policies, the impact of oil price increases and the general European recession contributed to Turkey's economic malaise.

In January 1980, the government announced a major economic stabilization program, featuring a 33% devaluation of the Turkish lira, fiscal and monetary austerity, new incentives for private foreign investment and expansion of exports by private Turkish entrepreneurs, and a significant restructuring of public sector industrial enterprises which for many years had been running below capacity and incurring significant losses. The program was supported by a \$1.6 billion IMF facility and large-scale aid and a major debt rescheduling by OECD and OPEC members. The IMF and the OECD Turkey consortium provided leadership for an effective policy dialogue between Turkey and the donor community.

In economic terms, the program showed results quickly. However, the government was less successful in dealing effectively with political instability and terrorism. As a result, in September 1980 the Turkish military took control of the government in a bloodless coup. The military promised restoration of civilian government and retained the principal managers of the economic reform program.

In the intervening two years these programs have been continued and the economy has been enormously strengthened. The rate of exchange for the lira has been continuously adjusted subsequent to the January 1980 devaluation; State Economic Enterprises (SEE) are gradually becoming more competitive, and less reliant on government subsidies; and tight credit limits (set in agreement with the IMF) have been observed. Even with changes in economic leadership, the commitment to economic reform has remained consistent and effective.

^{1/} Includes \$55 million supplemental request.

RESOURCE FLOWS (In thousands of dollars)			
Program	CP 84-08 (8-82)		
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*			
Loans	100,000	100,000	75,000
Grants	200,000	200,000	100,000
Total Aid	300,000	300,000	175,000
P.L. 480**			
Title I			
(of which Title III is)	(67)	()	()
Title II	67		
Total P.L. 480	67		
Total Aid and P.L. 480	300,067	300,000	175,000

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

PERSONNEL/PARTICIPANTS DATA			
Category	CP 84-17 (8-82)		
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
AID Personnel ^a			
Direct Hire ^b			
PASA ^c			
Contract			
Total			
Participants ^d			
Noncontract			
Contract			
Total			

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1983 and FY 1984 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

Program	CP 84-14 (8-82)					
	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		67				
Gov't-to-Gov't						
Title II Total		67				
Total P.L. 480		67				

Success has been particularly marked with respect to combatting inflation, which was reduced from a three-digit figure in 1980 to around 25% in September 1982, and in regard to the current deficit in the balance of payments, which was brought down from \$3.2 billion in 1980 to an estimated \$735 million in 1982. These figures -- impressive as they are -- reflect only imperfectly the changes in attitudes and expectations that have taken place in Turkey. The switch from a mainly inward-oriented and largely state-controlled economy towards an economic outlook giving greater reign to private initiative and an opening up of the economy to market forces is widely recognized in Turkey and abroad as the principal factor in turning the economy around. The economic picture has moved from a state of deep recession and loss of external credit worthiness to export-led moderate growth and greater equilibrium in the balance of payments.

Turkey's rapidly growing population compounds the difficulty in raising standards of living. The 1982 population growth rate was 2.2%, while the growth of food production has been much lower. Growth of population, particularly in urban areas, also accelerates the need for services and makes resolution of Turkey's serious unemployment program very difficult. Turkey has a domestic labor force of almost 17 million, excluding those serving in the armed forces. As many as 800,000 new workers enter the active labor force annually. The domestic economy has been unable to provide productive work quickly enough to absorb them. While many have found work abroad (currently one million Turks are working abroad, mainly in Western Europe), opportunities are diminishing.

At present, export performance is particularly encouraging. Despite the prolonged recession in industrial countries and the reduction in the OPEC surplus, Turkish exports have continued to increase strongly under the stimulus of subdued domestic demand, a competitive exchange rate and various State incentives to exporters of goods and services. Total merchandise exports are expected to increase to \$6.1 billion in 1982 from \$4.7 billion in 1981, i.e., by 30 percent. The principal motor of Turkish export growth is manufactured exports (+65%), in particular non-food items such as textiles, iron and steel, cement, machinery, electrical appliances and transport vehicles. Agricultural exports, which in 1981 constituted nearly one-half of total exports, rose only moderately.

The outlook for the balance of payments in 1983 is promising on the assumption that, as expected, present policies are continued and the world trade outlook does not worsen considerably. Exports are expected to continue growing and may reach \$7 billion; imports will rise more slowly. The current deficit could go down to about \$500 million. Capital inflows, private and

official, should be sufficient to cover the deficit plus debt amortization obligations, leaving Turkey's external accounts near balance.

Total Resources

In the late 1970's Turkey became so over-extended that it was unable to meet its debt repayments, forcing a rescheduling of a large part of its foreign debt, private and official.

Additionally, the Turkish government approached the IMF, the World Bank, Western allies and Arab friends for concessional assistance. The OECD-sponsored donor group pledged special assistance of about \$961 million in 1979 (including \$248 million from the U.S.), \$1.16 billion in 1980 (with \$295 million from the U.S.), \$938 million in 1981 (including \$350 million from the U.S.), and approximately \$700-800 million in 1982-83 (with \$350 million from the U.S.). The IMF approved a three year standby arrangement involving \$1.63 billion in 1980 and the World Bank provided \$275 million in 1980 and another \$300 million in 1981 for structural adjustment loans. Additional loans and credits have been received from Arab donors, primarily medium-term credits from Saudi Arabia.

The OECD Consortium also arranged a debt rescheduling operation for Turkey's official bilateral debt and arrangements were completed with commercial banks for rescheduling much of the commercially held debt. Despite these debt adjustments and recent economic gains, the debt service burden remains high. For 1981 it is estimated that Turkey repaid some \$750 million to its foreign creditors. The amount of principal due will increase significantly as rescheduled debts begin to come due in 1984-1985.

In spite of the economic progress to date Turkey continues to need foreign assistance, although at somewhat lesser levels. It is anticipated that funds

will continue to come from the United States, Germany, Great Britain, France, and Japan with smaller amounts from other OECD members. Additional assistance and trade credits will come from Arab sources as well.

U.S. Interests And Objectives

Turkey is a close, valued NATO ally located in a turbulent, unstable area of the world which is of strategic importance to the United States.

The United States has an interest in encouraging and supporting the growth and development of a democratic, Western-oriented Turkey, willing and able to meet its NATO commitments. Turkey has the natural and human resources to be a major modern state and play a stabilizing role in the area. Therefore, U.S. objectives are to encourage economic growth and stability. Both must be achieved quickly after a dangerously long period of economic and social deterioration.

A.I.D.'s Assistance Strategy

A.I.D.'s strategy is to provide assistance in conjunction with other donors to permit Turkey to import the goods and services it needs for economic growth. This will give Turkey time to consolidate economic reform. United States assistance will continue to be provided as part of a multilateral program of support for Turkey's stabilization effort.

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

Significant balance of payments assistance has been provided to Turkey as part of the U.S. contribution to the Turkish stabilization effort. Three hundred million dollars in ESF funds were pledged in May 1981 and disbursed early in FY 1982. A pledge of \$350 million was made in 1982 subject to availability of FY 1983 funds.

Requested Year Program

For FY 1984, \$175 million is requested to continue support of Turkish economic reform and stabilization efforts. U.S. assistance will again be provided in the OECD context with the expectation that Turkey will continue implementation of its stabilization program. Turkey is expected to continue to emphasize policies to develop the private sector and enhance the climate for foreign investment.

The Government of Turkey is looking to the OECD countries to provide continued economic assistance, and also hopes to generate additional support from Arab donors. For the first time in several years, Turkey is able to turn to private banks to finance some of its imports and developmental projects. As the economy continues to strengthen, concessional assistance requirements will be further reduced.

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

PAGE 1
02/07/83

PROGRAM: TURKEY

CP 34

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY32- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
ECONOMIC SUPPORT FUND										
BALANCE OF PAYMENTS	G 277-K004	83	83	--- 200,000	---	---	200,000	200,000	---	---
BALANCE OF PAYMENTS	L 277-K004	83	83	--- 100,000	---	---	100,000	100,000	---	---
BALANCE OF PAYMENTS	* G 277-K005	84	84	--- 100,000	---	---	---	---	100,000	100,000
BALANCE OF PAYMENTS	* L 277-K005	84	84	--- 75,000	---	---	---	---	75,000	75,000
TOTAL FOR ACCOUNT GRANTS				---	---	---	300,000	300,000	175,000	175,000
LOANS				---	---	---	200,000	200,000	100,000	100,000
				---	---	---	100,000	100,000	75,000	75,000
TOTAL FOR COUNTRY GRANTS				---	---	---	300,000	300,000	175,000	175,000
LOANS				---	---	---	200,000	200,000	100,000	100,000
				---	---	---	100,000	100,000	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:

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE Cash Transfer		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 84 100,000 (G)	75,000 (L)	LIFE OF PROJECT FUNDING: 175,000
NUMBER 277-K-005	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 84
GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/>							

Purpose: To provide support for Turkey's efforts to stabilize its economy.

Project Description: The activity will consist of a cash transfer of \$175 million to continue support of Turkish economic stabilization efforts. A part of the funds will be a loan with terms anticipated to be 20 years at 5% interest, with a five-year grace period on payment of principal.

Relationship of Project to A.I.D. Country Strategy: This assistance will be provided as a follow-on to the Organization for Economic Cooperation and Development (OECD) multi-donor consortium effort. It is within the framework of continuing Turkish implementation of its stabilization effort. Further adjustments will be needed to maintain the competitiveness of Turkish exports, reduce the deficits of state economic enterprises and increase their market efficiency, and continue the growth of the private sector. It may take several more years of continued structural adjustments to fully restore Turkey's economic health. However, economic assistance requirements should diminish much more rapidly.

Host Country and Other Donors: The OECD-sponsored donor group (which includes the United States) pledged about \$961 million in 1979, \$1.16 billion in 1980 and \$938 million in 1981 and is expected to pledge about \$800 million in 1982/1983. The IMF approved a three year standby arrangement involving \$1.63 billion in 1980 and the World Bank provided \$275 million in 1980 and another \$300 million in 1981 for structural adjustments loans. Additional loans and credits have also been received from Arab donors. The Turkish Government has further arranged to reschedule payments on government-sponsored and private sector loans. The OECD member countries have recognized the need for continued assistance. This \$175 million is being requested to continue the OECD-supported initiative.

Beneficiaries: The people of Turkey benefit from economic stability and development. Foreign assistance finances needed imports which provide the materials and energy needed to produce, to keep the transportation system operating, to provide heat and electricity to homes, office, and industry, etc.

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: YEMEN ARAB REPUBLIC

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1982) 5,490
 PER CAPITA GNP..... (DOLLARS,1981) 460
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 4.5%
 AVERAGE ANNUAL RATE OF INFLATION (1970-80) 16.1%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1981) TOTAL 42.6 MALE 41.6 FEMALE 43.6
 (1968) TOTAL 42.3 MALE 41.4 FEMALE 43.3
 ADULT LITERACY RATE (1980) TOTAL 3% MALE 16% FEMALE 1%
 (1962) TOTAL 3% MALE 5% FEMALE N.A.

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE N.A.
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 29%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 947
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: SORGHUM WHEAT CORN 80% (1981)
 CASH: COFFEE COTTON GRAPES 2% (1981)
 MAJOR AGRICULTURAL EXPORTS:(1981) HIDES & SKINS COFFEE
 MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT SUGAR MEATS
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 75%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1978) 485 (79) 483 (80) 606
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1978) 530 (79) 979 (80) 1,101
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1978) -94 (79) -496 (80) -435
 DEFENSE EXPENDITURES
 AS % OF TOTAL EXPENDITURES.. (1978) 27.1% (79) 38.2% (80) 30.0%
 AS % OF GNP..... (1978) 7.6% (79) 15.9% (80) 11.9%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1979) 1,428 (80) 1,283 (81) 982
 EQUIVALENT TO 11.0 MONTHS OF IMPORTS (1979)

FOREIGN TRADE

MAJOR EXPORTS... (1981) IC. PRODUCTS COTTON COFFEE
 EXPORTS TO U.S.
 (\$ MILLIONS, US. FOB) (1980) 1
 AS % OF TOTAL EXPORTS N.A.
 MAJOR IMPORTS... (1981) TEXTILES MANUFACTURES OIL PRODUCTS
 IMPORTS FROM U.S.
 (\$ MILLIONS, US. CIF) (1979) 23 (1980) 86 (1981) 48
 AS % OF TOTAL IMPORTS (1979) 2% (1980) N.A. (1981) N.A.
 TRADE BALANCE(\$ MILLIONS, U.S.) (1977) -1,029(78) -1,277(79) -1,478
 MAIN TRADING PARTNERS: SAUDI ARABIA JAPAN FRANCE
 EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 27.1%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1980) 18
 AS % OF EXPORT EARNINGS (DFBT SERVICE RATIO) ... (1980) 1.1%

SOCIAL DATA

POPULATION GROWTH RATE... (1970) 1.6% (1975) 2.1% (1982) 2.3%
 POPULATION IN URBAN AREAS..... (1980) 3% (1978) 9%
 LIVE BIRTHS PER 1,000 POPULATION.... (1970) 49 (1982) 49
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. N.A.
 POPULATION (1981) IN AGE GROUP:
 (0-14YRS) 45.0% (15-64YRS) 51.9% (65+ YRS) 3.2%
 INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 170
 PEOPLE PER PHYSICIAN..... (1977) 13,822
 MAJOR CAUSES OF
 DISEASE (1978)ENTERIC DISEASE MALARIA SCHISTOSOMIASIS
 DEATH.. (1975)RESPIRATORY PARASITIC DISEAS GASTROINTESTINAL
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS . (1977) 62%
 POPULATION WITH REASONABLE ACCFSS TO SAFE WATER SUPPLY(1975) 4%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1975) TOTAL 29.0% MALE 50.0% FEMALE 7.0%
 SECONDARY... (1975) TOTAL 4.0% MALE 8.0% FEMALE 1.0%
 POST SECONDARY.. (1978) TOTAL 1.6% MALE 3.5% FEMALE .3%
 ENERGY PRODUCTION AS % OF CONSUMPTION..... N.A.

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

COUNTRY	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
	YEMEN ARAB REPUBLIC							
	PROGRAM	1977	1978	1979	1980			
I. ECONOMIC ASSISTANCE – TOTAL	17.1	7.7	16.0	13.4	20.7	143.5	0.1	143.4
Loans	-	-	-	-	5.0	6.4	0.1	6.3
Grants	17.1	7.7	16.0	13.4	15.7	137.1	-	137.1
a. A.I.D. and Predecessor Agencies	15.5	6.8	16.0	11.6	19.4	115.7	0.1	115.6
Loans	-	-	-	-	5.0	6.4	0.1	6.3
Grants	15.5	6.8	16.0	11.6	14.4	109.3	-	109.3
(Economic Support Fund)	-	-	-	-	-	25.1	-	-
b. Food for Peace (PL 480)	1.1	0.2	0.3	0.7	0.3	22.2	-	22.2
Loans	-	-	-	-	-	-	-	-
Grants	1.1	*	0.3	0.7	0.3	22.2	-	22.2
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	1.1	0.2	0.3	0.7	0.3	22.2	-	22.2
Emerg. Relief, Econ. Develop. & World Food Program	0.7	0.2	0.3	0.7	0.3	14.5	-	14.5
Voluntary Relief Agencies	0.4	*	-	-	-	7.7	-	7.7
c. Other Economic Assistance	0.5	0.7	1.1	1.1	1.0	5.6	-	5.6
Loans	-	-	-	-	-	-	-	-
Grants	0.5	0.7	1.1	1.1	1.0	5.6	-	5.6
Peace Corps	0.5	0.7	1.1	1.1	1.0	5.6	-	5.6
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	0.4	0.8	0.6	0.5	0.9	3.3	-	3.3
Credits or Loans	-	-	-	-	-	-	-	-
Grants	0.4	0.8	0.6	0.5	0.9	3.3	-	3.3
a. MAP Grants	-	-	-	-	-	*	-	*
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	0.4	0.8	0.6	0.5	0.9	3.3	-	3.3
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	17.5	8.5	16.6	13.9	21.6	146.8	0.1	146.7
Loans	-	-	-	-	5.0	6.4	0.1	6.3
Grants	17.5	8.5	16.6	13.9	16.6	140.4	-	140.4
Other U.S. Government Loans and Grants	-	-	-	0.7	-	0.7	*	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	0.7	-	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.....	28.6	5.1	0.0
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	3.2
IDA	22.5	0.0	0.0	201.3
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	6.1	0.1	0.0	35.3
OTHER-UN	0.0	5.0	0.0	8.0
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.	15.0	24.0	62.0	
Germany	112.3	8.1	162.1	
Netherlands	19.6	20.4	75.3	
Japan	10.1	15.7	31.4	
U.K.	6.3	5.1	19.3	
Other	7.2	3.5	20.3	
Total	170.5	76.8	370.4	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
	CY 1980	CY 1981	CY 1976-81	
	293.1	-	804.3	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	140	
Eastern Europe	-	-	40	
China	-	-	130	
Total	-	-	310	

YEMEN

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	23,279	11,779	-	4,800	6,700	-	-	-
Total	23,279	11,779	-	4,800	6,700	-	-	-
1983	-	-	-	-	-	-	-	-
Loans								
Grants	28,082	15,135	-	5,079	7,868	-	-	-
Total	28,082	15,135	-	5,079	7,868	-	-	-
1984	-	-	-	-	-	-	-	-
Loans								
Grants	28,000	14,973	250	3,077	9,700	-	-	-
Total	28,000	14,973	250	3,077	9,700	-	-	-

CP 84-13 (8-82)

FY 84 PROGRAM HIGHLIGHTS

- \$9.7 million for new and ongoing human resource development in primary education and long and short-term training.
- \$14.9 million for continued development of a broad-based agriculture project and assistance in strengthening the capacity of local development associations (LDAs) to implement self-help activities.
- \$3.1 million for on-going rural health and water resource projects.
- \$250,000 for a new project to train primary health care workers in family planning counseling.

DEVELOPMENT OVERVIEW

The Yemen Arab Republic (YAR) occupies a strategic position on the Arabian peninsula. It is located on the Red Sea, close to the Horn of Africa. It also acts as a buffer between the Marxist-oriented Peoples Democratic Republic of Yemen (PDRY) and Saudi Arabia. Since its revolution in 1962, Yemen has been the peninsula's area of sharpest conflict between conservative, modern, liberal, and communist ideals. Forces as diverse as the Saudis, Soviets, the United States, and the Peoples Republic of China are involved in the struggle for influence.

Unlike most of its neighbors on the peninsula, Yemen is a poor country with no known oil reserves. Life expectancy (45 years) and literacy (30% for men, 5% for women) remain low, while infant mortality continues at a high rate of 170 per 1000 births. Economic and social development in

Yemen is of recent vintage, essentially dating after the country began to recover from a long civil war in the 1960s. Years of conflict have put pressure on scarce manpower resources and constrained economic progress. Despite gains in recent years, the government has limited control over many areas of the country.

In one major respect, however, Yemen has benefited in recent years. The booming economies of Yemen's petroleum-producing neighbors have generated a substantial demand for Yemeni labor. Since the early 1970s, on the average of one million or more Yemeni have been working abroad. Between 1978 and 1981 net remittances averaged over \$1 billion annually. The YAR's real per capita GNP increased significantly over this period, reaching an estimated \$460 in 1981, as compared to \$290 in 1973 dollars.

RESOURCE FLOWS (In thousands of dollars)			
Program	CP 84-06 (8-82)		
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*			
Loans.....	3,290	1,710	-
Grants.....	22,039	27,584	29,428
Total Aid.....	25,329	29,294	29,428
P.L. 480**			
Title I.....			3,000
(of which Title III is)	(1,174)	(983)	(1,042)
Title II.....			
Total P.L. 480.....	1,174	983	4,042
Total Aid and P.L. 480.....	26,503	30,277	33,470

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

PERSONNEL/PARTICIPANTS DATA CP 84-17 (8-82)			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
AID Personnel ^a			
Direct Hire ^b	24	26	25
PASA ^c	-	-	-
Contract.....	40	56	64
Total.....	64	82	89
Participants ^d			
Noncontract.....	140	160	60
Contract.....	48	65	70
Total.....	188	225	130

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1983 and FY 1984 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

Program	CP 84-14 (8-82)					
	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat.....					16.0	3,000
Rice.....						
Feedgrains.....						
Vegoil.....						
Non-food.....						
Title I Total.....						3,000
(of which Title III is)		(-)		(-)		(-)
Title II						
Voluntary Agencies.....		-		-		-
World Food Programs.....		1,174		983		1,042
Gov't-to-Gov't.....		-		-		-
Title II Total.....		1,174		983		1,042
Total P.L. 480.....		1,174		983		4,042

These remittances fueled private sector investments in wells, tractors, water systems, generators, building, and substantial private consumption. Government spending added an additional 20% of GDP to fixed investments with highways, electricity, telecommunications, and port facilities. GDP increased at an annual rate of slightly less than 10% during the decade of the 1970s. Real GDP growth is currently estimated at 6%.

Despite these gains, there are serious fundamental economic problems. Imports exceed the value of exports by more than a hundred fold. The shortage of managerial and technical manpower and the slow growth of government revenues exacerbate the problem. They could be dealt with and the import bill paid so long as the economic boom continued. However, the boom is tapering off. The number of Yemeni expatriate workers, estimated as high as 1.4 million in 1980, has dropped below 1.0 million, and, while firm data are lacking, remittances appear to be falling. In addition, the 1982 down-turn in oil revenues may affect Arab aid levels to Yemen this year and next.

As a result of these factors, foreign exchange reserves have begun to decline and GDP growth has dropped off. After years of balance of payment surpluses, Yemen registered a deficit of \$28 million in 1979-1980. Reserves, which were equivalent to around 20 months of imports in 1975, were down to about 7 months by the end of 1981. The YAR budgetary deficit is currently estimated at \$500 million and has quintupled since 1979. The government has taken some steps to deal with the deteriorating economic situation, such as adopting interest rate policies that encourage investment, developing procedures to curb the flow of illegal imports through porous borders, and increasing duties on some imported consumer goods. These measures, however, will not in themselves appreciably address the magnitude of Yemen's economic problems.

TOTAL RESOURCES

The most promising avenues for longer term development continue to be the mobilization of Yemen's human resources, the strengthening of its basic institutions, and its dynamic private sector. Yemen's \$6.5 billion Second Five-Year Plan (1982-1986) calls for increased government allocations to agriculture, education, and health as compared with the First Five-Year Plan. The Plan's financing depends heavily on external sources, with around 70% of investment expected to be covered by grant and loan disbursements and direct private investment.

Indigenous development funds come from several sources: government revenues; remittance income; and other sources of private investment. Remittances have financed local development through the private sector, particularly in rural areas. An estimated 15% of the total budget (\$25 per capita) is allocated for development. The contribution of the private sector to development, however, is believed to be several times larger than the government's. Also, some portion of

private sector resources is channeled through the Local Development Associations (LDAs), indigenous, elected associations which plan and direct rural development activities at the village level. Because LDAs operate at the grass-roots level and independently establish their priorities, no exact figure is available to reflect locally-funded development investment.

The bulk of the government's development activities are financed by foreign donors. The Arab states are Yemen's largest donors and provide an estimated two-thirds of all external assistance. During the First Five-Year Plan, Yemen received \$1.3 billion in loans from Iraq (24%), the Saudi Fund for Development (22%), the International Development Association/International Finance Corporation (14%), the Arab Fund for Social and Economic Development (7%) and the Kuwait Fund (6%). The USSR also contributed 8% of these loans. As of June 1981, only 58% of these funds had been disbursed. Yemen's shortage of trained manpower and weak institutional capacities account in large measure for this low utilization rate.

In addition to the figures cited above, budgetary support from Saudi Arabia (exclusive of expenditures for military purposes) is said to vary from \$100 million to \$400 million per year. The YAR makes no official report of such transfers.

Arab donors tend to concentrate on large infrastructure projects, although the Kuwait Fund has also been heavily engaged in education both at the university level and in rural schools. Saudi Arabia supports certain projects, though most aid is provided as budget support.

During the same period, international grant development assistance from other donors such as the United Nations Development Program, International Bank for Reconstruction and Development, West Germany, the

Netherlands, and the United States amounted to approximately \$100 million per year. The latter three countries each provided about the same level of aid, concentrated in agriculture, rural development and education. Chinese public works projects are visible evidence of their presence in Yemen; most are on a commercial basis, and China's actual aid level is unknown.

U.S. INTERESTS AND OBJECTIVES

The YAR's strategic geographic location, its porous border with Saudi Arabia, and the large numbers of Yemenis working in the oil states of the peninsula underscore Yemen's importance in terms of regional stability and hence to U.S. interests in the region. The YAR has come under repeated pressure from insurgent forces based in and supplied by the PDRY. Backing for the insurgents also has come from Libya, Ethiopia, and indirectly from the Soviet Union. The intent of this guerilla action and those governments which support it is hostile to the U.S. presence and our interests in the region. U.S. objectives are to help develop, through economic and other assistance, a strong government in the YAR, not hostile to its neighbors, which will promote fundamental U.S. interests in the stability and security of the region. Yemen has a strong free enterprise tradition which is a countervailing force to the Marxist economic system of the PDRY and helps to build stability in a turbulent area. Tangible U.S. participation in the YAR's economic development thus supports our interests and objectives in the region as a whole.

A.I.D.'s DEVELOPMENT STRATEGY

Yemen's basic resources are its people and its agricultural potential. In addition, a high degree of private sector entrepreneurial activity has been channeled into development. On the other hand, Yemen

lacks sufficient financial resources to develop the industrial plant and infrastructural base needed for its development. It also lacks the human resource and institutional base necessary to manage and consolidate its growth. Other donors, particularly Arab donors, have been providing high levels of assistance for Yemen's capital plant requirements. The A.I.D. assistance strategy is directed at helping the Yemeni Government develop the human resources and institutional capabilities needed to achieve broad-based and sustained development. This is a long-term undertaking involving sustained technical assistance, technology transfer, and training.

The principal vehicles of this strategy are: 1) a long-term Title XII agricultural project aimed at improving the Ministry of Agriculture's planning, management, and technical and educational activities as well as its ability to respond to Yemeni farmers' and entrepreneurs' needs. In the past few years this project has developed an important two-year agricultural training program at Yemen's primary agricultural institute. Activities in other areas of the Yemeni agricultural sector have also begun, including poultry, horticulture, and agricultural planning; 2) a similar collaborative assistance project in education directed at improving Yemen's primary school educational system, which has trained over sixty teacher trainers to staff Yemen's Primary Teacher Training Institutes; 3) a broad-based participant training program which seeks to increase at a rate of up to forty new participants each year the professional and technical capabilities of personnel from Yemen's governmental and private institutions; 4) a health service delivery project; and 5) village-based development activities. The latter projects also include strong training components.

A.I.D. PROGRAM (FY 1982-1983)

In agriculture and rural development, \$15.1 million

will be provided in FY 1983 for agricultural development. This includes formal agricultural training at the secondary and higher education levels and assistance to help develop the Ministry of Agriculture, Ministry of Education and the Confederation of Yemen Development Associations. \$13.1 million of the above amount is planned for the Agriculture Development Support Project (279-0052). This Title XII program is in its fourth year of implementation by the Consortium for International Development (CID), a group of western and southwestern universities. The project underwent its first in-depth evaluation during FY 1982. The evaluation brought to light several difficulties in the overall management of this large collaborative effort and in specific project areas. As a result, several adjustments to project management are being made, an improvement of the CID-YAR relationship is being undertaken, and program strategy and direction have been clarified.

During FY 1983, emphasis will be on project implementation. The Core Subproject (279-0052) will provide: logistic support to all sub-projects; technical assistance to the Ministry of Agriculture (MOA) in several sub-sectors; and assistance in the design of one new subproject. The subproject at the Ibb Secondary Agricultural Institute will receive funding for its fourth year of operation. Progress at the school includes the development of an agricultural curriculum by New Mexico State University for a student enrollment of about 100 students, and graduation of the first class during FY 1982.

During FY 1982, a Poultry Subproject was approved and implementation began. A Horticulture Subproject, approved in FY 1983, will provide disease-free, budded fruit tree seedlings for distribution to small farmers and strengthen the MOA's ability to provide proven technical advice to producers. This subproject, which builds upon an earlier Tropical and Sub-Tropical

Horticulture Project (279-0024), will also develop the YAR's institutional capacity to provide plant quarantine and disease control services to Yemeni farmers.

Continuing in FY 1983 and requiring \$2.035 million is the Local Resources for Development Project (279-0045). This project assists the Local Development Associations by providing technical assistance, matching grants and training to improve village capacity to plan and implement development projects. It will undergo its first in-depth, external evaluation during early FY 1983.

In addition to the evaluation of the Agriculture Development Support project, six other major evaluations were conducted during the past year. These include evaluations of three projects in the water sector, one in agriculture, one in rural health, and one in education. These evaluations have been useful either in bringing about mid-course corrections in those projects experiencing difficulties or in serving as a basis for appropriate follow-on activities.

In the health sector, the entire \$5.079 million programmed for FY 1983 is for continuing activities. During FY 1982, the Tihama Primary Health Project (279-0065) was modified based on evaluation findings, the contractor was terminated, and the project will be implemented by a new contractor beginning in FY 1983. The project will continue training and establishing village-level health care outlets in the poorest area of the country.

Another project under implementation is the Small Rural Water Systems Project (279-0044) which, under a Cooperative Agreement between the YAR and TransCentury, a U.S. private voluntary organization, will construct rural water supply systems. Construction of hand-dug wells, cisterns and storage tanks began in FY 1981, and

35 systems will be completed by the end of FY 1983. The FY 1982 in-depth evaluation resulted in significantly improved contractor performance and increased involvement of the YAR's Ministry of Public Works in the project.

In education, the entire planned program of \$7.9 million is also for continuing activities. \$4.3 million for Development Training II (279-0040) will finance education abroad for up to 261 Yemeni students, 20 of whom will begin training in FY 1983. Upon return to Yemen, participants are employed in development-related administrative and technical positions. In addition, A.I.D. is implementing a comprehensive program in Basic Education (279-0053) under a collaborative assistance contract with Eastern Michigan University (EMU), to support the long-term growth of indigenous educational institutions. \$3.6 million is planned for continuing activities under this project. The Administrative Support Subproject is strengthening administration and planning at the Ministry of Education through technical assistance and training and is providing administrative and logistic support for all subprojects. The Primary Teacher Training Subproject is training Yemenis to staff Teacher Training Institutes. About 100 Yemenis will have been trained to the M.A. level by the end of FY 1983 to replace expatriates in the education system. Sixty-five of these participants have completed M.A.s, returned to Yemen, and begun teaching in the Primary Teacher Training Institutes. The FY 1982 evaluation revealed problems in implementing the in-service teacher training component of this project. These problems have been resolved collaboratively with UNICEF, which is designing an in-service teacher training system. The Primary/Science Education Subproject is developing Departments of Primary Education and of Science Education within the Faculty of Education at Sanaa University, through long-term technical assistance, educating faculty staff to the Ph.D. level, and pro-

vision of math, science and resource materials laboratories.

REQUESTED YEAR PROGRAM

A.I.D. requests \$28 million for Yemen in FY 1984, of which \$23.2 million is required for ongoing projects.

In agriculture, \$13.7 million is requested for the Title XII program, which will continue to: strengthen government institutions through the Core Subproject; continue full operation of the Ibb Secondary Agriculture Institute; train farmers, extension agents and poultry center managers, and construct four pullet-rearing facilities under the Poultry Subproject; grow and distribute disease-free budwood for citrus and deciduous seedlings, develop the Al-Irra horticulture farm, and establish a plant protection unit in the Ministry of Agriculture under the Horticulture Subproject. Final funding of \$1.3 million for the Local Resources Development Project will also be required in FY 1984.

In education, additional funds totaling \$9.7 million will be required to support Yemen's effort to establish a primary education system; to continue to provide Yemen with adequately trained people in fields of high development priority; and to support the Yemen-American Language Institute (YALI) which provides English language training to participants in Yemen prior to their starting long-term academic training. Of the total amount, \$4.5 million will be for the first year of funding of the Development Training III Project (279-0080) and \$5.2 million will fund ongoing activities under the Basic Education Development Project (279-0053) as described above.

In health, \$3.1 million will be required for ongoing activities. \$1.1 million will provide final-year funding for the PVO-implemented Small Rural Water

Systems Project (279-0044), and \$2.0 million will continue funding for the Tihama Primary Health Care Project (279-0065).

\$250,000 will be required to begin a new three-year project in population which will train primary health care workers in family planning counseling.

In addition, a \$3.0 million P.L. 480 Title I program is requested for FY 1984.

MISSION DIRECTOR: CHARLES WARD

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

PAGE 1
02/15/83

PROGRAM: YEMEN

CP 34

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT AUTHD PLANNED COST	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION										
LAND CLASSIFICATION AND SOIL SURVEY	G 279-0042	78	82	1,170	1,170	1,014	---	156	---	---
LOCAL RESOURCES FOR DEVELOPMENT	G 279-0045	79	84	8,720	5,404	4,304	2,035	2,112	1,281	2,304
AGRICULTURAL DEVELOPMENT SUPPORT	G 279-0052	79	93	53,130	21,696	10,837	13,100	12,892	13,692	13,768
TOTAL FOR ACCOUNT GRANTS				63,020	28,270	16,155	15,135	15,160	14,973	16,072
LOANS				63,020	28,270	16,155	15,135	15,160	14,973	16,072
				---	---	---	---	---	---	---
POPULATION PLANNING										
FAMILY PLANNING IN PRIMARY HEALTH CARE	* G 279-0075	84	88	---	2,500	---	---	---	250	250
TOTAL FOR ACCOUNT GRANTS				---	2,500	---	---	---	250	250
LOANS				---	2,500	---	---	---	250	250
				---	---	---	---	---	---	---
HEALTH										
WATER SUPPLY SYSTEMS MANAGEMENT	G 279-0028	77	82	6,100	6,100	3,390	---	1,068	---	1,175
TAIZ WATER AND SEWERAGE CONSTRUCTION	G 279-0039	77	82	11,200	11,200	10,036	---	1,164	---	---
TAIZ WATER AND SEWERAGE CONSTRUCTION	L 279-0039	77	81	5,000	5,000	3,290	---	1,710	---	---
WATER RESOURCES PLANNING AND MANAGEMENT	G 279-0043	79	79	3,134	3,134	1,631	---	456	---	504
SMALL RURAL WATER SYSTEMS	G 279-0044	79	83	6,977	3,821	3,081	3,079	1,500	1,077	1,319
TIHAMA PRIMARY HEALTH CARE	G 279-0065	80	87	11,485	3,270	1,777	2,000	1,406	2,000	2,118
TOTAL FOR ACCOUNT GRANTS				43,896	32,525	23,205	5,079	7,304	3,077	5,116
LOANS				38,896	27,525	19,915	5,079	5,594	3,077	5,116
				5,000	5,000	3,290	---	1,710	---	---

* Refers to the planned project summary sheet

^c Level of effort activity

137

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)

PAGE 2
02/15/83

PROGRAM: YEMEN

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES
EDUCATION AND HUMAN RESOURCES										
DEVELOPMENT TRAINING II	G 279-0040	78	83	15,906 20,174	15,906	8,696	4,268	3,192	---	3,516
BASIC EDUCATIONAL DEVELOPMENT	G 279-0053	79	89	28,292 40,000	7,378	6,371	3,600	3,638	5,200	4,474
DEVELOPMENT TRAINING III	* G 279-0080	84	90	--- 40,000	---	---	---	---	4,500	---
TOTAL FOR ACCOUNT GRANTS				44,198 100,174	23,284	15,067	7,868	6,830	9,700	7,990
LOANS				44,198 100,174	23,284	15,067	7,868	6,830	9,700	7,990
				---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				151,114 219,605	84,079	54,427	28,082	29,294	28,000	29,428
LOANS				146,114 214,605	79,079	51,137	28,082	27,584	28,000	29,428
				5,000 5,000	5,000	3,290	---	1,710	---	---

* 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 data. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

TITLE Family Planning in Primary Health Care		FUNDING SOURCE: DA	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (in thousands of dollars)		
					FY 84 .250	LIFE OF PROJECT FUNDING: 2,500	
NUMBER 279-0075 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION: .250	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 88	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Project Purpose: To create a capability in Yemen to train primary health care workers in family planning counseling.

Project Description: Frequent pregnancies are a major cause of health problems among Yemeni women. This, and an increasing awareness of other problems associated with large families, has led to a growing but still small number of couples, mostly urban, who practice contraception.

Population growth is not perceived as a problem in Yemen by government officials or the population in general. The culture is oriented toward large families, and, like many traditional societies, children are seen as representing financial security for old age. Family planning is opposed on religious grounds by many leaders. However, some government officials are becoming aware of the need for a population policy.

The proposed project will provide primary health care workers with training and educational materials necessary to offer family planning advice to Yemeni families. Technical assistance will be provided to develop and administer the training program and to produce the necessary education materials. Long-term training will be provided for two Yemeni administrators to study design and implementation of family planning programs relevant to Yemen's needs, and short-term training courses will introduce various officials and physicians to different aspects of family planning activities.

Relationship of Project to A.I.D. Country Strategy:
A.I.D.'s primary development goal in Yemen is to

improve human and institutional resources on a broad scale. Projects in every sector address this goal, particularly in health where A.I.D. is assisting the Yemeni under the Tihama Primary Health Care project to bring basic health care services to the rural poor. Achievements in these sectors could be ultimately compromised by Yemen's rapid population growth rate (2.3% in 1981). Some centrally-funded A.I.D. assistance in limited amounts has been provided to the Yemen Family Planning Association. This new project, emphasizing child spacing, will complement and directly support our activities in primary health care through close coordination of curriculum development, training, logistics, and delivery services to women.

Host Country and Other Donors: During FY 1983, the Ministry of Health (MOH) plans to incorporate its Maternal/Child Health (MCH) services into the national primary health care program. Within this context, the MOH has expressed interest in training their staff in family planning and child spacing techniques. The only other donor known to be active in the field is the U.N. Development Program, which is providing limited demographic assistance.

Beneficiaries: The beneficiaries will include all members of those families of rural dwellers in Yemen who have access to the trained health care workers and choose to avail themselves of the available family planning advice. The numbers cannot be estimated at this time, but a prime measure of project success will be evidence that increasing proportions of those rural inhabitants who have access to the services are availing themselves of it.

TITLE Development Training III		FUNDING SOURCE: DA	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 84 4,500	LIFE OF PROJECT FUNDING: 40,000	
NUMBER 279-0080 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR: 4,500	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 90	ESTIMATED COMPLETION DATE OF PROJECT FY 97

Purpose: To help provide Yemen with more adequate numbers of trained personnel in the fields of agriculture, primary education, health, and science.

Project Description: Implementation of Yemen's First Five-Year Plan revealed the critical lack of Yemeni capacity to plan and implement programs necessary for economic growth and development. The Development Training I and II projects responded to the Yemen Government's (YARG) training needs outlined in the Plan. This project is designed to contribute toward meeting the human resource development objectives of the Second Five-Year Plan and will focus on development of technical and academic self-sufficiency in a number of areas including Sanaa University, government institutions, and the private sector. Other training will be provided in fields identified by the YARG's Human Resources Planning Unit. The emphasis on graduate level training contained in Development Training II will be strengthened under this project. Undergraduate training will decrease yearly as Sanaa University is able to assume this responsibility. English language training for participants and assistance to the Human Resources Planning Unit will be continued under this project. Development Training III will also provide limited in-country short-term training, where feasible, in order to lower the cost of short-term non-academic training, reduce the need for English language competence of participants, and increase opportunities for female participation.

Participants returning with M.A. or Ph.D. degrees will join the most competent and highly skilled segment of Yemen's workforce. In addition, the project will train Sanaa University's faculty, thus improving and expanding undergraduate education in Yemen and supporting the Yemeni desire to replace expatriate faculty (80% of present university staff) with qualified Yemeni.

Relationship of Project To A.I.D. Country Strategy: Lack of sufficient numbers of adequately trained people is the major bottleneck in the achievement of Yemen's development goals. This project is one of the main vehicles for A.I.D. assistance to address this constraint.

Host Country and Other Donors: The government will provide counterpart staff salaries and facilities, including office space and classroom space for in-country training, some travel costs, and local supplies for human resources planning advisors.

Beneficiaries: Primary beneficiaries will be an estimated 300 Yemeni who will receive degree-level training; and 200 who will receive short-term training to enable them to play more effective roles in Yemen's development.

OTHER PROGRAMS

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: LEBANON

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1982) 3,177
 PER CAPITA GNP..... (DOLLARS,1975) 1,070
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. N.A.
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 1.4%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1981) TOTAL 66.4 MALE 64.5 FEMALE 68.4
 (1968) TOTAL 60.9 MALE 59.0 FEMALE 62.9
 ADULT LITERACY RATE (1972) TOTAL 65% MALE N.A. FEMALE N.A.

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1970-1981) -2.9%
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1961) 12%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 2.056

MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: POTATOES WHEAT POULTRY 20% (1981)
 CASH: CITRUS FRUIT APPLES 10% (1981)
 MAJOR AGRICULTURAL EXPORTS:(1981) CITRUS FRUIT APPLES
 MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT SUGAR MEATS
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 11%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1978) 476 (79) 614 (80) 753
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1978) 707 (79) 903 (80) 1,278
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1978) -231 (79) -289 (80) -485
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1978) 20.2% (79) 23.8% (80) 22.3%
 AS % OF GNP..... (1978) 5.5% (79) 6.6% (80) 6.9%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1979) 1,921 (80) 1,978 (81) 1,906
 EQUIVALENT TO 7.0 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1979) FOODSTUFFS
 EXPORTS TO U.S.
 (\$ MILLIONS, US. FOB) (1979) 14 (1980) 31 (1981) 18
 AS % OF TOTAL EXPORTS (1979) 2% (1980) 4% (1981) 2%
 MAJOR IMPORTS... (1979) MANUFACTURES
 IMPORTS FROM U.S.
 (\$ MILLIONS, US. CIF) (1979) 250 (1980) 333 (1981) 325
 AS % OF TOTAL IMPORTS (1979) 9% (1980) 9% (1981) 9%
 TRADE BALANCE(\$ MILLIONS, U.S.) (1979) -1,927(80) -2,782(81) -2,613
 MAIN TRADING PARTNERS: SAUDI ARABIA ITALY FRANCE
 EXTERNAL PUBLIC DEBT AS % OF GNP (1970) 4.2%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1980) 13
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO) ... (1978) 0.8%

SOCIAL DATA

POPULATION GROWTH RATE... (1970) 2.7% (1975) 2.6% (1982) 2.6%
 POPULATION IN URBAN AREAS..... (1960) 31% (1970) 60%
 LIVE BIRTHS PER 1,000 POPULATION... (1970) 40 (1982) 30
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1971) 55%
 POPULATION (1981) IN AGE GROUP:
 (0-14YRS) 39.3% (15-64YRS) 55.8% (65+ YRS) 4.9%
 INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 44
 PEOPLE PER PHYSICIAN..... (1973) 1,097
 MAJOR CAUSES OF
 DISEASE (1975)TUBERCULOSIS DIABETES
 DEATH.. (1975)CIRCULATORY CANCER
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS . (1977) 112%
 POPULATION WITH REASONABLE ACCFSS TO SAFE WATER SUPPLY(1970) 92%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1970) TOTAL 118.0% MALE 127.0% FEMALE 109.0%
 SECONDARY..... (1970) TOTAL 40.0% MALE 47.0% FEMALE 32.0%
 POST SECONDARY.. (1970) TOTAL 23.5% MALE 35.3% FEMALE 11.3%
 ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 4%

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

COUNTRY	LEBANON					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81	
	PROGRAM	FOREIGN ASSISTANCE ACT PERIOD							
		1977	1978	1979	1980				1981
I. ECONOMIC ASSISTANCE – TOTAL	28.5	32.7	3.4	0.5	4.0	18.5	19.8	108.5	
Loans	0.5	7.6	-	-	-	35.0	19.8	13.2	
Grants	28.0	25.1	3.4	0.5	4.0	15.5	-	155.3	
a. A.I.D. and Predecessor Agencies	29.2	20.7	0.4	0.5	4.0	102.2	6.7	95.8	
Loans	-	-	-	-	-	4.9	0.4	1.5	
Grants	29.2	20.7	0.4	0.5	4.0	97.3	-	97.3	
(Economic Support Fund)	-	20.0	0.4	0.5	4.0	24.9	-	-	
b. Food for Peace (PL 480)	10.7	12.0	3.0	-	-	84.4	11.7	72.7	
Loans	0.0	1.0	-	-	-	26.5	11.7	14.8	
Grants	10.7	11.0	3.0	-	-	57.9	-	57.9	
Title I - Total Sales Agreements	0.0	7.0	-	-	-	20.5	11.7	14.8	
Repayable in U.S. Dollars - Loans	0.0	7.0	-	-	-	26.5	11.7	14.8	
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-	
Title II - Total Grants	10.7	4.4	3.0	-	-	57.9	-	57.9	
Emerg. Relief, Econ. Develop. & World Food Program	0.1	4.4	3.0	-	-	46.9	-	46.9	
Voluntary Relief Agencies	10.6	-	-	-	-	11.0	-	11.0	
c. Other Economic Assistance	-	-	-	-	-	1.7	1.7	*	
Loans	-	-	-	-	-	1.0	1.7	0.1	
Grants	-	-	-	-	-	0.1	-	0.1	
Peace Corps	-	-	-	-	-	-	-	-	
Narcotics	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	0.1	-	0.1	
II. MILITARY ASSISTANCE – TOTAL	25.0	0.0	43.1	22.4	20.3	135.9	27.2	108.7	
Credits or Loans	25.0	-	42.5	22.0	20.0	116.7	27.2	91.5	
Grants	*	0.0	0.6	0.4	0.3	17.2	-	17.2	
a. MAP Grants	-	-	-	-	-	13.6	-	13.6	
b. Credit Financing - FMS	25.0	-	42.5	22.0	20.0	116.7	27.2	91.5	
c. Military Assistance Service-Funded (MASF) Grants	*	0.0	0.6	0.4	0.3	3.3	-	3.3	
d. Transfers from Excess Stocks	-	-	-	-	-	0.3	-	0.3	
e. Other Grants	-	-	-	-	-	-	-	-	
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	54.5	32.7	46.5	22.9	24.3	324.2	47.0	277.2	
Loans	31.0	7.0	42.5	22.0	20.0	151.7	47.0	104.7	
Grants	23.5	25.7	4.0	0.9	4.3	172.5	-	172.5	
Other U.S. Government Loans and Grants	-	-	-	-	-	63.2	72.1	11.1	
a. Export-Import Bank Loans	-	-	-	-	-	71.4	58.9	12.5	
b. All Other Loans	-	-	-	-	-	11.8	13.2	1.4	

* 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	27.9	3.5	12.0
IBRD	0.0	0.0	0.0	116.6
IFC	0.0	0.0	0.0	9.3
IDA	0.0	0.0	0.0	0.0
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	9.2	0.5	0.0	33.9
OTHER-UN	1.7	0.0	0.0	8.0
EEC	17.0	3.0	12.0	35.0
B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. O.A.C. COUNTRIES (Gross Disbursements)				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	4.0	6.0	60.0	
Germany	16.7	3.1	23.4	
France	3.5	14.4	23.9	
Austria	0.1	28.5	29.1	
Other	2.0	9.7	25.9	
Total	26.3	61.7	162.3	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
	CY 1980	CY 1981	CY 1976-81	
	242.4	-	447.2	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	-	
Eastern Europe	-	-	10	
China	-	-	-	
Total	-	-	10	

LEBANON

Development Overview

As was the case prior to the Israeli invasion of June 1982, Lebanon's economic problems continue to be rooted in its persistent political unrest. These problems have been seriously compounded by the recent large scale destruction in Beirut and the urban centers in southern Lebanon.

Lebanese Government officials speak of a reconstruction bill totalling up to \$25 billion over the next eight to ten years. Much of this would go to rebuild infrastructure damaged in the seven years of civil war prior to this June's invasion. It is very hard to separate recent damage from the fighting of the earlier seven years of civil war or from the general deterioration of public infrastructure and services during the period. Damage is divided about equally between the public and private sectors. In the private sector, replacement of destroyed and damaged housing and office buildings, and privately owned hospitals and schools, will claim most of the funds. In the public sector, major reconstruction of basic infrastructure, including water and sewer systems, power, roads and telecommunications will be required.

Prior to the civil war, Lebanon was a lively free enterprise country. Annual per capita income was over \$1,000, the country possessed a relatively well-developed infrastructure, the annual rate of real growth was over 10%, and the development process was well advanced. Average life expectancy exceeded 65 years. Over half the married women of reproductive age practiced some form of birth control. Two-thirds of the population was literate, and primary school enrollment surpassed 90% for both boys and girls. However, the country's national integrity depended on a precarious political balance of sectarian, ethnic and political factions. Existing tensions were gravely aggravated by a large Palestinian influx and the always volatile Middle East situation.

By 1975 the "National Accord," which had bound together Lebanon's diverse groups, dissolved in violence. The civil war destroyed Beirut's commercial district and much of the country's industrial plant and equipment. Thousands of people became homeless. Many had to flee their urban apartments or village homes and resume life as displaced people elsewhere in the country. The violence receded after 1976, and by 1977 reconstruction was underway. However, violence erupted again in 1978 with the invasion of South Lebanon and bitter fighting in Beirut. Widespread fighting in 1981 was highlighted by six weeks of heavy shelling in Beirut, the siege of Zahle, and the bombing of South Lebanon. The latter ended with a cease-fire arranged by Ambassador Habib. But civil lawlessness continued and the potential for renewed violence remained high, thereby inhibiting investment and reconstruction. The Israeli invasion of June 1982 was only the latest violent episode in eight years of war.

While Lebanon's need to repair and rebuild its structures and services is not new, there now seems to be for the first time in recent years a genuine willingness among all Lebanese to reconcile religious, political and social differences. The "Green Line" separating East and West Beirut--and the Christians and Moslems who live there--seems slowly to be fading. However, many serious problems remain. Israeli, Syrian, and PLO troops occupy various parts of the country. The situation of Palestinian refugees remains to be satisfactorily resolved. Nevertheless, there does seem to be a widespread desire on the part of most Lebanese to regain authority and control over their country and to bring about a national healing of old wounds.

This visible, albeit slow progress in achieving political stability and security is a very important precondition to a successful reconstruction effort. Lebanon's populace, in the months since the PLO withdrawal from Beirut, has exhibited an amazing

resilience, using their own resources, skills, and energy to clear rubble and initiate self-help rehabilitation. But major capital investment both by the private sector and Arab donors will be inhibited by the absence of continued progress in achieving security.

While many elements of the current economic situation remain unclear, the Lebanese economy has in the past shown a remarkable ability to bounce back. Gross Domestic Product (GDP) is thought to have reached about \$3 billion in 1980, a 25% increase over the previous year, recovering 80% of the 1973 prewar level in real terms. The momentum of these 1980 gains was slowed, however, by the violence of 1981. Dislocations in the economy were notable; steady growth in the construction sector and some services, such as banking, were offset by stagnation in other key sectors, such as manufacturing. Inflation continues to average about 20% a year. Over 300,000 workers, or some 40% of the prime-earner labor force, obtained jobs outside Lebanon during the civil war, mainly in the Arab oil countries, so unemployment is not a major problem. Indeed, skilled and semi-skilled workers are now in short supply. Equally important, remittance flows, together with other financial inflows, fund an import level sufficient to maintain adequate living standards for the population as a whole.

Despite continued turbulence, the Government of Lebanon had prior to last summer made headway in implementing an overall reconstruction strategy approved by the Council of Ministers and managed by a high-level Council for Development and Reconstruction (CDR). In the public sector, lack of security delayed many plans, such as rebuilding the devastated central commercial district of Beirut. However, the Beirut port was partially rebuilt and remained active despite sporadic sniping and shelling. Other important starts were made in airport repair and extension, road rehabilitation, telecommunications, and health and education facilities. In South Lebanon, where tension and danger rarely subsided, CDR launched a major repair program for schools, health services, and potable water

supplies, using UNICEF as an implementing agency. This effort continues now to repair the damage of recent months.

Total Resources

The international community has indicated that it expects to contribute generously to Lebanon's rehabilitation and reconstruction needs. Since the outbreak of large-scale fighting in June 1982, donors other than the United States (including United Nations agencies) have contributed over \$112 million, primarily for emergency relief needs. Relief needs, except for the Palestinian population, are now largely met. While reconstruction requirements are indeed large, it is possible to identify realistic means of dealing with these needs over the next decade. At least half of the reconstruction needs projected by Lebanese Government officials are in the private sector, e.g. housing, apartment houses, hotels, stores, and office buildings. Except where the poorer elements of the population are directly involved, we and the Lebanese see such rebuilding to be the responsibility of the Lebanese private sector and of private investors from other countries who can profitably assist in such efforts.

As for public infrastructure reconstruction, the Lebanese Government assumes that the bulk of these needs will be financed by Lebanon's own resources and by its Arab neighbors. Lebanon possesses foreign exchange and gold reserves valued at close to \$5.0 billion. These substantial assets are vital to maintain confidence in the economy and its banking system. Moreover, with greater political stability and a reduction of internal conflict, Lebanon should be able to borrow extensively from international, Arab, and domestic financial institutions. Worker remittances bring in an estimated \$1.8 billion in new flows each year. If the strengthened Government can reduce smuggling and tax evasion, increased revenues can be tapped

for public sector needs. Lebanon looks to its traditional Arab supporters in the region to continue and expand the reconstruction aid pledged at Tunis in 1980 when Kuwait, Saudi Arabia, Iraq, and the United Arab Emirates pledged \$2 billion over a five-year period.

The World Bank has assumed an active and early leadership role in identifying priority reconstruction needs and stimulating the mobilization of other donor resources. In response to Lebanese Government requests and to some positive initial responses from other prospective donors, a Bank "reconnaissance team" went to Lebanon in November 1982 to assess priority reconstruction needs and to identify project areas suitable for possible lending by the Bank itself and by other bilateral donors. The report of this team should be available to prospective donors early in 1983. To date the European Economic Community, France, Italy, West Germany and Australia have announced their intention to assist in Lebanon's reconstruction, and we expect that other countries will make known their planned contributions in the near future.

U.S. Interests and Objectives

The prime United States interest in Lebanon is to strengthen the authority of the government over all areas of the country in the context of a withdrawal of all external forces from Lebanon. The United States supports the sovereignty and territorial integrity of the Lebanese state and seeks to promote national reconciliation among Lebanon's communities. It seeks to reduce tensions and to alleviate the hardship endured by Lebanon's people during the years of conflict. It recognizes that Lebanon's private sector will be the primary vehicle for the country's reconstruction. At the same time, with technical and financial assistance from the Economic Support Fund, A.I.D. seeks to strengthen the capability of the Government of Lebanon to shape and direct that reconstruction process. It

supports efforts of both the government and private groups to restore essential public services and help meet urgent needs of those affected by civil strife.

A.I.D. Assistance Strategy

U.S. economic assistance seeks to:

- demonstrate visibly and quickly our support to Lebanon during this critical period;
- enhance central government authority by expanding assistance directly to government ministries and agencies;
- capitalize on and mobilize existing Lebanese resources;
- support national reconciliation through projects which rebuild social institutions and provide economic opportunities to benefit all of Lebanon's communities, relying in part on private voluntary organizations (PVOs) and private initiatives which are able to provide urgently needed services;
- finance construction and other capital equipment and related technical services from the United States in such sectors as transportation, electric power, telecommunications, water and sanitation, health services, construction equipment, and other urban infrastructure;
- stimulate, rather than interfere with, the Lebanese private sector in the process of strengthening the government, and, to the maximum degree possible, seek to engage U.S., Lebanese, and other countries' private capital in the reconstruction effort;
- encourage active and substantial participation by the World Bank and bilateral donors in a truly multilateral rebuilding effort; and

-- support efforts to ease individual hardship by helping economically disadvantaged people to obtain credit, skills, better education, and health care.

A.I.D. Program: (FY 1982-83)

The A.I.D. program continued in FY 1982 to focus on the Council for Development and Reconstruction as Lebanon's primary institution for financing, coordinating, and overseeing implementation of the national reconstruction program. A.I.D. provided \$1 million to CDR in FY 1982 for technical expertise and data processing equipment to strengthen its capabilities to manage the reconstruction effort, bringing total funding under the CDR project (268-0312) to \$2.3 million. A.I.D.-funded management and information specialists contributed importantly to developing the National Waste Management Plan, monitoring rehabilitation in the South, and producing a widely-distributed report on reconstruction progress. Plans to assist this activity in FY 1983 were delayed due to the heavy fighting of last summer, but have now been incorporated in emergency rehabilitation activities being funded under the recent \$50 million supplemental appropriation.

Three projects are being implemented through PVOs. In FY 1982 Save the Children Federation (SCF) was granted another \$2.1 million for small farmer and small business credit (268-0317). This builds on an earlier A.I.D.-assisted project which achieved success in establishing credit programs in 75 villages and neighborhoods. As with other A.I.D.-assisted PVO activities, during the war months of last summer, SCF staff devoted most of their time to emergency relief work, but attention is now once again focussed on implementing this project. Support to the YMCA/Lebanon was also renewed with \$750,000 for the Vocational Training and Building Skills project (268-0318). Over 1,200 unemployed youth were trained

in 1982 in masonry, electricity and other building skills, bringing to 7,000 the number trained since the start of A.I.D. support in 1978. Priority attention is now being given to conflict-related damage which necessitates major reconstruction. The training of women is being emphasized in drafting and design skills. Finally, \$639,000 was added to an earlier grant to Catholic Relief Services (CRS) (268-0313) for reconstruction of private institutions damaged or destroyed during the violence. During FY 1982, CRS helped rehabilitate six educational, health, or social welfare institutions, with equitable religious and geographic distribution, bringing to 14 the number of completed institutions. Construction is continuing on an additional 15 institutions.

A.I.D.'s original plans for an \$8 million program in FY 1983 were overtaken by the Israeli invasion in June. Initially there was an urgent need to mount a disaster relief operation under which \$82 million in A.I.D. (\$2 million from the OFDA account), P.L. 480 (\$3 million from World Food Program reserves), and State Department Refugee Program (\$77 million) funds were made available in the last months of FY 1982. Most of the A.I.D. funds went to international organizations and private voluntary organizations working to meet immediate needs for food, medicine, temporary shelter, clothing, and other relief commodities. A substantial portion of these funds, particularly of the \$50 million Migration and Refugee Assistance monies transferred in September 1982, are being used for restoration of schools, clinics, water and sewer systems, and other facilities in Beirut and southern Lebanon. Up to \$11.9 million was directed by Congress for assistance to U.S.-sponsored academic institutions, the American University of Beirut and Beirut University College.

Requested Year Program (FY 1984)

With Lebanon's immediate relief needs met, A.I.D. is requesting \$150 million in supplemental funds to meet unforeseen and urgent requirements to assist that country's rehabilitation and reconstruction efforts through the end of FY 1984. This request marks a major turning point in U.S economic assistance to Lebanon. The massive damage from recent months' fighting, combined with the even larger damage of the previous seven years of civil war and the general deterioration of public infrastructure and services during that period, together create an enormous requirement for rehabilitation. What makes it possible for the United States and other donors to consider investing substantially larger resources than heretofore in Lebanon's reconstruction is the prospect for a far greater degree of political stability and security than has been evident in recent years. With the gradual strengthening of the Lebanese government's civilian and military presence, donors can feel more secure in assisting Lebanon's efforts to rebuild its public facilities and provide essential public services; U.S. contributions are an essential part of our responsibility to promote a broader peace in the Middle East.

Thus, most of the funds requested will be devoted directly to rehabilitation and reconstruction of Lebanon's public sector, much of it in the Beirut area, focused on the priority sectors of water and sanitation, health, telecommunications, and a proposed Capital Equipment Fund for meeting equipment and supply needs in other sectors. Approximately \$126 million will finance construction and other capital equipment and related technical services from the United States in such sectors as transportation, electric power, telecommunications, water and sanitation, health, construction equipment, and other urban infrastructure. A.I.D. will attempt to use these

funds in a way which can also engage U.S. Export-Import Bank and commercial bank financing in the reconstruction effort.

It is anticipated that the ESF supplemental will represent the total ESF program in Lebanon. Specifically, A.I.D. plans to use the FY 1983 supplemental as follows (in the balance of FY 1983 and through FY 1984):

-- \$32 million for repair and rehabilitation of water and sewage systems and solid waste collection and disposal systems. U.S. assistance in this sector was started under the emergency funds appropriated in 1982. Lebanese needs are great since the quantity and quality of drinking water is inadequate in large sections of the country. Sewage channels are blocked or broken, causing pollution of nearby broken water systems. Solid waste collection is inefficient and its disposal hazardous in both public health and environmental terms.

-- \$10 million for a variety of activities enabling the Lebanese Government to provide better health services to its people. Eight million dollars are for reconstructing and re-equipping destroyed health facilities, with emphasis on the provision of primary health care and rehabilitation of the handicapped. Two million dollars will be used to assist the Lebanese Government in spending its health funds more efficiently, improve fiscal accountability, and explore various health insurance options.

-- \$10 million for promotion of small scale enterprises. This project will provide credit, at near commercial terms, for small businessmen to allow them to replace antiquated equipment and make war-delayed investments for limited expansion.

-- \$15 million for rehabilitation of telecommunications. This would be a follow-on to the \$7.7 million already provided with FY 1982 supplemental funds

for emergency assistance to the Lebanese telecommunications sector. The additional assistance would rehabilitate and restore services for private, industrial, commercial, and governmental users in areas outside Beirut.

-- \$69.2 million for a Capital Equipment Fund. In addition to the small number of sectors mentioned above in which A.I.D. will be directly involved with significant technical assistance and institution building efforts, there are a number of other sectors with high priority reconstruction needs and immediate absorptive capacity. A capital equipment procurement fund would not only allow us to meet needs in the public and private sectors, but would also provide a substantial portion of U.S. assistance in a quick-disbursing, easy-to-absorb manner and would finance equipment in which U.S. suppliers have a competitive advantage.

-- \$6.2 million to Save the Children Federation, to provide agricultural and business credits through cooperatives and other community initiatives.

-- \$2.6 million to Catholic Relief Services for rehabilitation or rebuilding of selected private educational, health, and social welfare institutions damaged or destroyed by the violence of the last eight years of war.

-- \$1.5 million to the Young Men's Christian Association of Lebanon, to provide vocational training in a number of sorely needed skills.

-- \$1 million for health education, working with the Lebanese Government to orient its education systems more along the lines of a public health, preventative approach to medical problems, and

-- \$2.5 million for technical assistance to the Council for Development and Reconstruction and other Lebanese Government agencies, to improve the Government's capabilities to plan, design, and manage reconstruction programs.

In addition to these funds, A.I.D. intends to implement \$15 million authorized in prior years for a Housing Investment Guarantee (HIG) program for Lebanon, and plans to authorize in FY 1983 a new HIG, also for \$15 million. These will be used to guarantee Lebanese Government housing loans, at least 50% of which will benefit families with incomes at or below the urban median income (approximately \$4,500 per year).

MISSION DIRECTOR: MALCOLM BUTLER

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

PAGE 12
02/04/83

PROGRAM: LEBANON

CP 84

PROJECT TITLE	• L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	PLANNED	-THROUGH OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY84- EXPENDI TURES
INTERNATIONAL DISASTER ASSISTANCE											
TECHNICAL ASSISTANCE FOR CDR	G 268-0312	83	83	---	2,000	---	---	2,000	500	---	1,500
UNICEF	G 268-0323	83	83	---	10,000	---	---	10,000	10,000	---	---
AMERICAN UNIVERSITY OF BEIRUT	G 268-0324	82	83	3,000	10,000	3,000	---	7,000	7,000	---	3,000
ICRC	G 268-0325	83	83	---	5,000	---	---	5,000	5,000	---	---
SMALL VALUE PROCUREMENT	G 268-0326	83	83	---	1,000	---	--	1,000	500	---	500
REHABILITATION PLANNING	G 268-0327	83	83	---	1,000	---	---	1,000	1,000	---	---
BEIRUT UNIVERSITY COLLEGE	G 268-0328..1	83	83	---	1,700	---	---	1,700	1,700	---	---
INTERNATIONAL COLLEGE	G 268-0328..2	83	83	---	800	---	---	800	800	---	---
TELECOMMUNICATIONS REHABILITATION	G 268-0329	83	83	---	7,700	---	---	7,700	7,700	---	---
POTABLE WATER AND ENVIRON SANITATION	G 268-0330	83	83	---	2,800	---	---	2,800	2,800	---	---
EMERGENCY HOUSING REPAIR	G 268-0331	83	83	---	5,000	---	---	5,000	5,000	---	---
REFUGEES - NON SHELTER	G 268-0338	83	83	---	3,000	---	---	3,000	2,500	---	500
TOTAL FOR ACCOUNT GRANTS				3,000	50,000	3,000	---	47,000	44,500	---	5,500
LOANS				3,000	50,000	3,000	---	47,000	44,500	---	5,500
ECONOMIC SUPPORT FUND											
TECHNICAL EDUCATION	G 268-0300	78	78	1,500	1,500	1,500	917	---	403	---	180
HEALTH SECTOR REHABILITATION	G 268-0305	78	79	4,900	4,900	4,900	2,973	---	1,927	---	---
RESTORATION OF MINISTRY OF AG SERVICES	G 268-0311	78	78	768	768	768	207	---	223	---	338
TECHNICAL ASSISTANCE FOR CDR	G 268-0312	78	84	2,300	4,800	2,300	1,295	1,000	1,129	1,500	1,000
RECONSTRUCTION AND REHABILITATION-CRS	G 268-0313	79	83	1,324	3,924	1,324	685	2,600	1,900	---	1,000

* 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)

PAGE 13
02/04/83

PROGRAM: LEBANON

CP 84

PROJECT TITLE	• L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY84- EXPENDI TURES
BASIC HEALTH AND WELFARE SERVICES	G 268-0316	81	81	175 175	175	104	---	71	---	---
CREDIT COOPERATIVES - SCF	G 268-0317	81	84	4,000 10,200	4,000	1,547	3,700	2,664	2,500	3,700
VOCATIONAL TRAINING IN BLDG TRADES/YMCA	G 268-0318	81	84	1,590 3,090	1,590	840	800	1,100	700	1,000
SCHOOL HEALTH EDUCATION	G 268-0320	83	83	--- 1,000	---	---	1,000	700	---	300
TELECOMMUNICATIONS REHABILITATION	G 268-0329	83	84	--- 15,000	---	---	10,000	7,000	5,000	5,000
POTABLE WATER AND ENVIRON SANITATION	G 268-0330	83	84	--- 32,000	---	---	22,000	10,000	10,000	10,000
SMALL SCALE ENTERPRISE	G 268-0333	83	83	--- 10,000	---	---	10,000	3,000	---	4,000
HEALTH FACILITIES AND SERVICES	G 268-0334	83	83	--- 10,000	---	---	10,000	5,000	---	3,000
CAPITAL EQUIPMENT FUND	G 268-0336	83	84	--- 69,200	---	---	38,900	20,000	30,300	21,000
TOTAL FOR ACCOUNT GRANTS LOANS				16,557 166,557 16,557 166,557 ---	16,557 16,557 16,557 16,557 ---	8,568 8,568 8,568 8,568 ---	100,000 100,000 100,000 100,000 ---	55,117 55,117 55,117 55,117 ---	50,000 50,000 50,000 50,000 ---	50,518 50,518 50,518 50,518 ---
TOTAL FOR COUNTRY GRANTS LOANS				19,557 216,557 19,557 216,557 ---	19,557 19,557 19,557 19,557 ---	8,568 8,568 8,568 8,568 ---	147,000 147,000 147,000 147,000 ---	99,617 99,617 99,617 99,617 ---	50,000 50,000 50,000 50,000 ---	56,018 56,018 56,018 56,018 ---

* 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.

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: POLAND

-----				-----			
BASIC DATA				*FOREIGN TRADE*			
-----				-----			
TOTAL POPULATION.. (THOUSANDS, MID 1982)	36,229			MAJOR EXPORTS... (1979)	MACHINERY	FUELS	IC. PRODUCTS
PER CAPITA GNP..... (DOLLARS, 1980)	3,900			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	5.3%			(\$ MILLIONS, US. FOB) (1979)	425	(1980)	418 (1981) 364
AVERAGE ANNUAL RATE OF INFLATION	N.A.			AS % OF TOTAL EXPORTS	N.A.		
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1979)	IC. PRODUCTS	MACHINERY	IC PRODUCTS
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 71.9 MALE 68.6 FEMALE 75.4				(\$ MILLIONS, US. CIF) (1979)	873	(1980)	785 (1981) 750
(1968) TOTAL N.A. MALE 66.9 FEMALE 73.0				AS % OF TOTAL IMPORTS	N.A.		
ADULT LITERACY RATE (1970) TOTAL 98% MALE 99% FEMALE 97%				TRADE BALANCE(\$ MILLIONS, U.S.)	N.A.		
(1980) TOTAL 95% MALE 97% FEMALE 94%				MAIN TRADING PARTNERS: GERMANY FED FRANCE UNITED STATES			
-----				EXTERNAL PUBLIC DEBT AS % OF GNP	N.A.		
AGRICULTURE				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				(\$ MILLIONS, U.S.).....			N.A.
(1970-1981) -0.9%				AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO) ...			N.A.
-----				-----			
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	15%			*SOCIAL DATA*			
-----				-----			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND	N.A.			POPULATION GROWTH RATE... (1970)	0.8%	(1975)	1.0% (1982) 0.9%
MAJOR CROPS)				POPULATION IN URBAN AREAS..... (1969)	51%	(1978)	53%
SUBSISTENCE: N.A.	ARABLE LAND YEAR			LIVE BIRTHS PER 1,000 POPULATION.... (1970)	17	(1982)	19
CASH: N.A.	N.A.			MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.			N.A.
MAJOR AGRICULTURAL EXPORTS: N.A.				POPULATION (1981) IN AGE GROUP:			
MAJOR AGRICULTURAL IMPORTS: N.A.				(0-14YRS) 24 3% (15-64YRS) 66.0% (65+ YRS) 9.7%			
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980)	31%			INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	21		
-----				PEOPLE PER PHYSICIAN..... (1977)	605		
CENTRAL GOVERNMENT FINANCES				MAJOR CAUSES OF			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				DISEASE	N.A.		
N.A.				DEATH..	N.A.		
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS		(1977)	140%
N.A.				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1970)			47%
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
N.A.				PRIMARY..... (1978) TOTAL 100.0% MALE 102.0% FEMALE 99.0%			
DEFENSE EXPENDITURES,				SECONDARY..... (1978) TOTAL 54.0% MALE 47.0% FEMALE 62.0%			
AS % OF TOTAL EXPENDITURES..	N.A.			POST SECONDARY.. (1978) TOTAL 17.9% MALE 15.7% FEMALE 20.1%			
AS % OF GNP.....	N.A.			ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980)	107%		
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,							
(\$ MILLIONS, U.S.)	N.A.						

U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS (U.S. Fiscal Years - Millions of Dollars)									ECONOMIC PROGRAMS OF ALL DONORS (Millions of Dollars)				
COUNTRY		POLAND							ASSISTANCE FROM INTERNATIONAL AGENCIES				
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	1980	1981	1982	1946-82	
	1977	1978	1979	1980	1981				TOTAL	0.0	0.2	0.0	21.0
I. ECONOMIC ASSISTANCE - TOTAL	-	-	-	-	47.0	586.9	148.3	438.6	0.0	0.2	0.0	21.0	
Loans	-	-	-	-	47.0	140.3	148.3	2.0-	0.0	0.0	0.0	0.0	
Grants	-	-	-	-	-	440.6	-	440.6	0.0	0.0	0.0	0.0	
a. A.I.O. and Predecessor Agencies	-	-	-	-	-	61.0	96.7	35.7-	0.0	0.0	0.0	0.0	
Loans	-	-	-	-	-	61.0	96.7	35.7-	0.0	0.0	0.0	0.0	
Grants	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0	
(Economic Support Fund)	-	-	-	-	-	-	-	-	0.0	0.2	0.0	18.6	
b. Food for Peace (PL 480)	-	-	-	-	47.0	124.2	-	124.2	0.0	0.0	0.0	0.0	
Loans	-	-	-	-	47.0	47.0	-	47.0	0.0	0.0	0.0	0.0	
Grants	-	-	-	-	-	76.6	-	76.6	0.0	0.0	0.0	0.0	
Title I - Total Sales Agreements	-	-	-	-	47.0	47.0	-	47.0	0.0	0.0	0.0	0.0	
Repayable in U.S. Dollars - Loans	-	-	-	-	47.0	47.0	-	47.0	0.0	0.0	0.0	0.0	
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0	
Title II - Total Grants	-	-	-	-	-	76.6	-	76.6	0.0	0.0	0.0	0.0	
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0	
Voluntary Relief Agencies	-	-	-	-	-	76.6	-	76.6	0.0	0.0	0.0	0.0	
c. Other Economic Assistance	-	-	-	-	-	401.7	51.6	350.1	0.0	0.0	0.0	0.0	
Loans	-	-	-	-	-	37.7	51.0	13.9-	0.0	0.0	0.0	0.0	
Grants	-	-	-	-	-	364.0	-	364.0	0.0	0.0	0.0	0.0	
Peace Corps	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0	
Narcotics	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0	
Other	-	-	-	-	-	364.0	-	364.0	0.0	0.0	0.0	0.0	
II. MILITARY ASSISTANCE - TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	
Credits or Loans	-	-	-	-	-	-	-	-	-	-	-	-	
Grants	-	-	-	-	-	-	-	-	-	-	-	-	
a. MAP Grants	-	-	-	-	-	-	-	-	-	-	-	-	
b. Credit Financing - FMS	-	-	-	-	-	-	-	-	-	-	-	-	
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	-	-	-	-	-	-	-	
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-	-	-	-	-	
e. Other Grants	-	-	-	-	-	-	-	-	-	-	-	-	
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	-	-	-	-	47.0	586.9	148.3	438.6	0.0	0.2	0.0	21.0	
Loans	-	-	-	-	47.0	140.3	148.3	2.0-	0.0	0.0	0.0	0.0	
Grants	-	-	-	-	-	440.6	-	440.6	0.0	0.0	0.0	0.0	
Other U.S. Government Loans and Grants	170.4	222.0	351.7	212.0	-	1906.2	1421.4	486.8	-	-	-	-	
a. Export-Import Bank Loans	2.5	17.3	6.2	31.6	-	312.3	179.3	133.0	-	-	-	-	
b. All Other Loans	170.4	204.7	345.5	180.4	-	1593.9	1242.1	353.8	-	-	-	-	

* LESS THAN \$50,000.

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

PAGE 17
02/04/83

PROGRAM: POLAND

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82-		-ESTIMATED FY83-		-PROPOSED FY84-		
					OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	
ECONOMIC SUPPORT FUND											
EMERGENCY ASSISTANCE	G 181-0001	82	82	5,000	5,000	5,000	---	---	4,250	---	750
TOTAL FOR ACCOUNT GRANTS				5,000	5,000	5,000	---	---	4,250	---	750
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				5,000	5,000	5,000	---	---	4,250	---	750
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 asplanned date.

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: SYRIA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1982) 9.423
 PER CAPITA GNP..... (DOLLARS,1981) 1,570
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 3.7%
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 1.8% (1970-80) 11.4%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1981) TOTAL 65.3 MALE 63.6 FEMALE 67.0
 (1968) TOTAL 51.3 MALE 49.9 FEMALE 52.8
 ADULT LITERACY RATE (1970) TOTAL 40% MALE 60% FEMALE 20%
 (1960) TOTAL 30% MALE 47% FEMALE 12%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1970-1981) 2.7%
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 20%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 173

MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT DAIRY PRODUCTS 35% (1981)
 CASH: COTTON TOBACCO FRUIT 4% (1981)

MAJOR AGRICULTURAL EXPORTS:(1981) COTTON HIDES & SKINS
 MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT DAIRY PRODUCTS
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 33%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1978) 1,863 (79) 2,344 (80) 3,505
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1978) 3,400 (79) 3,894 (80) 6,332
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1978) -1,537 (79) -1,550 (80) -2,827
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1978) 35.6% (79) 40.5% (80) 35.4%
 AS % OF GNP..... (1978) 15.3% (79) 15.6% (80) 17.2%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$ MILLIONS, U.S.) (1978) 489 (79) 610 (80) 365
 EQUIVALENT TO 1.0 MONTHS OF IMPORTS (1980)

FOREIGN TRADE

MAJOR EXPORTS... (1979) PETROLEUM TEXTILES TOBACCO
 EXPORTS TO U.S.
 (\$ MILLIONS, US. FOB) (1979) 157 (1980) 90 (1981) 61
 AS % OF TOTAL EXPORTS (1979) 10% (1980) 4% (1981) 3%
 MAJOR IMPORTS... (1979) MACHINERY TEXTILES FUELS
 IMPORTS FROM U.S.
 (\$ MILLIONS, US. CIF) (1979) 133 (1980) 220 (1981) 181
 AS % OF TOTAL IMPORTS (1979) 4% (1980) 5% (1981) 3%
 TRADE BALANCE(\$ MILLIONS, U.S.) (1979) -1,685(80) -2,016(81) -3,070
 MAIN TRADING PARTNERS: ITALY IRAQ FRANCE
 EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 20.1%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1980) 392
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1980) 14.5%

SOCIAL DATA

POPULATION GROWTH RATE... (1970) 3.2% (1975) 3.2% (1982) 3.4%
 POPULATION IN URBAN AREAS..... (1969) 43% (1979) 47%
 LIVE BIRTHS PER 1,000 POPULATION.... (1970) 47 (1982) 46
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. N.A.
 POPULATION (1981) IN AGE GROUP-
 (0-14YRS) 47.5% (15-64YRS) 48.9% (65+ YRS) 3.6%
 INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 67
 PEOPLE PER PHYSICIAN..... (1977) 2,515
 MAJOR CAUSES OF DISEASE (1978) ENTERIC DISEASE
 DEATH.. (1974) ILL-DEFINED CAUS RESPIRATORY CIRCULATORY
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS . (1977) 104%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1970) 40%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGF GROUP:
 PRIMARY..... (1979) TOTAL 95.0% MALE 107.0% FEMALE 84.0%
 SECONDARY..... (1978) TOTAL 48.0% MALE 60.0% FEMALE 35.0%
 POST SECONDARY.. (1978) TOTAL 17.8% MALE 25.2% FEMALE 10.1%
 ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 137%

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
	SYRIA							
	1977	1978	1979	1980	1981			
PROGRAM								
I. ECONOMIC ASSISTANCE — TOTAL	99.7	105.4	110.8	1.1	1.9	587.9	43.1	544.8
Loans	89.0	93.4	93.1	-	-	500.1	43.1	457.0
Grants	10.7	12.0	17.7	1.1	1.9	87.8	-	87.8
a. A.I.D. and Predecessor Agencies	80.0	90.1	90.0	-	-	442.8	9.3	433.5
Loans	74.7	80.1	75.0	-	-	404.0	9.3	394.7
Grants	5.3	10.0	15.0	-	-	38.8	-	38.8
(Economic Support Fund)	80.0	90.0	90.0	-	-	438.0	-	-
b. Food for Peace (PL 480)	19.7	15.3	20.8	1.1	1.9	145.1	33.8	111.3
Loans	14.3	13.3	18.1	-	-	96.1	33.8	62.3
Grants	5.4	2.0	2.7	1.1	1.9	49.0	-	49.0
Title I - Total Sales Agreements	14.3	13.3	18.1	-	-	96.1	33.8	62.3
Repayable in U.S. Dollars - Loans	14.3	13.3	18.1	-	-	75.7	18.8	56.9
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	20.4	15.0	5.4
Title II - Total Grants	5.4	2.0	2.7	1.1	1.9	49.0	-	49.0
Emerg. Relief, Econ. Develop. & World Food Program	5.4	2.0	2.7	1.1	1.9	45.1	-	45.1
Voluntary Relief Agencies	-	-	-	-	-	3.9	-	3.9
c. Other Economic Assistance	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE — TOTAL	-	-	-	-	-	0.1	-	0.1
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	0.1	-	0.1
a. MAP Grants	-	-	-	-	-	*	-	*
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	0.1	-	0.1
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	99.7	105.4	110.8	1.1	1.9	588.0	43.1	544.9
Loans	89.0	93.4	93.1	-	-	500.1	43.1	457.0
Grants	10.7	12.0	17.7	1.1	1.9	87.9	-	87.9
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

* LESS THAN \$50,000.

	FY 1980	FY 1981	FY 1982	FY 1946-82
	A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS			
TOTAL	21.6	15.9	23.5	590.1
IBRD	0.0	15.6	22.0	473.4
IFC	0.0	0.0	0.0	0.0
IDA	0.0	0.0	0.0	48.6
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AIDB	0.0	0.0	0.0	0.0
UNDP	5.6	0.0	0.0	44.2
OTHER-UN	0.3	0.0	1.5	8.2
EEC	15.7	0.0	0.0	15.7
B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. O.A.C. COUNTRIES (Gross Disbursements)				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	24.0	19.0	183.0	
Germany	25.6	39.2	88.1	
France	10.8	5.0	16.0	
Belgium	3.1	0.4	5.0	
Japan	1.4	0.1	5.0	
Other	2.4	4.2	14.7	
Total	67.3	67.9	311.8	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
	CY 1980	CY 1981	CY 1976-81	
	1559.9	-	4172.9	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	770	
Eastern Europe	-	-	1,155	
China	-	-	70	
Total	-	-	1,995	

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

PAGE 1
02/07/83
CP 84

PROGRAM: SYRIA

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL ORLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES
MIDDLE EAST SPECIAL REQUIREMENTS FUND											
DAMASCUS WATER SUPPLY I	L 276-000E	75	75	4E,000	4E,000	4E,000	245	---	14,EE4	---	5,654
TOTAL FOR ACCOUNT GRANTS				4E,000	4E,000	4E,000	245	---	14,EE4	---	5,654
LOANS				4E,000	4E,000	4E,000	245	---	14,EE4	---	5,654
ECONOMIC SUPPORT FUND											
ENGLISH LANGUAGE TRAINING	G 276-0002	76	79	2,367	2,367	2,367	2,149	---	21E	---	---
AGRICULTURAL EDUCATION AND RESEARCH	G 276-0003	79	79	6,000	6,000	6,000	690	---	1,000	---	2,000
GENERAL PARTICIPANT TRAINING	G 276-0004	75	79	6,108	6,108	6,108	4,590	---	390	---	400
TECH SERVICES AND FEASIBILITY STUDIES II	G 276-0005	77	77	3,500	3,500	3,500	2,944	---	300	---	150
DEVELOPMENT OF HEALTH SERVICES	G 276-0006	76	7E	1,075	1,075	1,075	969	---	---	---	---
DAMASCUS WATER SUPPLY II	L 276-0010	76	76	14,500	14,500	14,500	686	---	4,300	---	4,900
EUPHRATES BASIN IRRIGATION MAINTENANCE	L 276-0011	76	76	7,112	7,112	7,112	6,169	---	300	---	---
DAMASCUS-DERAA HIGHWAY	L 276-0012	76	76	45,900	45,900	45,900	2,062	---	9,983	---	13,200
TARTOUS-LATTAKIA HIGHWAY	L 276-0017	7E	7E	60,000	60,000	60,000	1,953	---	---	---	---
RURAL ELECTRIFICATION	L 276-0018	77	77	34,700	34,700	34,700	10,872	---	11,401	---	3,000
TECHNICAL HEALTH INSTITUTE	G 276-0019	78	79	5,550	5,550	5,550	3,476	---	1,200	---	400
LAND CLASSIFICATION/SOIL SURVEY	G 276-0020	7E	7E	2,200	2,200	2,200	2,007	---	193	---	---
PROVINCIAL WATER SUPPLY	L 276-0024	79	79	17,600	17,600	17,600	7,72E	---	4,525	---	3,851
TECH SERVICES AND FEASIBILITY STUDIES II	G 276-0026	78	78	2,000	2,000	2,000	1,735	---	100	---	100
RURAL ROADS	L 276-0033	79	79	26,400	26,400	26,400	2,150	---	5,491	---	5,000
RURAL SCHCCIS I	L 276-003E	79	79	11,000	11,000	11,000	4,682	---	3,951	---	1,000

* Refers to the planned project summary sheet

C Level of effort activity

162

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)

PAGE 2
02/07/83
CP 84

PROGRAM: SYRIA

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES
DEVELOPMENT IMPORTS II	L 276-0036	79	79	20,000	20,000	14,647	---	60	---	---
REMOTE SENSING	G 276-0041	79	79	3,500	3,500	541	---	980	---	980
TOTAL FOR ACCOUNT				269,512	269,512	70,250	---	44,392	---	34,981
GRANTS				32,300	32,300	19,101	---	4,381	---	4,030
LOANS				237,212	237,212	51,149	---	40,011	---	30,951
TOTAL FOR COUNTRY				317,512	317,512	70,495	---	59,286	---	40,635
GRANTS				32,300	32,300	19,101	---	4,381	---	4,030
LOANS				285,212	285,212	51,394	---	54,905	---	36,605

* 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.

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: TUNISIA

-----				-----			
BASIC DATA				*FOREIGN TRADE*			
-----				-----			
TOTAL POPULATION.. (THOUSANDS, MID 1982)	6.842			MAJOR EXPORTS... (1981)	PETROLEUM	PHOSPHATES	TEXTILES
PER CAPITA GNP..... (DOLLARS, 1981)	1.420			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	4.8%			(\$ MILLIONS, US FOB) (1979)	155	(1980) 324	(1981) 386
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	3.7%	(1970-80)	7.7%	AS % OF TOTAL EXPORTS (1979)	9%	(1980) 15%	(1981) 16%
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1975)	6.0%			MAJOR IMPORTS... (1978)	MACHINERY	RAW MATERIAL	MANUFACTURES
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 60.6 MALE 58.8 FEMALE 62.6				(\$ MILLIONS, US CIF) (1979)	171	(1980) 207	(1981) 299
(1968) TOTAL 51.6 MALE 50.2 FEMALE 53.1				AS % OF TOTAL IMPORTS (1979)	6%	(1980) 6%	(1981) 6%
ADULT LITERACY RATE (1975) TOTAL 38% MALE 51% FEMALE 25%				TRADE BALANCE (\$ MILLIONS, U.S.) (1979)	-1,058	(80) -1,342	(81) -1,509
(1961) TOTAL 16% MALE 26% FEMALE 4%				MAIN TRADING PARTNERS: FRANCE ITALY GERMANY, FFD			
-----				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	33.9%		
AGRICULTURE				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.			
-----				(\$ MILLIONS, U.S.)..... (1980)	413		
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				AS % OF EXPORT EARNINGS (DFBT SERVICE RATIO) ... (1980)	12.2%		
(1970-1981)	1.4%			-----			
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	17%			*SOCIAL DATA*			
-----				-----			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	230			POPULATION GROWTH RATE... (1970)	2.6%	(1975) 2.3%	(1982) 2.6%
MAJOR CROPS)		ARABLE LAND	YEAR	POPULATION IN URBAN AREAS..... (1960)	41%	(1976)	47%
SUBSISTENCE: WHEAT BARLEY		42%	(1981)	LIVE BIRTHS PER 1,000 POPULATION... (1970)	39	(1982)	34
CASH: OLIVES WHEAT		61%	(1981)	MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1982)	20%		
MAJOR AGRICULTURAL EXPORTS: (1981) OLIVE OIL WINE ORANGES				POPULATION (1981) IN AGE GROUP			
MAJOR AGRICULTURAL IMPORTS: (1981) WHEAT SUGAR SOYBEAN OIL				(0-14YRS) 40 6% (15-64YRS) 55.6%	(65+ YRS) 3.7%		
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980)	34%			INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	107		
-----				PEOPLE PER PHYSICIAN..... (1976)	4,940		
CENTRAL GOVERNMENT FINANCES				MAJOR CAUSES OF			
-----				DISEASE (1979) TUBERCULOSIS HEPATITIS TYPHOID FEVER			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				DEATH.. (1978) DIPHTHERIA GASTROINTESTINAL TUBERCULOSIS			
(1979) 1,606 (79)	2,081 (80)	2.474		PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS (1977)	115%		
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1970)	49%		
(1978) 2,005 (79)	2,254 (80)	2.605		TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
DEFICIT(-) OR SUPPLUS (\$ MILLIONS, U.S.)				PRIMARY..... (1979) TOTAL 102.0% MALE 119.0% FEMALE 85.0%			
(1978) -319 (79)	-173 (80)	-131		SECONDARY..... (1979) TOTAL 25.0% MALE 31.0% FEMALE 19.0%			
DEFENSE EXPENDITURES.				POST SECONDARY.. (1979) TOTAL 5.1% MALE 6.7% FEMALE 3.3%			
AS % OF TOTAL EXPENDITURES.. (1978)	4.6% (79)	4.4% (80)	4.5%	ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980)	216%		
AS % OF GNP..... (1978)	1.5% (79)	1.4% (80)	1.3%				
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,							
(\$ MILLIONS, U.S.) (1979) 587 (80) 598 (81) 543							
EQUIVALENT TO 2.0 MONTHS OF IMPORTS (1981)							

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY	TUNISIA								
	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	23.9	38.7	32.2	29.0	39.8	933.2	198.2	735.0	
Loans	13.1	18.5	14.8	17.3	25.2	422.8	198.2	224.6	
Grants	10.8	20.2	17.4	11.7	14.6	510.4	-	510.4	
a. A.I.D. and Predecessor Agencies	10.4	20.1	14.8	10.9	25.3	417.4	92.5	324.9	
Loans	6.2	9.5	5.2	4.7	16.0	236.6	92.5	144.1	
Grants	4.2	10.6	9.6	6.2	9.3	180.8	-	180.8	
(Economic Support Fund)	-	-	-	-	-	11.6	-	-	
b. Food for Peace (PL 480)	12.0	17.6	16.4	17.4	13.7	497.4	105.7	391.7	
Loans	6.9	9.0	9.6	12.6	9.2	186.2	105.7	80.5	
Grants	5.1	8.6	6.8	4.8	4.5	311.2	-	311.2	
Title I - Total Sales Agreements	6.9	9.0	9.6	12.6	9.2	193.6	105.7	87.9	
Repayable in U.S. Dollars - Loans	6.9	9.0	9.6	12.6	9.2	121.7	45.7	76.0	
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	71.9	60.0	11.9	
Title II - Total Grants	5.1	8.6	6.8	4.8	4.5	303.9	-	303.8	
Emerg. Relief, Econ. Develop. & World Food Program	0.5	2.4	2.8	3.9	1.3	255.2	-	255.2	
Voluntary Relief Agencies	4.6	6.2	4.0	0.9	3.2	48.6	-	48.6	
c. Other Economic Assistance	1.0	1.0	1.0	0.7	0.8	18.4	-	18.4	
Loans	-	-	-	-	-	-	-	-	
Grants	1.0	1.0	1.0	0.7	0.8	18.4	-	18.4	
Peace Corps	1.0	1.0	1.0	0.7	0.8	18.4	-	18.4	
Narcotics	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	
II. MILITARY ASSISTANCE – TOTAL	25.4	26.1	21.1	15.6	15.7	192.1	63.1	129.0	
Credits or Loans	25.0	25.0	20.0	15.0	15.0	137.5	63.1	74.4	
Grants	0.4	1.1	1.1	0.6	0.7	54.6	-	54.6	
a. MAP Grants	*	*	*	*	*	40.5	-	40.5	
b. Credit Financing - FMS	25.0	25.0	20.0	15.0	15.0	137.5	63.1	74.4	
c. Military Assistance Service-Funded (MASF) Grants	0.4	1.1	1.1	0.6	0.7	7.2	-	7.2	
d. Transfers from Excess Stocks	-	-	-	-	-	6.9	-	6.9	
e. Other Grants	-	-	-	-	-	-	-	-	
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	49.3	64.8	53.3	44.6	55.5	1125.3	261.3	864.0	
Loans	38.1	43.5	34.8	32.3	40.2	560.3	261.3	299.0	
Grants	11.2	21.3	18.5	12.3	15.3	565.0	-	565.0	
Other U.S. Government Loans and Grants	-	-	11.7	11.5	56.9	131.7	44.2	87.5	
a. Export-Import Bank Loans	-	-	11.7	11.5	56.9	111.0	20.6	90.4	
b. All Other Loans	-	-	-	-	-	20.7	23.6	2.9	

	FY 1980	FY 1981	FY 1982	FY 1946-82
	A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS			
TOTAL	199.9	157.6	217.0	1310.6
IBRD	171.0	152.6	165.0	1056.3
IFC	0.0	0.0	40.0	61.8
IDA	0.0	0.0	0.0	75.2
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	23.4
UNDP	4.9	0.0	0.0	43.5
OTHER-UN	0.0	0.0	0.0	9.4
EEC	24.0	5.0	12.0	41.0
B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. O.A.C. COUNTRIES (Gross Disbursements)				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	17.0	13.0	66.0	
France	86.9	57.1	336.3	
Germany	35.9	64.8	272.3	
Belgium	16.7	8.0	62.9	
Canada	8.1	8.2	54.8	
Other	24.1	44.3	233.6	
Total	188.7	195.3	1025.9	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
	CY 1980	CY 1981	CY 1976-81	
	58.6	-	164.5	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	95	
Eastern Europe	-	-	230	
China	-	-	95	
Total	-	-	420	

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER (7/1/76 - 9/30/76)

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

PAGE 22
02/04/83

PROGRAM: TUNISIA

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
SUPERVISED AGRICULTURAL CREDIT	G 664-0302	78	80	937	937	937	669	---	268	---	
SUPERVISED AGRICULTURAL CREDIT	L 664-0302	78	81	17,300	17,300	17,300	6,209	---	11,091	---	
AGRICULTURAL TECHNOLOGY TRANSFER	G 664-0304	78	81	5,800	5,800	5,800	2,158	---	1,120	1,049	
COMMUNITY DEVELOPMENT (SCF)	G 664-0307	77	81	1,317	1,317	1,317	945	---	140	232	
CENTRAL TUNISIA RURAL DEVELOPMENT	G 664-0312	79	81	8,168	6,700	6,700	2,627	---	2,145	1,100	
CENTRAL TUNISIA RURAL DEVELOPMENT	L 664-0312	79	81	13,950	9,855	9,855	800	---	2,600	4,050	
INAT FACULTY DEVELOPMENT	G 664-0316	78	78	380	380	380	142	---	238	---	
TOTAL FOR ACCOUNT GRANTS				47,852	42,289	42,289	13,550	---	17,602	---	6,431
LOANS				16,602	15,134	15,134	6,541	---	3,911	---	2,381
				31,250	27,155	27,155	7,009	---	13,691	---	4,050
POPULATION PLANNING											
FAMILY PLANNING SERVICES	G 664-0295	78	81	6,409	6,234	6,234	5,707	---	527	---	
TOTAL FOR ACCOUNT GRANTS				6,409	6,234	6,234	5,707	---	527	---	---
LOANS				6,409	6,234	6,234	5,707	---	527	---	---
				---	---	---	---	---	---	---	
HEALTH											
RURAL COMMUNITY HEALTH	G 664-0296	78	81	2,239	2,239	2,239	362	---	1,085	792	
RURAL COMMUNITY HEALTH	L 664-0296	78	81	5,390	5,390	5,390	861	---	2,200	2,200	
INTEGRATED PRESCHOOL FEEDING	G 664-0297	77	79	1,092	1,092	1,092	292	---	100	---	
CENTRAL TUNISIA RURAL DEVELOPMENT	G 664-0312	79	80	2,232	2,232	2,232	1,687	---	482	25	
CENTRAL TUNISIA RURAL DEVELOPMENT	L 664-0312	79	80	2,250	2,250	2,250	583	---	747	800	

* 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)

PAGE 23
02/04/83

PROGRAM: TUNISIA

CP 84

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY84- EXPENDI TURES
SILIANA RURAL CENTERS WATER SYSTEMS	L 664-0318	78	78	3,500	3,500	2,342	---	650	---	508
TOTAL FOR ACCOUNT GRANTS				16,703	16,703	6,127	---	5,264	---	4,325
LOANS				5,563	5,563	2,341	---	1,667	---	817
				11,140	11,140	3,786	---	3,597	---	3,508
SELECTED DEVELOPMENT ACTIVITIES										
SCIENCE AND TECHNOLOGY DEVELOPMENT I	G 664-0300	78	79	2,087	2,087	1,222	---	865	---	---
TECHNOLOGY TRANSFER	G 664-0315	81	81	1,450	1,450	---	---	500	---	500
RENEWABLE ENERGY I	G 664-0325	79	80	1,548	1,548	156	---	1,392	---	---
RENEWABLE ENERGY II	G 664-0326	81	81	1,300	1,300	19	---	500	---	581
LEGAL RIGHTS FOR WOMEN I (OPG)	G 664-0335	81	81	90	90	---	---	90	---	---
TOTAL FOR ACCOUNT GRANTS				6,475	6,475	1,397	---	3,347	---	1,081
LOANS				6,475	6,475	1,397	---	3,347	---	1,081
				---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND										
AGRICULTURE RESEARCH AND EXTENSION	G 664-0327	82	82	3,500	3,500	---	---	500	---	1,000
PRIVATE SECTOR DEVELOPMENT AND TECH	G 664-0328	82	83	1,500	4,750	---	3,250	1,500	---	1,000
EMERGENCY HOUSING REPAIR/RECONSTRUCTION	G 664-0329	83	83	---	1,750	---	---	1,750	---	350
TOTAL FOR ACCOUNT GRANTS				5,000	10,000	---	5,000	3,400	---	2,350
LOANS				5,000	10,000	---	5,000	3,400	---	2,350
				---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				82,439	81,701	76,701	5,000	30,140	---	14,187
LOANS				40,049	43,406	38,406	5,000	12,852	---	6,629
				42,390	38,295	38,295	---	17,288	---	7,558

* 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.

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: ITALY

-----				-----			
BASIC DATA				*FOREIGN TRADE*			
-----				-----			
TOTAL POPULATION.. (THOUSANDS, MID 1982)	57,353			MAJOR EXPORTS... (1979)	MACHINERY	TEXTILES	FOODSTUFFS
PER CAPITA GNP..... (DOLLARS, 1980)	6,480			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	3.6%			(\$ MILLIONS, US. FOB) (1979)	4676	(1980) 4122	(1981) 5084
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	4.4%	(1970-80)	15.3%	AS % OF TOTAL EXPORTS (1979)	6%	(1980) 5%	(1981) 7%
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1979)	MACHINERY	FOODSTUFFS	RAW MATERIAL
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 73.3 MALE 70.7 FEMALE 76.0				(\$ MILLIONS, US. CIF) (1979)	5280	(1980) 6924	(1981) 6137
(1968) TOTAL 70.9 MALE 68.4 FEMALE 73.6				AS % OF TOTAL IMPORTS (1979)	7%	(1980) 7%	(1981) 7%
ADULT LITERACY RATE (1971) TOTAL 94% MALE 95% FEMALE 93%				TRADE BALANCE(\$ MILLIONS, U.S.) (1979)	-5,662	(80) -21,797	(81) -15,815
(1961) TOTAL 91% MALE 93% FEMALE 89%				MAIN TRADING PARTNERS: GERMANY	FED	FRANCE	UNITED STATES
AGRICULTURE				EXTERNAL PUBLIC DEBT AS % OF GNP	N.A.		
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,			
(1970-1981) 0.9%				(\$ MILLIONS, U.S.).....			N.A.
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	6%			AS % OF EXPORT EARNINGS (DFBT SERVICE RATIO)....			N.A.
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND	N.A.			-----			
MAJOR CROP(S)		ARABLE LAND	YEAR	*SOCIAL DATA*			
SUBSISTENCE: WHEAT OLIVE OIL WINE		N.A.	(1980)	POPULATION GROWTH RATE... (1970)	0.6%	(1975) 0.6%	(1982) 0.3%
CASH: FRUIT VEGETABLES		N.A.	(1980)	POPULATION IN URBAN AREAS..... (1961)	48%	(1975) 67%	
MAJOR AGRICULTURAL EXPORTS:(1980) WINE OLIVE OIL DAIRY PRODUCTS				LIVE BIRTHS PER 1,000 POPULATION.... (1970)	17	(1982) 11	
MAJOR AGRICULTURAL IMPORTS:(1980) MEATS CORN SOYBEANS				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION,			N.A.
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980)	11%			POPULATION (1981) IN AGE GROUP:			
CENTRAL GOVERNMENT FINANCES				(0-14YRS) 21.9% (15-64YRS) 65.1% (65+ YRS) 13.0%			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)	N.A.			INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	14		
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)	N.A.			PEOPLE PER PHYSICIAN..... (1974)	485		
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)	N.A.			MAJOR CAUSES OF			
DEFENSE EXPENDITURES,				DISEASE (1979) CHILDHOOD DIS. HEPATITIS MEASLES			
AS % OF TOTAL EXPENDITURES..	N.A.			DEATH.. (1976) HEART DISEASE CEREBOVASCULAR			
AS % OF GNP.....	N.A.			PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)	136%		
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,				POPULATION WITH REASONABLE ACCFSS TO SAFE WATER SUPPLY	N.A.		
(\$ MILLIONS, U.S.) (1975) 8,322 (80) 9,862 (81) 9,127				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
EQUIVALENT TO 6.0 MONTHS OF IMPORTS (1981)				PRIMARY..... (1978) TOTAL 102.0% MALE 103.0% FEMALE 102.0%			
				SECONDARY..... (1978) TOTAL 73.0% MALE 75.0% FEMALE 71.0%			
				POST SECONDARY.. (1978) TOTAL 27.4% MALE 31.6% FEMALE 23.0%			
				ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980)	14%		

U.S. OVERSEAS LOANS AND GRANTS — OBLIGATIONS AND LOAN AUTHORIZATIONS (U.S. Fiscal Years — Millions of Dollars)									ECONOMIC PROGRAMS OF ALL DONORS (Millions of Dollars)						
COUNTRY		ITALY					ASSISTANCE FROM INTERNATIONAL AGENCIES								
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	1980	1981	1982	1946-82			
	1977	1978	1979	1980	1981				TOTAL.....	0.0	0.0	0.0	399.6		
I. ECONOMIC ASSISTANCE — TOTAL	3.1	23.4	3.6	3.0	4.7	3343.5	486.4	2857.1	0.0	0.0	0.0	399.6			
Loans	-	-	-	-	-	400.9	486.4	85.5-	0.0	0.0	0.0	398.0			
Grants	3.1	23.4	3.6	3.0	4.7	2942.6	-	2942.6	0.0	0.0	0.0	1.0			
a. A.I.D. and Predecessor Agencies	3.1	23.4	3.6	3.0	4.7	1707.1	116.7	1590.4	0.0	0.0	0.0	0.0			
Loans	-	-	-	-	-	95.6	116.7	21.1-	0.0	0.0	0.0	0.2			
Grants	3.1	23.4	3.6	3.0	4.7	1611.5	-	1611.5	0.0	0.0	0.0	0.4			
(Economic Support Fund)	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0			
b. Food for Peace (PL 480)	-	-	-	-	-	465.4	99.5	365.9	0.0	0.0	0.0	0.0			
Loans	-	-	-	-	-	96.0	99.5	3.5-	0.0	0.0	0.0	0.0			
Grants	-	-	-	-	-	369.4	-	369.4	0.0	0.0	0.0	0.0			
Title I - Total Sales Agreements	-	-	-	-	-	96.0	99.5	3.5-	0.0	0.0	0.0	0.0			
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	96.0	99.5	3.5-	0.0	0.0	0.0	0.0			
Title II - Total Grants	-	-	-	-	-	369.4	-	369.4	0.0	0.0	0.0	0.0			
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	41.6	-	41.6	0.0	0.0	0.0	0.0			
Voluntary Relief Agencies	-	-	-	-	-	277.8	-	277.8	0.0	0.0	0.0	0.0			
c. Other Economic Assistance	-	-	-	-	-	1171.0	270.2	900.8	0.0	0.0	0.0	0.0			
Loans	-	-	-	-	-	209.3	270.2	60.9-	0.0	0.0	0.0	0.0			
Grants	-	-	-	-	-	961.7	-	961.7	0.0	0.0	0.0	0.0			
Peace Corps	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0			
Narcotics	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0			
Other	-	-	-	-	-	961.7	-	961.7	0.0	0.0	0.0	0.0			
II. MILITARY ASSISTANCE — TOTAL	-	-	-	-	-	2545.3	0.3	2545.0	0.0	0.0	0.0	0.0			
Credits or Loans	-	-	-	-	-	0.3	0.3	-	0.0	0.0	0.0	0.0			
Grants	-	-	-	-	-	2545.0	-	2545.0	0.0	0.0	0.0	0.0			
a. MAP Grants	-	-	-	-	-	2243.7	-	2243.7	0.0	0.0	0.0	0.0			
b. Credit Financing - FMS	-	-	-	-	-	0.3	0.3	-	0.0	0.0	0.0	0.0			
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	46.6	-	46.6	0.0	0.0	0.0	0.0			
d. Transfers from Excess Stocks	-	-	-	-	-	214.6	-	214.6	0.0	0.0	0.0	0.0			
e. Other Grants	-	-	-	-	-	40.1	-	40.1	0.0	0.0	0.0	0.0			
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	3.1	23.4	3.6	3.0	4.7	5888.8	486.7	5402.1	0.0	0.0	0.0	0.0			
Loans	-	-	-	-	-	401.2	486.7	85.5-	0.0	0.0	0.0	0.0			
Grants	3.1	23.4	3.6	3.0	4.7	5487.6	-	5487.6	0.0	0.0	0.0	0.0			
Other U.S. Government Loans and Grants	-	-	1.0	380.9	1.7	1321.2	1035.7	285.5	-	-	-	-			
a. Export-Import Bank Loans	-	-	1.0	380.9	1.7	1321.2	1035.7	285.5	-	-	-	-			
b. All Other Loans	-	-	-	-	-	-	-	-	-	-	-	-			

* LESS THAN \$50,000.

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

PAGE 9
02/04/83

PROGRAM: ITALY

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES	
INTERNATIONAL DISASTER ASSISTANCE											
SO ITALY EARTHQUAKE RECONSTRUCTION PRGM	G 145-0001	81	83	60,000	60,000	56,831	5,174	13,169	14,800	---	23,200
TOTAL FOR ACCOUNT GRANTS				60,000	60,000	56,831	5,174	13,169	14,800	---	23,200
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				60,000	60,000	56,831	5,174	13,169	14,800	---	23,200
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.

ADDITIONAL PROGRAM REQUIREMENTS*

CP 82-03 (8-80)

TITLE	ESTIMATED LENGTH OF PROJECT	ESTIMATED 1ST YEAR COST	PURPOSE
Yemen - Agriculture Development Support (279-0052), Faculty of Agriculture Subproject	5 years	\$2,800,000	To create a Faculty of Agriculture at the University of Sanaa.
Yemen - Basic Education Development (297-0053), Instructional Media Subproject	4 years	\$1,080,000	To develop the Yemen Ministry of Education's capability to design, produce, and distribute effective instructional materials for its education system and to train classroom teachers in the use of these materials, with an emphasis on primary education.