

AGENCY FOR
INTERNATIONAL DEVELOPMENT



**Congressional Presentation
Fiscal Year 1981**

MAIN VOLUME

Fiscal Year 1981
Congressional Presentation

Agency for International Development
A Component of the
International Development Cooperation Agency

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

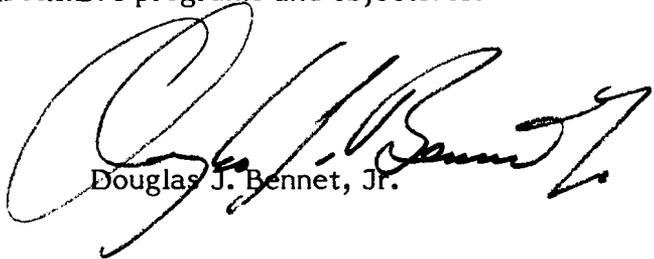
THE ADMINISTRATOR

TO THE CONGRESS OF THE UNITED STATES:

On behalf of the Agency for International Development (A.I.D.), I am pleased to transmit the Agency's requests for authorizations and appropriations for Fiscal Year 1981.

The international development assistance programs of the United States are designed to meet the most basic needs of the world's poor, promoting equitable economic growth in countries much less developed and prosperous than our own. Their development serves to accelerate U.S. economic growth and production through sales of U.S. goods and services abroad and to strengthen important U.S. interests worldwide.

The following documents describe in detail A.I.D.'s programs and objectives.



Douglas J. Bennet, Jr.

MAIN VOLUME

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*These tables, formerly included in A.I.D.'s Congressional Presentation, are now provided under separate cover by the Development Coordination Committee (DCC), in accordance with Section 502 of the International Development and Food Assistance Act of 1978.

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INTRODUCTION

A.I.D.'s FY 1981 authorization and appropriation requests are described in the Main Volume and nine annexes of this Congressional Presentation.

This volume summarizes the requests and describes certain other programs in which A.I.D. plays a role. It also discusses issues of "special concern" relevant to the U.S. effort. Annexes I through V describe regional, country and centrally-funded programs, while Annexes VI through VIII contain the same programs and projects by functional and other appropriation accounts. Annex IX will describe activities proposed to be administered by the Institute for Scientific and Technological Cooperation. It should be noted that the FY 1981 authorization and appropriation request for International Organizations and Programs will be made by the International Development Cooperation Agency (I.D.C.A.) in a companion Congressional Presentation document, which summarizes and compares budget figures for all U.S. economic assistance programs.

The detailed project descriptions contained in these volumes are based on programming material submitted by A.I.D. field missions 6 to 7 months before being sent to the Congress and up to 24 months before the obligation of funds. Invariably, some projects do not go forward as planned, new ones are added, and some undergo minor or substantial funding changes before agreements are reached with the recipient countries. In each instance, however, the appropriate committees will be given 15 days notice before such changes are effected.



STATEMENT OF THE ADMINISTRATOR

The responsibility of the Agency for International Development is to help developing nations meet the basic human needs of poor people. To Americans who have supported U.S. assistance for three decades, this must sometimes seem an endless task -- even hopeless. It is not.

Development is happening. The ASEAN nations of Southeast Asia have achieved a level of development few would have predicted a decade ago. India is now surviving a drought on the strength of its own home-grown food reserves. Population growth rates have dropped dramatically in Thailand, Indonesia, and Mexico over the last five years. More than 30 countries are establishing primary health care systems that were virtually non-existent in the past. Third World nations are increasingly able to borrow in private capital markets for development projects. The United States can proudly take credit for a leading role in fostering these changes.

In contrast to these positive trends, we are also working in a world in which escalating oil prices and weakness in industrial economies threaten development aspirations. It is a world in which military force is still used and terrorism and fanaticism divert people from the humane objective of helping the world's poor majority.

Although real economic and social development is a long-term process, the environment in which A.I.D. operates is not static. It is fast-changing and turbulent. Villagers tilling the soil in the manner of their forefathers are very likely today to lay down their tools and move to the city, even to another country, where the chances of survival seem better. They may find work and be able to send money home, which accelerates expectations among their neighbors. They are still uneducated; their children, whether they stay behind or join them in an urban slum, will still be hurt by disease and hunger. Their expectations and demands will continue to rise faster and faster. And their government will find it harder and harder to create economic policies and political institutions capable of meeting the legitimate needs of its people.

A.I.D.'s Mission

A.I.D. works mainly in the areas of food production, nutrition, family planning, health, and education -- all components of the U.S. strategy to meet basic human needs. In addition to administering the United States' bilateral development aid, we also administer PL 480 food and Economic Support Fund assistance which, to the degree possible, we bring to bear on development needs. We rely heavily and increasingly on the Peace Corps, on American private and voluntary organizations, and on other sources of private sector expertise to multiply the impact of our tax-supported assistance programs.

In all its work, A.I.D. emphasizes the importance of citizen participation. Only where people participate in their own development process are equity and self-sustaining growth possible. We are therefore encouraged by the current tendency toward decentralization of authority and free markets in some nations which have in the past stifled their development by over-management.

A.I.D. maintains missions or representatives in more than 70 countries. These missions develop projects in cooperation with the host governments and mobilize the necessary expertise to carry them out. Development requires more than the transfer of resources; it requires the application of this kind of knowledge and experience which

the United States has built up over decades of commitment to development. Although the World Bank, the European Community, and some other donors are beginning to place representatives in developing countries, the A.I.D. missions represent a unique American asset in bringing to bear an array of technical expertise as well as sophisticated planning capability. The ability of our staff to work in collegial relationships with host country counterparts has helped ensure the local involvement and commitment to development programs that are essential to their long-term effectiveness.

A.I.D.'s Comparative Advantage

One encouraging reality in many developing countries is their expanding capacity to manage their own development. While oversight of the use of U.S. resources will always be needed, A.I.D. is able to place increasing reliance on host country nationals and institutions to carry out A.I.D. assistance programs. By doing so, we will be able to use our own scarce resources more efficiently.

There is also considerably greater development capacity in the international community at large. Where the U.S. once stood more or less alone as a donor in the early years, there are now an increasing number of contributors: other bilateral aid programs, the multilateral banks and U.N. agencies, a variety of new voluntary organizations, experienced contract firms, and private financial institutions -- all engaged in the development process.

The increase in host country capacity and in the number of donors means that A.I.D. can increasingly specialize in areas where U.S. experience, technology, and gap-filling resources can capitalize on our comparative advantage and multiply the effectiveness of other contributions. While A.I.D. continues to administer the full range of U.S. bilateral assistance, we specialize in technical and financial assistance aimed at supporting host country programs that attack the problems of poor people and help create social infrastructures that make democracy work. This is where the United States can make a real difference. We rely on the multilateral development banks and, increasingly, on the private banking community to meet many of the Third World's large-scale physical infrastructure and capital requirements, and on the U.N. agencies for certain types of technical assistance best provided by them.

Congress should take pride in the basic human needs mandate it has given our assistance effort. Working directly to improve people's lives is more difficult than building ports or power plants; it is slower, and the results are less visible. But the benefits of our assistance are generally reaching those whose needs are greatest, and releasing the human capacities which are ultimately both the measure and the engine of progress. Even in cases where we must try to respond on an emergency basis, we must -- and can -- make sure our aid helps meet basic human needs.

Managing A.I.D.

As an organization, A.I.D. must be stable enough to sustain long-term development efforts and to ensure proper use of U.S. funds. At the same time it must be limber enough to take risks, to innovate, and to respond promptly when development opportunities occur. Congress can help us in this dual effort -- by reaffirming its support for the difficult but challenging basic human needs policy, by avoiding too many narrow program requirements, and by being prepared to stand by an Agency which is required to take risks for progress. After drastic post-Vietnam staff cuts and a

reorganization designed to concentrate more staff resources in the field, A.I.D. is now in a period of healthy consolidation. While we work toward some further reduction in total staff over the next five years, past and current attrition rates give us latitude to recruit new people into the agency. In our entry-level professional recruitment program we have thousands of applicants for roughly 100 places a year. We are thus able to select excellent people, often with valuable Peace Corps development experience, including a good cross-section of women and minority candidates whom we are making special efforts to recruit at all levels.

We are attempting to streamline our project development and implementation procedures to be more responsive to host country needs. In the process, we hope to find ways to improve the flow of usable information to the Congress. We have initiated a system for project impact evaluation which will give our field organizations, as well as host governments and other donors, better access to agency-wide experience on what works and what does not.

Most importantly, perhaps, we are working through IDCA to achieve coherence and better coordination among all elements of the U.S. assistance effort in order to enhance U.S. development impact in Third World nations.

A.I.D. FY 81 Priorities

The FY 1981 budget request presented here -- which should be read in conjunction with the overall statement of U.S. development policy presented by IDCA -- maintains A.I.D. concentration on food, rural development, population, health, and education. It includes new attention to renewable energy resources, afforestation, and natural resource conservation, all of which are essential to preserving the resource base which will make further development possible.

While continuing our development assistance priority on the neediest Third World countries and people, A.I.D. places additional emphasis on countries that have good human rights records and demonstrated commitment to policies of growth with equity. This emphasis is not a reward for performance, but recognition of the practical reality that our development contribution can produce more lasting and significant results in countries where human rights are respected and people have a stake in their societies. This budget also reflects increasing cooperation with other intermediaries, particularly private and voluntary organizations. Finally, it carries my own commitment to gaining the maximum impact from U.S. resources, and to making A.I.D. more effective and more efficient in achieving our nation's goals of a more prosperous and peaceful world.

Douglas J. Bennet, Jr.
Administrator



INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
 AGENCY FOR INTERNATIONAL DEVELOPMENT
 FY 1981 AUTHORIZATION AND NEW BUDGET AUTHORITY REQUEST
 FY 1981 PROPOSED PROGRAM
 (in thousands of dollars)

	1 9 8 1			
	FOREIGN ASSIST- ANCE ACT AUTHORIZATION REQUEST	BUDGET AUTHORITY REQUEST	ESTIMATED CARRYOVER AND REIMBURSEMENTS	PROPOSED PROGRAM
Functional Development Assistance:				
Agriculture, Rural Development and Nutrition	729,273	729,273	--	729,273
Population Planning	238,015	238,015	--	238,015
Health	164,213	164,213	--	164,213
Education and Human Resources Development	122,069	122,069	--	122,069
Selected Development Activities	160,632	160,632	--	160,632
SUBTOTAL, Functional Accounts (Grants, included above) (Loans, included above)	<u>1,414,202</u> (939,722) (474,480)	<u>1,414,202</u> (939,722) (474,480)	-- -- --	<u>1,414,202</u> (939,722) (474,480)
Sahel Development Program	113,442 ^{a/}	113,442	--	113,442
American Schools and Hospitals Abroad	15,000	15,000	--	15,000
American Schools and Hospitals Abroad:				
Foreign Currency Program	^{b/}	(14,300)	--	(14,300)
International Disaster Assistance	25,000	25,000	--	25,000
Overseas Training: Foreign Currency Program	^{b/}	(650)	--	(650)
Retroactive Terms Adjustment	10,845	^{c/}	--	10,845
SUBTOTAL, Functional & Other	<u>1,578,489</u>	<u>1,567,644</u>	--	<u>1,578,489</u>
Operating Expenses: AID ^{d/}	289,100	289,100	1,500 ^{e/}	290,600
Foreign Service Retirement Fund	^{f/}	25,296	--	25,296
TOTAL, AID Bilateral Development Assistance	<u>1,867,589</u>	<u>1,882,040</u>	<u>1,500</u>	<u>1,894,385</u>
Economic Support Fund ^{g/}	2,080,500	2,080,500	100,000 ^{h/}	2,180,500
TOTAL, Agency for International Development	<u>3,948,089</u>	<u>3,962,540</u>	<u>101,500</u>	<u>4,074,885</u>

^{a/} Assumes FY 1980 appropriation of \$100 million, which would exhaust the existing no-year authorization for the Sahel Development Program.

^{b/} Authorized by Section 612 of the Foreign Assistance Act.

^{c/} Funded from anticipated loan receipts, no new budget authority is requested but the program must be approved in the FY 1981 Appropriation Act.

^{d/} Excludes IDCA operating expenses of \$4.7 million.

^{e/} Estimated reimbursements for services provided other agencies.

^{f/} Authorized by section 865 of the Foreign Service Act of 1946 and by the Foreign Assistance Act of 1973.

^{g/} Excludes programs for the UN Forces in Cyprus, \$9 million, and the Sinai Support Mission, \$16 million, now funded under Peacekeeping Operations and justified by the Departments of State and Defense.

^{h/} Carryover for Egypt of funds appropriated in FY 1979.

Development Assistance and Economic Support Fund Assistance

Countries Assisted FY 1980 - 1981

Bangladesh	Kenya	Tanzania
Benin		Thailand
Bolivia	Lebanon	Togo
Botswana	Lesotho	Tunisia
Burma	Liberia	Turkey
Burundi		
	Malawi	Uganda
Cameroon	Mali	Upper Volta
Cape Verde	Mauritania	
Chad	Mauritius	Yemen
Costa Rica	Morocco	
	Mozambique	Zaire
Djibouti		Zambia
Dominican Republic	Nepal	
	Nicaragua	
Ecuador	Niger	
Egypt	Nigeria	
El Salvador		
	Pakistan*	
Gambia	Panama	
Ghana	Paraguay	
Guatemala	Peru	
Guinea	Philippines	
Guinea-Bissau	Portugal	
Guyana		
	Rwanda	
Haiti		
Honduras	Senegal	
	Seychelles	
India	Sierra Leone	
Indonesia	Somalia	
Israel	Spain	
	Sri Lanka	
Jamaica	Sudan	
Jordan	Swaziland	
	Syria	

*Subject to Congressional approval of proposed supplemental requests.

PROGRAM SUMMARY				
(In millions of dollars)				
FY 1979 Actual	FY 1980 Estimated	FY 1981 Authorization Request	FY 1981 Appropriation Request	FY 1982 Authorization Request
3,519.8	3,815.8 ^{b/}	3,948.1 ^{a/}	3,962.5	N/A

BUDGET SUMMARY

For FY 1981, A.I.D. requests authorization of \$3,948,089,000^{a/} and appropriation of \$3,962,540,000 for its bilateral economic assistance program, including funding for both Development Assistance and the Economic Support Fund. The Appropriation request represents a 3.8 percent increase over the \$3,815,763,000 appropriation anticipated for FY 1980^{b/}.

Development Assistance

For Development Assistance, the FY 1981 request totals \$1,882,040,000 compared to \$1,708,763,000 in FY 1980.

Development assistance includes:

Agriculture, Rural Development and Nutrition

A level of \$729,273,000 is proposed for Agriculture, Rural Development and Nutrition programs in FY 1981.

Improving the agricultural productivity of small farms in the LDCs offers the best hope of closing the gap between food production and need in the developing world. For this reason, A.I.D. emphasizes rural development projects which increase small farm productivity and improve the income of the rural poor.

Of those suffering most acutely from malnutrition, three-fourths live in Asia. Thus, 48 percent of the request for this account, \$350 million, would go to countries in Asia, to help meet the goal of a 4 percent annual reduction in the food gap in that region. Over half of the request would support activities of U.S. land-grant universities and other eligible institutions, under Title XII of the Foreign Assistance

^{a/} Includes \$10,845,000 for Retroactive Terms Adjustment; excludes \$25,296,000 for the Foreign Service Retirement and Disability Fund, which has already been authorized.

^{b/} Regular appropriations for accounts included in this summary had not been enacted at the time this budget was prepared. The FY 1980 amounts are based on House and Senate action on H.R. 4473, Foreign Assistance and Related Programs Appropriations Act, 1980. They include proposed supplemental appropriations of \$1,020,000 for the Foreign Service Retirement and Disability Fund, and \$8,587,000 for A.I.D. Operating Expenses, both resulting from the October 1979 pay raise, a pending supplemental request of \$80,000,000 for Central America, and a proposed supplemental request of \$100,000,000 for Pakistan. They exclude FY 1979 ESF appropriations of \$215,000,000 for Egypt and Turkey, carried over for obligation in FY 1980, and \$23,953,000 for the Maqarin Dam and Middle East regional cooperation expected to be reappropriated in FY 1980. Excludes \$56,876,000 for projects proposed for transfer to ISTC.

Act, to collaborate with A.I.D. and host governments in programs to improve food production. Of the amount in country programs for food and nutrition, 85 percent would go to "low income" countries, those with annual per capita income below \$625.

Population Planning

For FY 1981 A.I.D. proposes a Population Planning program of \$238,015,000.

Despite recent encouraging reductions in birth rates in several developing countries, rapid population growth in many others continues to undercut efforts to expand food production, reduce malnutrition and chronic disease, conserve non-renewable resources, and protect the environment. A.I.D. population programs emphasize family planning services and contraceptives for the rural poor through paramedical workers and the private sector. Also, in response to Section 104(d) of the Foreign Assistance Act, A.I.D. stresses the importance of population impact in the design of programs in agriculture, rural development, health and education. Of the request for population, 86 percent of the amount in country programs would be allocated to the low income countries.

Health

For FY 1981 A.I.D. requests \$164,213,000 for Health programs.

Inadequate health services, limited disease prevention and control, and a lack of safe water and sanitation plague widespread areas of the developing world. A.I.D. proposes to increase funding for health programs in Africa by one-third, and in Asia by over 50 percent. A.I.D. health programs will emphasize tropical disease control, and low cost health, water, and sanitation systems, using local resources and maximum community participation to reach a larger proportion of poor people, especially in rural areas. The low income countries will receive 93 percent of the requested amount in country programs for health.

Education and Human Resources Development

A.I.D. proposes a level of \$122,069,000 for Education and Human Resources Development programs in FY 1981.

Despite significant gains in LDC school enrollments over the past three decades, the educational situation in the developing countries remains critical. Less than one-sixth of the developing world's 2.1 billion people are literate. Only three-fifths of its school age children are entering primary school, and only half of those will remain long enough to gain basic skills.

Emphasis in the requested funding for education and training will include basic education for children, non-formal education in life skills for adults, and training for LDC development program managers.

The largest share of the request, 41 percent, would go to Latin America, which has demonstrated responsiveness to past A.I.D. education initiatives, to further expand education and training programs. Of the total request for education and human resources, 70 percent of the amount in country programs would go to the low income countries.

Technical Assistance, Energy, Research, Reconstruction and Selected Development Problems

For FY 1981 A.I.D. requests \$160,632,000 for Technical Assistance, Energy, Research, Reconstruction and Selected Development Problems.

A wide range of problems, such as urban overcrowding, depletion of natural resources, inadequate infrastructure and lack of appropriate technology hinder development in certain LDCs. The A.I.D. request for FY 1981 emphasizes expanded participation of private and voluntary organizations, and new initiatives in renewable and non-conventional energy resources, urban development, involvement of women in the development process, and use of appropriate technology. Approximately 59 percent of the amount in country programs for this functional area will go to the low income countries.

Sahel Development Program

For FY 1981 A.I.D. requests a level of \$113,442,000 for the Sahel Development Program.

This request will fund the fourth year of support for a multilateral effort to help drought-ravaged West African countries begin to achieve regional food self-sufficiency. Other donors and the recipient countries themselves contribute 90 percent of the total program costs.

Functional Development Assistance* Programs by Region
(Millions of Dollars)

Africa	393.1
Asia	498.3
Latin America	275.7
Near East	56.8
Interregional	303.7
TOTAL	1,527.6

American Schools and Hospitals Abroad

A.I.D. proposes a level of \$15,000,000 for FY 1981, to continue support of overseas U.S. schools, hospitals and libraries which demonstrate American concepts and practices in education and medicine. In addition, \$14,300,000 in excess local currencies is requested for the American University in Cairo.

International Disaster Assistance

A.I.D. requests \$25,000,000 for FY 1981 to respond to worldwide natural and man-made disasters. Still pending before Congress are FY 1980 requests for \$30 million for Cambodia and \$20 million for the Caribbean.

*Includes Agriculture, Rural Development and Nutrition, Population Planning, Health, Education and Human Resources, Selected Development Activities, and the Sahel Development Program.

Foreign Currency Program

For FY 1981 A.I.D. requests \$650,000 equivalent in U.S.-owned Indian rupees to finance specialized training in India for Nepalese participants.

Operating Expenses

For FY 1981 A.I.D. requests \$289,100,000 in new budget authority, together with \$1,500,000 in reimbursements, to finance management of the Development Assistance program and the Economic Support Fund.

Foreign Service Retirement and Disability System

A.I.D. requests \$25,296,000 for FY 1981 to cover the annual installment for the unfunded liability for A.I.D. Foreign Service employees transferred into the system.

Economic Support Fund

For the Economic Support Fund, the FY 1981 request is \$2,080,500,000. Of this amount, 75 percent will be allocated to the Middle East, as part of continuing U.S. efforts to achieve a stable peace. Proposed levels for Israel and Egypt are the same as provided in FY 1980. The balance of the request would be used primarily to relieve economic dislocations resulting from the struggle for majority rule in southern Africa and to provide support for Turkey in its efforts to stabilize its economy. The Administration's requests for support of UN Forces in Cyprus and the Sinai Support Mission, both funded from the Peacekeeping Operations account, are covered in the Security Assistance presentations of the Departments of State and Defense.

Although A.I.D. does not require FY 1981 appropriations for the Reimbursable Development program, it requests an increase in funding authority to \$4,000,000 in FY 1981.

In addition to new budget authority, A.I.D. is requesting authorization and approval in the Appropriation Act for waiver and forgiveness in FY 1981, under Section 124(c) of the Foreign Assistance Act, of up to \$10,845,000 owed by relatively least developed countries to the United States on A.I.D. and predecessor agency loans.

PROGRAM SUMMARY CP 81-11 (8-79)				
<i>(In millions of dollars)</i>				
FY 1979 Actual	FY 1980 Estimated	FY 1981 Authorization Request	FY 1981 Appropriation Request	FY 1982 Authorization Request
614.2	613.9	729.3	729.3	N/A

AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION

The U.N. Food and Agriculture Organization estimates that some 400 million people have a food intake which barely keeps them alive and permits virtually no work or other activity. An additional 600 million are chronically hungry, dangerously vulnerable to disease, low in productivity, and subject to outright starvation. As population grows while resources do not, the mutually reinforcing effects of individual poverty and national underdevelopment make solutions more difficult.

The cycle can be broken only with a broad, coordinated attack on the interdependent causes that prevent agriculture and the rural sector from performing effectively as forces for development. This effort must include the simultaneous improvement and dissemination of technologies and the adoption of sound development policies, as well as increased participation of the rural poor in the development process.

OBJECTIVES OF THE A.I.D. PROGRAM

- To increase small farmer income and productivity;
- To create on and off-farm employment;
- To expand access to income-producing opportunities and services;
- To improve nutrition;
- To enhance rural infrastructure and environment; and
- To remove institutional and policy impediments to equitable growth.

A.I.D. OPERATIONS AND ACTIVITIES

A.I.D. personnel overseas include community and area development officers, nutritionists, general agricultural advisors, agricultural economists, and agronomy, livestock, research, irrigation, and other specialized advisors. Working with local ministry counterparts and A.I.D. mission colleagues they help the LDC to identify sector needs and to design projects to address them. They monitor and troubleshoot throughout project implementation, coordinating with host government counterparts and other local personnel, contract staff, and other donors. Finally, they participate in mid-project and post-project evaluation. Assistance of short-term advisors is made available from A.I.D. in Washington, U.S. universities, private firms, or other U.S. Government agencies on an as-needed basis.

Programs include the following kinds of activities:

- Increasing small farmer income and productivity by facilitating small farmer access to markets; increasing the availability of water, improved seed, credit, and other

agricultural inputs at reasonable prices; adapting and disseminating new technologies; reducing post-harvest food losses; assisting with land tenure arrangements; and, encouraging small farmer organizations and participation.

- Creating rural employment by assisting the development of small rural enterprises and promoting labor-intensive agricultural production systems, crops, construction activities and public works.
- Improving nutritional status by increasing disposable incomes for food consumption; improving food distribution; supporting adaptive research, food fortification and other pilot projects in nutrition; supporting supplementary feeding programs; assisting in analysis of nutritional needs and policy alternatives; and, integrating nutrition objectives into health and agriculture planning.
- Enhancing rural infrastructure and environment by protecting the natural resource base of the rural production system through soil conservation, land and watershed management and reducing deforestation and the loss of usable land to desert encroachment.
- Removing institutional and policy impediments by assisting in decentralizing public services to reach the poor; supporting agrarian reform policies; improving institutional management to assure better distribution of benefits from public investments; increasing local revenue for self-financing of development efforts; and, providing assistance in planning and policy analysis for nutrition and rural development.

SELECTED PROGRAM EXAMPLES

Development Principle: Employment and income prospects for small farmers can be enhanced by facilitating their participation in the planning process and their access to the commercial economy.

Example: The Arusha Regional Planning and Village Development Project in Tanzania.

This grant project is assisting in the selection, design, and implementation of income-generating projects and off-farm employment opportunities by local wards and village development committees. The bottom-up planning will result in regional approaches to village agriculture and livestock production, provision of access roads and potable water systems, and the development and testing of appropriate technologies for both farming and small industries. Social science-oriented technical assistance is the key to the success of this rural development project.

Development Principle: Appropriate credit mechanisms, technologies, and technical assistance can alleviate chronic unemployment by creating new jobs in small rural industries.

Example: The Small Enterprises Development Project in Guatemala.

This combined loan and grant project provides credit to expand employment opportunities in artisanry and small enterprises; finances the development and dissemination of new technologies appropriate

for the target area; and trains credit agents to assist rural artisans and entrepreneurs in beginning new enterprises or expanding existing ones. The project is expected to generate over 18,000 person-years of employment, primarily among landless laborers and women.

Development Principle: The development of producer-managed cooperatives is a cost-effective means of replicating methods for increasing agricultural production among small-scale farmers and herders.

Example: The Blue Nile Agricultural Development Project in the Sudan.

This project is finding ways to coordinate delivery of supplies and services to small-scale producers. Through a series of experiments A.I.D. is helping the Government to develop and deliver goods, services and technology designed for the poor, and to test the feasibility of various levels of mechanization. Producer-managed cooperatives are being organized to encourage self-help community activities to increase rural incomes and to provide credit and marketing services in a timely and efficient manner.

Development Principle: Small farmer production can be enhanced by the introduction of technologies tailored to and tested in the particular target locality.

Example: The Farming Systems project in the hill regions of Nepal.

This \$3.3 million FY 1981 grant will help the Nepalese Government assess production options and introduce technological changes in grain, vegetable, and livestock production, forest and pasture management, and soil and water conservation. Technologies will be tested in up to ten field sites with maximum possible participation of local farm families before dissemination and replication. Technical assistance will be essential to the organization, training, and coordination aspects of the project, which is complemented by World Bank and U.N. Food and Agriculture Organization activities as well as Peace Corps participation.

SUMMARY
 AGRICULTURE, RURAL DEV. AND NUTRITION --FY 1981
 (IN THOUSANDS OF DOLLARS)

	TOTAL	GRANTS	LOANS
BUR. FOR PROGRAM AND POLICY COORDINATION			
EVALUATION	---	---	---
POLICY DEVELOPMENT AND PROGRAM REVIEW	250	250	---
WOMEN IN DEVELOPMENT	1,010	1,010	---
TOTAL FOR BUREAU	1,260	1,260	---
BUREAU FOR NEAR EAST			
AFGHANISTAN	---	---	---
MOROCCO	3,100	3,100	---
N.E. REGIONAL-(DA)	400	400	---
TUNISIA	17,930	3,330	14,600
YEMEN ARAB REPUBLIC	7,522	7,522	---
TOTAL FOR BUREAU	28,952	14,352	14,600
BUREAU FOR ASIA			
ASIA REGIONAL	10,100	10,100	---
BANGLADESH	89,600	89,600	---
INDIA	95,600	---	95,600
INDONESIA	70,000	27,300	42,700
KOREA, REPUBLIC OF	---	---	---
NEPAL	11,100	11,100	---
PAKISTAN	---	---	---
PHILIPPINES	15,600	2,900	12,700
SRI LANKA	35,800	3,650	32,150
THAILAND	22,200	6,000	16,200
TOTAL FOR BUREAU	350,000	150,650	199,350
BUREAU FOR LATIN AMERICA AND CARIBBEAN			
ANDEAN REGIONAL	3,540	300	3,240
BOLIVIA	14,014	6,514	7,500
COSTA RICA	5,000	---	5,000
DOMINICAN REPUBLIC	15,350	5,350	10,000
ECUADOR	2,750	750	2,000
EL SALVADOR	10,000	1,000	9,000
GUATEMALA	5,814	814	5,000
GUYANA	5,150	2,650	2,500
HAITI	3,045	3,045	---
HONDURAS	16,109	6,109	10,000
JAMAICA	5,565	1,565	4,000
LATIN AMERICA REGIONAL	10,408	10,408	---
NICARAGUA	8,724	724	8,000
OTHER WEST INDIES-EASTERN CARIBBEAN REG.	12,436	2,436	10,000
PANAMA	3,400	---	3,400
PARAGUAY	884	884	---

SUMMARY
 AGRICULTURE, RURAL DEV. AND NUTRITION --FY 1981
 (IN THOUSANDS OF DOLLARS)

	TOTAL	GRANTS	LOANS
PERU	27,642	5,642	22,000
REG OFFICE CEN AMER & PANAMA-ROCAP	3,310	3,310	---
URUGUAY	---	---	---
TOTAL FOR BUREAU	153,141	51,501	101,640
BUREAU FOR AFRICA			
AFRICA REGIONAL	17,795	16,795	1,000
BENIN (DAHOMEY)	---	---	---
BOTSWANA	---	---	---
BURUNDI	2,000	2,000	---
CAMEROON	8,362	8,362	---
CAPE VERDE	---	---	---
CENTRAL & WEST AFRICA REGIONAL	---	---	---
CENTRAL AFRICAN REPUBLIC	---	---	---
CHAD	---	---	---
CONGO, REP. OF	2,000	2,000	---
DJIBOUTI, DEMOCRATIC REPUBLIC OF	---	---	---
ETHIOPIA	---	---	---
GHANA	5,700	5,700	---
GUINEA	2,300	2,300	---
GUINEA-BISSAU	1,203	1,203	---
KENYA	26,410	11,010	15,400
LESOTHO	7,250	7,250	---
LIBERIA	2,223	2,223	---
MALAWI	3,000	3,000	---
MALI	---	---	---
MAURITANIA	---	---	---
NIGER	---	---	---
NIGERIA	5,000	5,000	---
RWANDA	3,209	3,209	---
SENEGAL	---	---	---
SEYCHELLES	500	500	---
SIERRA LEONE	3,268	3,268	---
SOMALIA	7,000	7,000	---
SUDAN	17,700	17,700	---
SWAZILAND	3,488	3,488	---
TANZANIA	14,904	14,904	---
TOGO	1,400	1,400	---
UGANDA	5,000	5,000	---
UPPER VOLTA	---	---	---
ZAIRE	7,256	4,756	2,500
TOTAL FOR BUREAU	146,968	128,068	18,900
BUREAU FOR DEVELOPMENT SUPPORT			
DEVELOPMENT INFORMATION AND UTILIZATION	600	600	---
INSTITUTIONAL SUPPORT GRANTS	9,900	9,900	---
OFC. OF AGRICULTURE	8,120	8,120	---

SUMMARY
 AGRICULTURE, RURAL DEV. AND NUTRITION --FY 1981
 (IN THOUSANDS OF DOLLARS)

	TOTAL	GRANTS	LOANS
OFC. OF ENERGY	5,800	5,800	---
OFC. OF NUTRITION	4,200	4,200	---
OFC. OF POPULATION	300	300	---
OFC. OF RURAL & ADMINISTRATIVE DEVEL.	3,055	3,055	---
OFC. OF SCIENCE & TECHNOLOGY	---	---	---
PROGRAM OFFICE (DSB)	500	500	---
 TOTAL FOR BUREAU	 32,475	 32,475	 ---
 BUR. FOR PRIVATE AND DEVELOP COOPERATION			
 FOOD FOR PEACE	 4,014	 4,014	 ---
PRIVATE AND VOLUNTARY COOPERATION	12,463	12,463	---
 TOTAL FOR BUREAU	 16,477	 16,477	 ---
 TOTAL PROGRAM	 729,273	 394,783	 334,490

PROGRAM SUMMARY					CP 81-11 (8-79)
<i>(In millions of dollars)</i>					
FY 1979 Actual	FY 1980 Estimated	FY 1981 Authorization Request	FY 1981 Appropriation Request	FY 1982 Authorization Request	
184.9	195.0	238.0	238.0	N/A	

POPULATION PLANNING

Despite recent encouraging declines in birth rates, progress in all major fields -- agriculture, industry, energy, environment, and health -- continues to be frustrated by rapid population growth. The developing countries' hard-won annual gains in GNP (up to 5% in some countries) are now eroded by population growth rates of 2 1/2 to 3% or more per year. In much of Africa, where population growth rates exceed 3% annually, per capita availability of food is decreasing. Semi-arid lands unable to support dense populations are turning to desert, wood for fuel and housing is disappearing, and migration to urban slums worsens every year.

Experience has demonstrated that a population program which is carefully tailored to local circumstances can have a significant impact on LDC population growth rates. An analysis of successful programs (e.g., in Indonesia and Thailand) underscores the importance of such factors as: clear expression of support by national leadership; enlisting strong community and peer support by basing programs in community groups; effective methods of mass communication; and use of trained outreach workers to deliver family planning information and services to couples in rural areas. Provision of family planning as an integral part of health care is the clear preference in many countries, particularly in subsahara Africa. Whether in combination with other social services or as freestanding programs, providing access to a broad spectrum of safe and effective contraceptives is one of the cornerstones of A.I.D.'s family planning program.

Other development programs can and do play an important role in encouraging couples to use family planning -- for example, by reducing infant morbidity and mortality, providing women with alternatives to prolonged childbearing, and reducing the dependence of parents on children for income, unpaid labor, and old age support.

OBJECTIVES OF THE A.I.D. PROGRAM

- To reduce population growth rates that seriously impede economic and social development.
- To provide families with effective options in choosing the number and spacing of their children.

A.I.D. OPERATIONS AND ACTIVITIES

A.I.D.'s population staff includes one hundred ten full- and part-time professionals around the world with expertise in demography, public health, biomedical and operations research, sociology, economics, anthropology, training, communications, and other fields needed for a broad-based population program. In addition to monitoring the Agency's large contract and grant program in this field, they provide technical assistance to developing country governments. They also coordinate with other donors and agencies including the United Nations Fund for Population Activities (UNFPA), the

World Bank, and other agencies which support LDC population programs. In implementing its population program, A.I.D. concentrates its assistance on activities of national family planning programs, as well as the efforts of multilateral assistance agencies (particularly UNFPA) and private and international agencies such as the International Planned Parenthood Federation, the Pathfinder Fund, Family Planning International Assistance, the Population Council, and the Association for Voluntary Sterilization.

A.I.D.'s population program stresses:

- Participation of the local community, including women's groups; training of outreach workers, especially in rural areas; effective techniques of communication about family planning to families and communities; and combination of family planning with other programs such as health and nutrition wherever appropriate;
- Supplying contraceptives and other family planning commodities;
- Country-specific analysis to encourage LDC adoption of informed, comprehensive population policies;
- Experimenting with new ways to increase acceptability and cost effectiveness of delivery systems tailored to the needs and existing services of specific country settings;
- Technical assistance to LDCs to establish improved management programs and evaluation systems;
- Training and equipping LDC physicians, family planning program managers, nurses, midwives, paramedicals and other auxiliary workers with respect to family planning and reproductive health under programs that emphasize local and regional circumstances;
- Developing and improving new means of fertility control, and assessing the safety, effectiveness, and acceptability of a variety of contraceptive techniques;
- Survey, census and vital registration projects and the data analysis needed to evaluate population trends and the impact of family planning programs;
- Supporting studies and analyses of the determinants and consequences of fertility, leading to practical program applications.

SELECTED PROGRAM EXAMPLES

Development Principle: The provision of voluntary family planning services and information can, in the right circumstances, bring about a rapid increase in prevalence of use of contraceptives and a rapid decline in fertility in developing countries.

Example: The National Family Planning Project in Thailand.

A.I.D. bilateral population assistance to Thailand began in 1968 and has totaled about \$23 million through FY 1979. The project integrates family planning services with rural primary health services and tradi-

tional healers are used to complement the medical and paramedical staff. Thai Government commitment and substantial foreign aid are among the key factors in the program. A.I.D. assistance has focussed on increasing the availability of voluntary family planning services and information, while UNFPA and the RTG supported other program elements. This project, undertaken at a time of dramatic improvements in health, education attainment, and family income, is associated with an increase in the percentage of married women age 15-44 practicing contraception from 15 percent in 1969/70 to 53 percent in 1978/79. The annual population growth rate is estimated at around 2.0-2.3%, down from about 3.2% in the early 1960s.

Development Principle: An understanding by policy makers and development planners of the impact of population growth on attaining national development objectives will stimulate more effective population policies.

Example: Resources for the Awareness of Population Impact on Development Project (RAPID)

The RAPID project undertakes to provide country-specific analyses and presentations for high-level LDC policy makers. These analyses examine the effects of population growth on a nation's particular development priorities -- whether they are to attain self-sufficiency in food, increase employment, achieve universal primary education, conserve natural resources, improve health services, or to provide other services for the population. Such analyses and presentations are being prepared for Jordan, Egypt, Morocco, Turkey, Cameroon, Senegal, the Sudan, Tanzania, Liberia, Sri Lanka, Honduras, Costa Rica, Paraguay, and Bolivia. Presentations were made to the International Conference of Parliamentarians on Population and Development and the World Bank's Economic Development Institute. Feedback has been uniformly favorable. In Morocco, the Minister of Health made RAPID the centerpiece of a National Population Conference, involving key government officials and representatives of the private sector. Senior health officials there view RAPID as their most effective vehicle for enlisting political support for a stronger population effort.

Development Principle: Through the use of paramedical and community personnel, family planning services can be extended beyond the reach of the present limited health infrastructure.

Example: The Sur Medio Health Region Operations Research Project.

This operations research project will be implemented by the Government of Peru in the Sur Medio Health Region with the technical assistance of Columbia University. It will provide health services to a predominantly rural population of 635,000. Approximately 1800 public health agents will be trained to provide health services including family planning, micro-nutritional supplements, oral rehydration, immunization and education concerning improved weaning practices and breast feeding. A strong evaluation component will document the costs, effectiveness and replicability of this three year program which begins operation in February 1980.

SUMMARY
POPULATION PLANNING
(IN THOUSANDS OF DOLLARS)

--FY 1981

	TOTAL	GRANTS	LOANS
BUR. FOR PROGRAM AND POLICY COORDINATION			
POLICY DEVELOPMENT AND PROGRAM REVIEW	650	650	---
TOTAL FOR BUREAU	650	650	---
BUREAU FOR NEAR EAST			
AFGHANISTAN	---	---	---
MOROCCO	4,500	4,500	---
TUNISIA	1,800	1,800	---
TOTAL FOR BUREAU	6,300	6,300	---
BUREAU FOR ASIA			
ASIA REGIONAL	600	600	---
BANGLADESH	11,000	11,000	---
INDIA	---	---	---
INDONESIA	19,300	7,300	12,000
KOREA, REPUBLIC OF	---	---	---
NEPAL	1,400	1,400	---
PHILIPPINES	14,700	6,000	8,700
THAILAND	1,900	1,900	---
TOTAL FOR BUREAU	48,900	28,200	20,700
BUREAU FOR LATIN AMERICA AND CARIBBEAN			
COSTA RICA	245	245	---
ECUADOR	780	780	---
EL SALVADOR	750	750	---
GUATEMALA	575	575	---
HAITI	1,560	1,560	---
HONDURAS	100	100	---
JAMAICA	600	600	---
LATIN AMERICA REGIONAL	730	730	---
NICARAGUA	350	350	---
OTHER WEST INDIES-EASTERN CARIBBEAN REG.	---	---	---
PANAMA	440	440	---
PARAGUAY	---	---	---
PERU	400	400	---
TOTAL FOR BUREAU	6,530	6,530	---
BUREAU FOR AFRICA			
AFRICA REGIONAL	2,000	2,000	---
CAMEROON	600	600	---
CENTRAL AFRICAN REPUBLIC	---	---	---
GHANA	855	855	---

SUMMARY
 POPULATION PLANNING
 (IN THOUSANDS OF DOLLARS)

--FY 1981

	TOTAL	GRANTS	LOANS
KENYA	3,650	3,650	---
LESOTHO	50	50	---
LIBERIA	300	300	---
MALI	---	---	---
NIGERIA	---	---	---
RWANDA	2,640	2,640	---
SWAZILAND	---	---	---
TANZANIA	---	---	---
TOGO	---	---	---
ZAIRE	500	500	---
 TOTAL FOR BUREAU	 10,595	 10,595	 ---
 BUREAU FOR DEVELOPMENT SUPPORT			
OFC. OF HEALTH	800	800	---
OFC. OF POPULATION	164,240	164,240	---
 TOTAL FOR BUREAU	 165,040	 165,040	 ---
 TOTAL PROGRAM	 238,015	 217,315	 20,700

PROGRAM SUMMARY CP 81-11 (8-79)				
<i>(In millions of dollars)</i>				
FY 1979 Actual	FY 1980 Estimated	FY 1981 Authorization Request	FY 1981 Appropriation Request	FY 1982 Authorization Request
132.9	132.6	164.2	164.2	N/A

HEALTH

People weakened by chronic disease, malnutrition and frequent childbearing, can neither work nor learn effectively. Poverty, erratic and inadequate harvests, scarcity of safe water and adequate sanitation, widespread tropical diseases, lack of access to health care, and high fertility cause severe health problems in LDCs.

- Average life expectancy is 51 years in the LDCs (37 years in parts of Africa) compared to 72 in the U.S.
- In many countries 15% or more of all infants die before their first birthday - up to 30% die before age five.
- 65% of the population lack access to safe water and even fewer have adequate sanitation facilities.
- 85% do not have adequate access to basic health care.

The resources of LDC governments are not adequate to overcome these problems. A.I.D. is developing, promoting and funding lower cost health, water and sanitation systems to reach a larger proportion of low income people, particularly in rural areas, at costs which LDC governments can afford. The systems emphasize the use of local resources and maximum community participation.

OBJECTIVES OF THE A.I.D. PROGRAM

- To increase access by LDC populations to preventive and curative health care, family planning, and nutrition services;
- To increase access to and use of safe water and adequate sanitation;
- To reduce debilitating tropical diseases, malnutrition, diarrheal infections, measles, and other preventable diseases; and,
- To increase the capacities of LDC governments to plan and manage their health resources.

A.I.D. OPERATIONS AND ACTIVITIES

A.I.D. employs 100 direct hire health, population, and nutrition officers around the world to help host governments identify and address health problems. The proportion of each officer's time devoted in each of the three areas varies with the country situation and program. Physicians, nutritionists, health economists, technicians with planning skills, and other specialists are part of this overseas expertise. Working with local counterparts and other A.I.D. officers, these specialists assist in design of solutions to the country's health problems, monitor project implementation, coordinate the use of

needed contractors and consultants, and coordinate A.I.D. efforts with those of other donors. A cadre of technical personnel in the regional and central bureaus in Washington develop and provide technical resources in support of health programs, and are available to provide short-term assistance at posts where a particular expertise is not available.

A.I.D.'s programs expand health services to the poor in rural and urban fringe areas who are underserved or unserved by health care. Reaching these people requires involving them in the planning and operation of their own health care systems.

A.I.D. personnel and resources make possible programs to:

A. Increase access to health service by:

- Supporting low cost health, population and nutrition programs in LDCs;
- Encouraging the use of a variety of para-medical personnel and of health workers selected from and based in the local community;
- Developing and promoting training and re-training of LDC health workers and managers; and,
- Supporting field testing and evaluation to determine cost and effectiveness of various types of health programs.

B. Increase access to, and appropriate use of, safe water and adequate sanitation by:

- Developing (or adapting) and testing low-cost, low-maintenance water supply and sanitation devices;
- Designing training programs and providing training assistance for management and maintenance personnel;
- Funding sanitation and water systems and their adaptation to local physical, climatic, cultural, and economic conditions;
- Providing technical assistance to LDC organizations responsible for water and sanitation systems and to local manufacturers of equipment; and,
- Promoting hygiene education in conjunction with provision of safe water and sanitation facilities.

C. Reduce infectious disease by:

- Supporting vaccination and treatment services as part of health care programs or, where appropriate, special immunization campaigns;
- Supporting, with other donors, large scale field trials to determine relative cost and effectiveness of various control measures;
- Supporting research on improved methods of prevention and treatment of major communicable diseases which affect developing countries;

- Supporting field research and operational programs to control diseases through comprehensive projects which use all available methods for vector control; and,
- Providing assistance in environmental assessment to ensure that projects in other development sectors do not have adverse health impact.

D. Increase LDC governments' capacities to plan and manage programs by:

- Encouraging integration of country health planning into overall development planning;
- Providing assistance in designing effective management systems in health;
- Strengthening the LDC's own training programs and capabilities;
- Collecting, analyzing, disseminating, and encouraging use of information about cost and effectiveness of current health programs; and,
- Collaborating with other donors and LDC organizations in studies to increase the knowledge about effects of health sector and other sector programs on people's health and the merits of alternative approaches.

SELECTED PROGRAM EXAMPLES

Development Principle: Water-related diseases are a major source of morbidity and mortality where more than 65% of the population lacks access to safe water and adequate sanitation. Improved water and sanitation systems, together with other health related activities, can improve the health of the population served.

Example: The Potable Water and Nutrition project in Ecuador.

This \$2,300,000 FY 1981 grant/loan will support the National Institute of Nutrition and the Ecuadorian Sanitary Works Institute's efforts to provide improved nutrition and water supply in rural communities. The project's water component will be implemented in the same areas as the nutrition component and will include well drilling, construction of community or home water supplies and training local personnel in construction and maintenance of water systems. Local communities will be involved in planning and implementation. A low cost gravity fed system, already in use in some parts of Ecuador will be used where possible.

Development Principle: Excessive mortality and morbidity can often be prevented by immunization against common communicable diseases. Including immunization services within existing health services programs is more cost-effective than curing acute or chronic illness.

Example: The Expanded Program in Immunization in Indonesia.

This \$10,000,000 FY 1970 loan/grant supported project is A.I.D.'s contribution (35%) to a Government of Indonesia five year plan to immunize 70% of the children in the most susceptible age groups

against tuberculosis, diphtheria, pertussis and tetanus, thus preventing an estimated 5,839,000 cases and 313,000 deaths.

The project is being implemented by the Ministry of Health, with funding support from UNICEF and WHO as well as A.I.D.

Development Principle: Effective, affordable national health care can be implemented based on lessons learned from pilot projects, and by using strengthened host government planning and management capabilities.

Example: The Health Delivery Systems project in Liberia.

This \$863,000 FY 1981 grant funded project will strengthen and extend national health services to an estimated 200,000 families. This project will be carried out through the Ministry of Health and is based on lessons learned from a series of pilot health projects and demonstrations. The project will train and deploy community based and middle level health workers, and institute a referral system, to extend services to the people.

SUMMARY
HEALTH (IN THOUSANDS OF DOLLARS) --FY 1981

	TOTAL	GRANTS	LOANS
BUR. FOR PROGRAM AND POLICY COORDINATION			
POLICY DEVELOPMENT AND PROGRAM REVIEW	300	300	---
TOTAL FOR BUREAU	300	300	---
BUREAU FOR NEAR EAST			
AFGHANISTAN	---	---	---
N.E. REGIONAL-(DA)	200	200	---
TUNISIA	2,630	1,240	1,390
YEMEN ARAB REPUBLIC	3,267	3,267	---
TOTAL FOR BUREAU	6,097	4,707	1,390
BUREAU FOR ASIA			
ASIA REGIONAL	1,000	1,000	---
BANGLADESH	1,600	1,600	---
BURMA	3,000	3,000	---
INDIA	34,400	9,400	25,000
INDONESIA	8,100	8,100	---
NEPAL	3,600	3,600	---
PAKISTAN	---	---	---
PHILIPPINES	7,800	300	7,500
SRI LANKA	10,200	200	10,000
THAILAND	---	---	---
TOTAL FOR BUREAU	69,700	27,200	42,500
BUREAU FOR LATIN AMERICA AND CARIBBEAN			
BOLIVIA	1,100	1,100	---
DOMINICAN REPUBLIC	---	---	---
ECUADOR	2,150	150	2,000
EL SALVADOR	4,500	500	4,000
GUATEMALA	400	400	---
GUYANA	---	---	---
HAITI	1,400	1,400	---
HONDURAS	---	---	---
JAMAICA	---	---	---
LATIN AMERICA REGIONAL	2,303	2,303	---
NICARAGUA	3,425	425	3,000
OTHER WEST INDIES-EASTERN CARIBBEAN REG.	1,571	371	1,200
PANAMA	---	---	---
PERU	900	900	---
TOTAL FOR BUREAU	17,749	7,549	10,200
BUREAU FOR AFRICA			

SUMMARY
 HEALTH (IN THOUSANDS OF DOLLARS) --FY 1981

	TOTAL	GRANTS	LOANS
AFRICA REGIONAL	18,180	18,180	---
BENIN (DAHOMEY)	900	900	---
BOTSWANA	---	---	---
CAMEROON	2,700	2,700	---
CAPE VERDE	---	---	---
CENTRAL AFRICAN REPUBLIC	---	---	---
CHAD	---	---	---
ETHIOPIA	---	---	---
GHANA	---	---	---
KENYA	5,200	---	5,200
LESOTHO	2,550	2,550	---
LIBERIA	863	863	---
MALAWI	740	740	---
MALI	---	---	---
NIGER	---	---	---
SENEGAL	---	---	---
SOMALIA	5,700	5,700	---
SUDAN	3,000	3,000	---
SWAZILAND	1,014	1,014	---
TANZANIA	6,736	6,736	---
TOGO	1,500	1,500	---
UGANDA	2,500	2,500	---
ZAIRE	3,900	3,900	---
TOTAL FOR BUREAU	55,483	50,283	5,200
BUREAU FOR DEVELOPMENT SUPPORT			
OFC. OF EDUCATION	---	---	---
OFC. OF HEALTH	11,900	11,900	---
OFC. OF NUTRITION	200	200	---
OFC. OF POPULATION	300	300	---
TOTAL FOR BUREAU	12,400	12,400	---
BUR. FOR PRIVATE AND DEVELOP COOPERATION			
PRIVATE AND VOLUNTARY COOPERATION	2,484	2,484	---
TOTAL FOR BUREAU	2,484	2,484	---
TOTAL PROGRAM	164,213	104,923	59,290

PROGRAM SUMMARY CP 81-11 (8-79)				
<i>(In millions of dollars)</i>				
FY 1979 Actual	FY 1980 Estimated	FY 1981 Authorization Request	FY 1981 Appropriation Request	FY 1982 Authorization Request
97.7	106.0	122.1	122.1	N/A

EDUCATION AND HUMAN RESOURCES

The educational situation in developing countries remains critical despite significant gains in school enrollments and the number of people trained. It is clear that economic and social progress depends significantly upon education both formal and nonformal. Education makes a difference:

- In agriculture, production rises as primary education and extension programs teach men and women how to increase crop yields;
- In health, sanitation and nutrition improve as families learn modern methods of hygiene and food preparation;
- In population, birth rates tend to fall as women acquire more education;
- In employment, people trained in marketable skills increase their chances for employment;
- In management, development programs work more effectively when implemented by trained administrators and managers.

The last 30 years have seen remarkable broadening of educational opportunities in developing countries. In 1950, 65 million LDC children were enrolled in primary schools; in 1970, 201 million were enrolled.

Despite these advances, the number of adults and children having little or no education continues to increase.

- Less than one-sixth of the developing world's 2.1 billion people are literate;
- 60 percent of the school-age children enter primary school and of those only half complete the four years necessary to obtain basic skills;
- Much of the education and training that is provided is irrelevant and ineffective.

OBJECTIVES OF THE A.I.D. PROGRAM

A.I.D. finances a variety of training activities within projects under other functional accounts. Under this specific account A.I.D.'s objectives are:

- To provide basic education for children;
- To improve the fundamental life skills of adults;
- To improve the management and performance of LDC development programs.

A.I.D. OPERATIONS AND ACTIVITIES

A.I.D. has 52 direct hire education specialists assigned overseas who assist host government ministries in identifying and solving problems that impede progress in education. These specialists concentrate on planning and implementing and are trained in administration, economics, teacher training, curriculum development, educational technology, workforce development, vocational education and nonformal education. In addition, there are six training and three public administration specialists.

Working with local counterparts and A.I.D. officers in other development sectors, these technicians assist in identifying human resource development problems and designing education and training activities to overcome them. They are responsible for describing and explaining new initiatives as well as for coordinating with other donors and with private voluntary organizations. They maintain a continuous dialogue with local ministry personnel, contractors and consultants.

Sixteen education professionals in the geographic bureaus of A.I.D. in Washington support the field staff while ten educational professionals and seven development administration professionals in the central Washington staff provide specialized temporary assistance to missions where a particular expertise is not available.

A.I.D.'s FY 1981 education and human resources program focuses on:

- Increasing the number of children receiving quality primary education;
- Improving the organization and delivery of nonformal education programs;
- Developing communications technology to reach rural communities with appropriate information;
- Encouraging low cost decentralized programs responsive to community needs; and,
- Assisting LDC governments to mobilize and use local resources in support of rural development programs.

In most developing countries, planners consider the formal primary school system as the main source of basic education. For this reason, and given the evidence of the positive relationship between primary schooling and other development indicators, the improvement and expansion of the primary school system is important to the Agency's education program. The Agency's education program also provides basic life skills for adults and youth.

With the help of the American labor movement, A.I.D. assists labor programs in Africa, Asia and Latin America. These programs improve workers' conditions through training union workers and leaders and developing job related skills training for workers. The program also encourages LDCs to bring women into their work forces on an equal basis with men.

A.I.D. education, training and public administration programs:

A. Increase access to educational opportunities by:

- Providing more and better qualified teachers;

- Using radio to extend the reach of formal and nonformal education programs; and,
 - Building simple and efficient rural schools and community learning centers.
- B. Increase the relevance of educational programs by:
- Designing curriculum materials consonant with the learner's environment;
 - Involving the local community in the education process; and,
 - Strengthening the tie between education and training programs and future employment.
- C. Improve the cost-effectiveness of educational programs by:
- Encouraging systematic planning for education and development;
 - Relying upon less expensive paraprofessionals and local community workers when appropriate; and,
 - Reducing the number of people who drop out or repeat grades in school.
- D. Strengthen administrative and management capability by:
- Assisting LDC governments to upgrade the capacity of local development administration;
 - Strengthening the capacity of central governments in development planning and resource management;
 - Improving the financial management of host country development institutions; and,
 - Developing better administration and organization approaches and practices in public works and general rural development programs.

SELECTED PROGRAM EXAMPLES

Development Principle: Decreasing rural poverty requires access to education in rural areas of developing countries.

Example: The Rural Primary Education Program in Honduras.

This \$2 million FY 1981 grant will initiate a \$15 million loan-grant project to improve the accessibility and quality of primary education for rural children. It will finance a second session of school to be taught by teachers already assigned to rural schools. The project will provide instruction at grade levels four, five and six where these are not available, or additional sessions at levels one, two, and three where classes are excessively large.

Development Principle: Education should be culturally and economically relevant to the goals of national development.

Example: The Primary Curriculum Development project in Swaziland.

This \$1,080,000 FY 1981 grant is part of an eight year effort to strengthen the curriculum development unit of the Ministry of Education and to revise the curriculum for all seven grades in the primary school system for all the nation's schools. The present curriculum was developed in the colonial period along Western European lines for further academic preparation. The Government of Swaziland recognizes that a new curriculum is needed not only to continue academic preparation for higher level training, but also to provide basic life skills for the vast majority of students who will not continue up the academic ladder.

Development Principle: Educational innovations must be cost effective.

Example: The Self-Instructional Learning System in Indonesia.

This \$1,000,000 FY 1981 grant is part of a \$3,000,000 effort to reduce the unit costs of education. By using self-instructional materials, older students as tutors, and qualified teachers as instructional managers, the pupil-teacher ratio increases without a reduction in learning. With these local resources one teacher can teach as many as 200 students. In cooperation with UNICEF this program will be expanded to 160 primary schools in rural Indonesia and also implemented, with modifications, in the Philippines and Liberia.

Development Principle: Effective planning and management increase the impact of development programs.

Example: The Training for Development Project in Ecuador.

This \$1 million project, starting in FY 1980, will train 400 mid-management personnel in Ecuadorean ministries and development agencies in budgeting, accounting, management by objective and administration. This training should also increase the competence and effectiveness of 3,400 of approximately 19,000 administrative and management personnel.

SUMMARY
EDUCATION AND HUMAN RESOURCES
(IN THOUSANDS OF DOLLARS)

--FY 1981

	TOTAL	GRANTS	LOANS
BUR. FOR PROGRAM AND POLICY COORDINATION			
POLICY DEVELOPMENT AND PROGRAM REVIEW	---	---	---
WOMEN IN DEVELOPMENT	620	620	---
TOTAL FOR BUREAU	620	620	---
BUREAU FOR NEAR EAST			
AFGHANISTAN	---	---	---
MOROCCO	1,000	1,000	---
N.E. REGIONAL-(DA)	4,200	4,200	---
TUNISIA	---	---	---
YEMEN ARAB REPUBLIC	5,615	5,615	---
TOTAL FOR BUREAU	10,815	10,815	---
BUREAU FOR ASIA			
ASIA REGIONAL	7,000	7,000	---
BANGLADESH	400	400	---
INDONESIA	2,600	1,600	1,000
KOREA, REPUBLIC OF	---	---	---
NEPAL	---	---	---
PAKISTAN	---	---	---
PHILIPPINES	1,400	1,400	---
SRI LANKA	---	---	---
THAILAND	---	---	---
TOTAL FOR BUREAU	11,400	10,400	1,000
BUREAU FOR LATIN AMERICA AND CARIBBEAN			
BOLIVIA	5,370	2,370	3,000
COSTA RICA	---	---	---
DOMINICAN REPUBLIC	5,800	300	5,500
ECUADOR	250	250	---
EL SALVADOR	---	---	---
GUATEMALA	805	805	---
GUYANA	---	---	---
HAITI	800	800	---
HONDURAS	6,000	1,000	5,000
JAMAICA	---	---	---
LATIN AMERICA REGIONAL	12,484	12,484	---
NICARAGUA	7,300	300	7,000
OTHER WEST INDIES-EASTERN CARIBBEAN REG.	6,300	3,700	2,600
PANAMA	3,500	---	3,500
PARAGUAY	205	205	---
PERU	700	700	---
REG OFFICE CEN AMER & PANAMA-ROCAP	240	240	---

SUMMARY
EDUCATION AND HUMAN RESOURCES
(IN THOUSANDS OF DOLLARS)

--FY 1981

	TOTAL	GRANTS	LOANS
TOTAL FOR BUREAU	49,754	23,154	26,600
BUREAU FOR AFRICA			
AFRICA REGIONAL	13,465	13,465	---
BOTSWANA	---	---	---
CAMEROON	2,500	2,500	---
CHAD	---	---	---
DJIBOUTI, DEMOCRATIC REPUBLIC OF	1,200	1,200	---
ETHIOPIA	---	---	---
GHANA	960	960	---
GUINEA-BISSAU	---	---	---
LESOTHO	5,000	5,000	---
LIBERIA	3,019	3,019	---
MALAWI	3,000	3,000	---
MALI	---	---	---
NIGERIA	---	---	---
SIERRA LEONE	---	---	---
SOUTHERN AFRICA REGION-OSARAC	---	---	---
SUDAN	---	---	---
SWAZILAND	2,960	2,960	---
TANZANIA	1,265	1,265	---
UGANDA	2,500	2,500	---
UPPER VOLTA	---	---	---
ZAIRE	544	544	---
ZAMBIA	---	---	---
TOTAL FOR BUREAU	36,413	36,413	---
BUREAU FOR DEVELOPMENT SUPPORT			
INSTITUTIONAL SUPPORT GRANTS	2,300	2,300	---
OFC. OF EDUCATION	5,000	5,000	---
OFC. OF INTERNATIONAL TRAINING	1,400	1,400	---
OFC. OF RURAL & ADMINISTRATIVE DEVEL.	995	995	---
TOTAL FOR BUREAU	9,695	9,695	---
BUR. FOR PRIVATE AND DEVELOP COOPERATION			
LABOR AFFAIRS	1,030	1,030	---
PRIVATE AND VOLUNTARY COOPERATION	2,342	2,342	---
TOTAL FOR BUREAU	3,372	3,372	---
TOTAL PROGRAM	122,069	94,469	27,600

PROGRAM SUMMARY CP 81-11 (8-79)				
<i>(In millions of dollars)</i>				
FY 1979 Actual	FY 1980 Estimated	FY 1981 Authorization Request	FY 1981 Appropriation Request	FY 1982 Authorization Request
117.4	118.6	160.6	160.6	N/A

Technical Assistance, Energy, Research,
Reconstruction and Selected Development Problems
(Selected Development Activities)

Selected Development Activities enable A.I.D. to deal with a wide range of development concerns not falling within the accounts of agriculture, rural development, nutrition, health, education and population.

- Energy problems impede development in many countries.
- Urban population growth rates in developing countries are far greater, often double, national population increases.
- Minimum shelter needs are inadequate in many LDCs.
- U.S. private voluntary organizations (PVOs) are especially capable of mobilizing local development programs.
- In Africa, lack of primary road access to isolated populations and land locked countries is a major impediment to all aspects of development.
- Environmental degradation and deforestation is serious in many LDCs.

OBJECTIVES OF THE A.I.D. PROGRAM

- To assist LDCs contend with their national energy problems.
- To deal with LDC employment and income problems in urban areas.
- To involve U.S. private voluntary organizations in development.
- To mitigate the problems of urbanization.
- To selectively finance primary road programs.
- To facilitate access to U.S. scientific and technical knowledge particularly appropriate to development.
- To provide environmental management assistance.

A.I.D. OPERATIONS AND ACTIVITIES

Selected Development Activities staff represent an especially wide range of professional skills, which often are particularly specialized. For example, U.S.-based staff includes energy officers who manage programs and provide field services in bioresource, small decentralized hydropower, photovoltaics, and energy economics and planning. Their skills include physics, biochemistry, mechanical engineering and economics.

A.I.D.'s remote sensing professionals, environmentalists and specialized engineers (e.g., chemical, structural, electrical, transportation) provide expertise for various field programs. Program planning and design professionals work with private voluntary organizations, assisting them with activities that support A.I.D.'s basic human needs objectives.

In the field, housing officers prepare and implement A.I.D.'s Housing Investment Guaranty Program. A remote sensing specialist is assigned to Africa to manage regional earth satellite technology transfer programs. A.I.D. engineers serve as project officers for projects ranging from a major national roads program in Kenya to electrification in the Philippines and construction of a fertilizer facility in Bangladesh.

Headquarters and field staff make possible programs to:

A. Increase, diversify, and better manage energy supply and demand by:

- Providing training in energy planning and management, fossil fuel production, and alternative energy technologies;
- Assisting LDCs to establish or expand local and regional alternative energy development;
- Introducing solar, wind, and other small scale, nonconventional technologies;
- Helping developing countries with energy planning and assessment systems;
- Assisting with problems of fuel wood and deforestation;
- Supporting LDCs in their efforts to identify fossil fuels (oil, gas, coal) and related (shale, tar sands, geothermal) energy supplies; and,
- Promoting programs of energy conservation and efficiency.

B. Involve private and voluntary organizations (PVOs) and U.S. special interest groups in U.S. development efforts by:

- Providing matching grants to PVOs enabling them to substantially increase overseas humanitarian programs;
- Underwriting unique PVO technical and management initiatives such as the International Executive Service Corps (IESC) and Volunteers in Technical Assistance; and,
- Paying transportation costs for commodities such as medicine, food, and clothing donated by the American people.

C. Deal with problems of employment and income by:

- Developing and implementing LDC urban programs to stimulate employment and income in the informal business and labor sector where a large percentage of persons obtain productive employment;
- Providing technical and management services to public and private industrial and service enterprises; and,

- Extending financing to credit programs for LDC private sector small enterprises and labor intensive construction activities.

D. Assist LDCs in the dynamics of urbanization by:

- Introducing pilot programs to more effectively involve urban areas in development;
- Assisting urban oriented organizations and government agencies in planning, financing and providing basic social and economic services to the urban poor--i.e., shelter, water, and income earning opportunities; and,
- Extending technical assistance to LDC programs providing adequate shelter and related services such as water for the urban poor.

E. Facilitate access to specialized, multisectorial development programs by:

- Promoting the purchase by more advanced developing nations of U.S. technical skills and capital equipment;
- Making available U.S. scientific and technical institutional capabilities (National Academy of Sciences);
- Developing national and sectoral environmental assessment and natural resource management mechanisms;
- Offering entry to development information data banks, systems, and specialized information services; and,
- Contributing to multidonor primary roads projects in Africa.

SELECTED PROGRAM EXAMPLES

Development Principle: Introduction of renewable, nonconventional energy sources in LDCs can serve to offset demands on conventional supply and provide energy where it otherwise may not be available.

Example: Energy Production Through Photovoltaics.

This \$1 million FY 1981 project demonstrates the cost-effectiveness and feasibility of solar energy to meet selected energy requirements. Following application of this technology to energy needs in the health field, demonstration systems will be introduced to provide power for rural education centers. This project will be carried out in selected LDCs by the Lewis Research Center of the National Aeronautics and Space Administration with support from the Department of Energy.

Development Principle: The development needs of the rural and urban poor can be met in many ways through activities carried out by capable private and voluntary organizations.

Example: The ACCION International (AITEC) matching grant.

In many Latin American cities, individuals and families form small businesses outside the modern economy. They receive little if any technical or management assistance. AITEC develops and assists local organizations in Latin America in planning and implementing employment and income generating and management programs for small businesses and farmers. Under a matching grant of \$150,000 in FY 1981 AITEC will initiate new programs in two countries, plan up to five programs for interested communities, and train government and local PVO staff in project design and management techniques in about ten countries.

Development Principle: Programs in small urban areas can reduce the strain on local government resources to more efficiently service the development needs of rural and urban poor, and offer alternatives to mass migration to overburdened capital cities.

Example: The SENDU II Project in Bolivia.

This \$5.5 million FY 1981 loan will assist Bolivia's National Urban Development Service (SENDU) provide capital and technical support to local governments and rural communities. The project will be directed toward urban entities with populations of 5,000 to 15,000. SENDU will provide technical services and training in: administration of public services, project planning and supervision, and revenue and financial management. The project also will strengthen and expand the operations of SENDU's revolving credit fund which provides loans to local governments for public works but with special attention to income producing projects such as central markets. It is expected that at least 700,000 people can be served by this loan.

Development Principle: In Africa, especially, cooperation with other donors in support of new primary transportation links to isolated populations and landlocked countries can make a significant contribution to development.

Example: The Tanzania/Rwanda/Burundi Transport Links Project.

This \$10 million grant would finance completion of a road link from Northwestern Tanzania into Rwanda and Burundi, two of the world's poorest, most isolated, and densely populated countries. The availability of food, access to health and education services, and public revenue and private income earning capacity are limited by the cost of transport of goods and services to and exports from these two nations. This project, to be funded by several donors, would primarily benefit the rural populations of Rwanda and Burundi by increasing access to lower cost goods and services and expanding the outlets for agricultural products.

SUMMARY
 SELECTED DEVELOPMENT ACTIVITIES
 (IN THOUSANDS OF DOLLARS)

--FY 1981

	TOTAL	GRANTS	LOANS
BUR. FOR PROGRAM AND POLICY COORDINATION			
EVALUATION	900	900	---
POLICY DEVELOPMENT AND PROGRAM REVIEW	2,262	2,262	---
WOMEN IN DEVELOPMENT	1,410	1,410	---
TOTAL FOR BUREAU	4,572	4,572	---
BUREAU FOR NEAR EAST			
MOROCCO	1,600	1,600	---
N.E. REGIONAL-(DA)	300	300	---
TUNISIA	2,750	2,750	---
YEMEN ARAB REPUBLIC	---	---	---
TOTAL FOR BUREAU	4,650	4,650	---
BUREAU FOR ASIA			
ASIA REGIONAL	5,900	5,900	---
BANGLADESH	2,400	2,400	---
BURMA	2,000	2,000	---
INDIA	5,000	---	5,000
INDONESIA	---	---	---
KOREA, REPUBLIC OF	---	---	---
PAKISTAN	---	---	---
PHILIPPINES	---	---	---
SRI LANKA	100	100	---
THAILAND	2,900	2,900	---
TOTAL FOR BUREAU	18,300	13,300	5,000
BUREAU FOR LATIN AMERICA AND CARIBBEAN			
BOLIVIA	7,050	1,750	5,300
COSTA RICA	3,090	90	3,000
DOMINICAN REPUBLIC	1,100	1,100	---
ECUADOR	3,632	732	2,900
EL SALVADOR	2,969	969	2,000
GUATEMALA	130	130	---
GUYANA	100	100	---
HAITI	450	450	---
HONDURAS	50	50	---
JAMAICA	4,150	450	3,700
LATIN AMERICA REGIONAL	7,845	7,845	---
NICARAGUA	150	150	---
OTHER WEST INDIES-EASTERN CARIBBEAN REG.	14,100	6,600	7,500
PANAMA	2,600	600	2,000
PARAGUAY	50	50	---
PERU	873	873	---
REG OFFICE CEN AMER & PANAMA-ROCAP	200	200	---

SUMMARY
 SELECTED DEVELOPMENT ACTIVITIES
 (IN THOUSANDS OF DOLLARS)

--FY 1981

	TOTAL	GRANTS	LOANS
TOTAL FOR BUREAU	48,539	22,139	26,400
BUREAU FOR AFRICA			
AFRICA REGIONAL	24,630	23,630	1,000
BOTSWANA	---	---	---
BURUNDI	1,900	1,900	---
CAMEROON	---	---	---
CAPE VERDE	---	---	---
CENTRAL & WEST AFRICA REGIONAL	---	---	---
GHANA	485	485	---
KENYA	---	---	---
LESOTHO	840	840	---
LIBERIA	835	835	---
MALAWI	---	---	---
MAURITIUS	---	---	---
NIGER	---	---	---
SENEGAL	---	---	---
SIERRA LEONE	---	---	---
SOMALIA	---	---	---
SUDAN	1,000	1,000	---
TANZANIA	500	500	---
TOGO	---	---	---
ZAIRE	---	---	---
TOTAL FOR BUREAU	30,190	29,190	1,000
BUREAU FOR DEVELOPMENT SUPPORT			
DEVELOPMENT INFORMATION AND UTILIZATION	1,920	1,920	---
INSTITUTIONAL SUPPORT GRANTS	2,200	2,200	---
OFC. OF EDUCATION	---	---	---
OFC. OF ENERGY	11,350	11,350	---
OFC. OF ENGINEERING	---	---	---
OFC. OF HOUSING	750	750	---
OFC. OF SCIENCE & TECHNOLOGY	2,600	2,600	---
OFC. OF URBAN DEVELOPMENT	1,450	1,450	---
PROGRAM OFFICE (DSB)	1,000	1,000	---
TOTAL FOR BUREAU	21,270	21,270	---
BUR. FOR PRIVATE AND DEVELOP COOPERATION			
PRIVATE AND VOLUNTARY COOPERATION	30,811	30,811	---
REIMBURSABLE DEVELOPMENT PROGRAMS	2,300	2,300	---
TOTAL FOR BUREAU	33,111	33,111	---
TOTAL PROGRAM	160,632	128,232	32,400

PROGRAM SUMMARY				
CP 81-11 (8-79)				
<i>(In millions of dollars)</i>				
FY 1979 Actual	FY 1980 Estimated	FY 1981 Authorization Request	FY 1981 Appropriation Request	FY 1982 Authorization Request
75.2 ^{1/}	101.5 ^{1/}	113.4	113.4	N.A.

SAHEL DEVELOPMENT PROGRAM

Encompassing the eight states of Chad, Mali, Mauritania, Niger, Senegal, Upper Volta, The Gambia and Cape Verde, the Sahel occupies an area two-thirds the size of the United States and has a population of 30 million people. It is one of the world's poorest regions and has faced recurring drought. In the mid-1970's, both Sahelians and donors recognized that a long-term development effort would be needed if the region were to avoid the disastrous effects of these droughts in the future. Thus, they created the Permanent Interstate Committee for Drought Control in the Sahel (CILSS) and the Club du Sahel to plan and coordinate a comprehensive program for the region. The multi-donor CILSS-Club du Sahel Development Program was launched in FY 1978. It is focused on the twin goals of food self-sufficiency and self-sustaining development.

The Sahel Development Program is a unique approach to providing assistance to the less developed world. Through the work of the companion organizations of the CILSS and Club du Sahel, the development of the Sahel is now being planned and coordinated as a multidonor program in a concerted manner that could not have been done by Sahelians and donors acting individually and independently of each other. Many of the "first generation" projects formulated by the CILSS-Club du Sahel have now been initiated. Assistance from the 21 bilateral and multilateral donors^{2/} is rising, having reached the level of \$1.4 billion in 1978 or an increase of 85% since 1974. Donor financial support of the CILSS-Club secretariats is strong, as is participation in the CILSS-Club working groups and substantive operations. A.I.D. support of the Sahel Development Program, projected at \$1-1.5 billion over the first 10 years, continues to be less than 10% of total donor contributions. The Sahelian states are also participating actively in the CILSS-Club process and contributing as much of their own funds to development activities as their limited resources allow.

The FY 1981 Emphases

With the program under way, special attention will be given in FY 1981, with A.I.D. participation, to specific problems and needs within the CILSS-Club priority sectors.

^{1/} Excludes \$.9 in million FY 79 and \$.7 million in FY 80 available from the Foreign Disaster Assistance Act of 1974 and \$1.3 million in FY 1979 from the Selected Development Problems account (FAA Section 106).

^{2/} 21 donors: France, Canada, Netherlands, Denmark, Belgium, Germany, United Kingdom, Switzerland, United States, European Development Fund (EEC), World Bank, International Fund for Agricultural Development (IFAD), UNDP, UNSO, West African Development Bank, UNESCO, FAO, African Development Bank, OPEC Special Fund, Kuwait Fund for Arab Economic Development and the Arab Bank for Economic Development in Africa.

For example:

- Rainfed Agriculture will be depended upon to produce about 75% of Sahelian food by the year 2000 requiring efforts to double the current annual cereals output of eight million tons over the next 20 years. Rural development programs involving improved production technologies and inputs must be extended to the mass of small farmers to raise their productivity and income. A.I.D. will be assisting in this undertaking in all eight Sahelian countries. Of particular concern will be the cereals policy area in terms of the relationship between production, marketing and pricing and the impact of national systems on farmer behavior. A special CILSS-Club colloquium was held on this subject at Nouakchott in July, 1979 which is to be followed by individual assessments at the country level.
- Energy and Ecology. In a report to the third meeting of the Club du Sahel at Amsterdam in November, 1978, the CILSS-Club highlighted "the other energy crisis" in the Sahel. Because of the demand for wood for heating and cooking, an ecological trend has been set in motion: deforestation occurs, ground cover is lost, the water table drops, wells dry out, soil fertility declines, the land is degraded, and food and livestock production drop. Thus, both afforestation and experimentation on alternative energy sources are priorities for the Sahel. In FY 1981, A.I.D. will be assisting in these areas with projects in Chad, Mali, Mauritania, Niger, Senegal and Upper Volta. In addition, a CILSS-Club working group is currently preparing proposals for new projects to be presented to donors in early 1980.
- Health and Human Resources Development. A.I.D. is providing assistance to most Sahelian states for the development of village health services and family planning. This will be expanded in FY 1981 and oriented toward systems which will permit communities to finance such services themselves on a self-sustaining basis. Assistance will be initiated in FY 1981 for the control of endemic diseases.
- The Sahel Institute, a sub-organization of CILSS, will be developing an operating strategy over the next year in human resources training and education focused on the skills training of development cadres. A.I.D. will be expanding its assistance in this area in FY 1981.
- Irrigation and River Basin Development. Less than 1% of the Sahel's farmland is currently under full water control, and only about 4% is under partial water control. The Sahel's five major river basins have the potential to expand this farmland sevenfold. This must be done if the Sahel is to achieve food self-sufficiency in the long run. A.I.D. is currently assisting in the development of small irrigation projects in Cape Verde, Mali, Mauritania and Senegal. In FY 1981, work will begin in the Senegal, Upper Volta and Gambia river basins to assist in downstream agricultural development and in human settlement, including provision of the necessary supporting infrastructure. These projects will be multi-donor undertakings oriented to the basic human needs of small farmers.

Progress in the Sahel

Among export crop farmers in Senegal, Mali, Upper Volta and Chad, a relatively high percentage now use animal traction and most use some fertilizers and other inputs. All the Sahelian countries have increased producer prices for food and export crops since the drought. In The Gambia, peanut production has increased very little but producer prices have risen by over 200% since 1970. In Mali, peanut production doubled between

1968 and 1977 and producer prices rose 150%. In Upper Volta, cotton production quadrupled over the same period.

For the region as a whole, population is growing at the rate of 2.5% a year and would be growing faster were it not for the prevalence of endemic disease, high rates of mortality, and malnutrition. However, some Sahelian governments are beginning to accept family spacing as a population-control measure and in The Gambia, Niger, and Senegal, maternal-child health programs are being broadened to include family planning services. The number of trained personnel in various skill categories is increasing. During the 10 years ending in 1974 the number of Sahelian university students approximately quadrupled and the rate of increase has probably quickened since then. The number of national institutions of higher learning has increased over the last decade. They now need to be modernized and expanded. Key development institutions are also improving as rural development activity has been decentralized. Area development organizations now exist in Mali, Upper Volta and Senegal. The responsibilities of these organizations are now being broadened to encompass regional development generally, including the provision of social services.

Specific examples of progress with the A.I.D. program are included in A.I.D.'s 1980 Sahel Annual Report to the Congress.

A.I.D. Management

As the Sahel Development Program has grown, A.I.D. has strengthened its own technical and managerial capabilities to administer the A.I.D. program. Six of the eight A.I.D. field offices in the Sahel are now full missions. All posts are now reasonably well staffed, with the number of direct-hire employees having increased from 91 in September 30, 1977, to 124 in September 30, 1979 (the two years of A.I.D.'s participation in the Sahel Development Program). A special A.I.D. Sahel Planning Team has been established in Mali to provide more direct liaison with the CILSS working groups and to work with A.I.D. Mission Directors in coordinating overall A.I.D. strategy among the individual countries. A.I.D. has given particular attention over the past year to the management of its varied and complex regional projects and, in each case, has developed a management system designed to coordinate the responsibilities of the Sahelian institutions, U.S. contractors, the A.I.D. field posts concerned and A.I.D./-Washington. In order to improve the effectiveness of A.I.D. assistance, cooperative arrangements with the Peace Corps have been expanded. Consultation between the field staffs of the two organizations has been regularized and all A.I.D. program and project planning documents are now reviewed in advance with the Peace Corps to effect further A.I.D.-Peace Corps joint participation. Finally, A.I.D. project evaluation in the Sahel has been strengthened and shifted toward full evaluation of the development impact of A.I.D. assistance on the Sahelian human and physical environment.

Future Plans

The CILSS-Club is now considering various refinements that might be made in the next programming phase. During FY 1980-81, it will be necessary to formulate the "second generation" program of CILSS-Club projects. Since many of the Sahelian countries are now in the midst of framing their new five-year plans, steps will be taken to more fully integrate the Sahelian states' planning work with the region-wide program strategy and project identification. As this is done, increased importance will be given by the CILSS-Club along with A.I.D. involvement to the selection of key development problems, as opposed to the concentration on certain sectors which characterized the

"first generation" approach. Standard methodologies in project design and evaluation applicable to all donors will be developed and help will be provided to the Sahelian states to improve their capabilities for design and evaluation. CILSS will be strengthening its capacity to undertake region-wide policy studies, including the necessary coordination of follow-up action with the Sahelian states. The CILSS-Club study of the options available in meeting the domestic resource gap associated with the recurrent costs of the Sahel program is nearing completion. It will be extensively reviewed by Sahelians and donors at the technical and policy levels during FY 1980-81 for the purpose of formulating appropriate solutions for both groups. The CILSS-Club with A.I.D. assistance will be establishing a comprehensive evaluation system for the Sahel drawing upon the "physical quality of life" and other socio-economic indicators of progress.

All of these efforts represent ways of identifying the basic limitations on absorptive capacity in the Sahel so that attention can then be turned to overcoming them as they arise. The CILSS and Club du Sahel, though still comparatively new institutions, have demonstrated strong leadership in this regard over the past year.

SUMMARY
SAHEL DEVELOPMENT PROGRAM
(IN THOUSANDS OF DOLLARS)

--FY 1981

	TOTAL	GRANTS	LOANS
BUREAU FOR AFRICA			
CAPE VERDE	3,000	3,000	---
CENTRAL & WEST AFRICA REGIONAL	28,509	28,509	---
CHAD	5,925	5,925	---
GAMBIA, THE	7,348	7,348	---
MALI	15,800	15,800	---
MAURITANIA	9,550	9,550	---
NIGER	13,010	13,010	---
SENEGAL	15,600	15,600	---
UPPER VOLTA	14,700	14,700	---
 TOTAL FOR BUREAU	 113,442	 113,442	 ---
 TOTAL PROGRAM	 113,442	 113,442	 ---

PROGRAM SUMMARY CP 81-11 (8-79)				
<i>(In millions of dollars)</i>				
FY 1979 Actual	FY 1980 Estimated	FY 1981 Authorization Request	FY 1981 Appropriation Request	FY 1982 Authorization Request
\$25.0	\$20.0	\$15.0	\$15.0 LE 10.0 ^{1/}	N/A

AMERICAN SCHOOLS AND HOSPITALS ABROAD

The American Schools and Hospitals Abroad (ASHA) program assists private U.S.-sponsored non-profit schools, libraries and hospitals overseas^{2/} that serve as study and demonstration centers for American ideas and practices in education and medicine.

OBJECTIVES OF THE ASHA PROGRAM

ASHA grants strengthen the ability of the described institutions to:

- provide the benefits of American education and medical achievements to people abroad;
- assist economic and social development through training and outreach programs;
- increase mutual understanding between the people of the United States and those of other countries; and,
- serve as overseas centers fostering a favorable image of the United States.

ASHA OPERATIONS AND ACTIVITIES

ASHA grants supplement private income that ASHA supported institutions earn or receive from U.S. and foreign sources. Administered from A.I.D. in Washington, these grants help a wide variety of overseas institutions:

- secondary schools that provide academic and vocational training;
- undergraduate institutions with programs in the liberal arts, business, medicine, agriculture and the sciences;
- graduate institutions that provide specialized training in health, the physical sciences and international studies; and,
- hospital centers that offer modern health care, education and research.

A.I.D. awards grants on the basis of competitive evaluation of all grant proposals and the ability of applicants to meet the requirements of Section 214 of the Foreign Assistance Act and ASHA criteria as published in the Federal Register. To the extent possible, emphasis is given to increasing the geographic dispersion of the program, especially to the less developed countries. In recent years, significant progress has been made in reducing program concentration in the Near East.

^{1/} U.S. owned "excess" Egyptian pounds (\$14.3 million equivalent).

^{2/} See tables immediately following this narrative.

PROGRAM EXAMPLES

- ASHA-assisted organizations in Central Zaire, Botswana, Malawi, the Central Amazon River Valley of Brazil and the highlands of Guatemala are providing virtually the only health services and medical training programs in the areas they serve.
- Educational institutions in Korea, Indonesia, the Philippines, Liberia, Greece, Honduras, Guatemala and Ecuador are providing technical and vocational training or programs in higher education to meet pressing needs for skilled manpower.
- American methods and technology are being applied throughout the Middle East by ASHA-assisted medical and educational institutions in Israel, Egypt, Lebanon and Turkey. A list of institutions with active ASHA grants appears at the end of this section.

FY 1981 Program Request

For FY 1981, A.I.D. requests \$15 million, plus 10 million U.S.-owned excess Egyptian pounds (\$14.3 million equivalent) for the ASHA program.

Most FY 1981 dollar grants will finance new physical facilities, the renovation of existing facilities, special medical and training programs, and the procurement of teaching, medical and scientific equipment. A.I.D. encourages all institutions seeking ASHA assistance to remain or become self-sufficient in meeting their basic operating costs. However, in a few cases such as the American University of Beirut and Project HOPE Schools of Health Sciences, grants to cover a portion of the institutions' operating expenses are necessary and desirable. A decision to support such costs is made only after careful examination of an institution's expenses, programs and self-help efforts to raise revenues from sources other than the U.S. Government.

The 10 million Egyptian pounds will help support the American University in Cairo (AUC) during the 1980s. These funds have already been allocated by OMB from remaining U.S.-owned excess Egyptian pounds. This local currency appropriation will enable AUC to survive and work toward greater financial independence in the coming years.

INSTITUTIONS WITH ACTIVE ASHA GRANTS (FY 1979 and PRIOR YEARS)

(Institutions with an asterisk are those FY 1979 grantees not previously assisted by the ASHA program.)

- Admiral Bristol Hospital, Istanbul, Turkey
- * Adventist Hospital of Haiti, Port-au-Prince
- American Center for Children, Italy
- American Children's Hospital, Poland
- American Farm School, Thessaloniki, Greece
- American Library in Paris, France
- American University of Beirut, Lebanon
- American University in Cairo, Egypt
- Anatolia College, Thessaloniki, Greece
- Athens College, Greece
- Bangkok Adventist Hospital, Thailand
- Bandung Hospital, Indonesia
- Beth Bluma Vocational School, Israel
- Beth Oloth Vocational School, Israel
- Beth Zeiroth Vocational School, Israel
- Bologna Center of Johns Hopkins University, Italy
- Ch'san Sofer Chasan Yecheskel Institute, Israel
- * Cuttington University College, Liberia
- * De La Salle University, Philippines
- Deree-Pierce College, Athens, Greece
- Educational Center of Galilee, Israel
- Escuela Agricola Panamericana, Honduras
- * Esperanca, Brazil
- Feinberg Graduate School of Weizmann Institute, Israel
- Gan Yavne Youth Village, Israel
- Good Shepherd Hospital, Zaire
- Hadassah Medical Center, Israel
- Hospital de la Familia, Guatemala
- International College of Beirut, Lebanon
- * Kanye Hospital, Botswana
- Lingnan College, Hong Kong
- * Ludhiana Medical College, India
- * Malamulo Hospital, Malawi
- * Maru a Pula School, Botswana
- * Mount of David Crippled Children's Hosp., West Bank
- New England College, Arundel, England
- * Ohr Somayach School, Israel
- Presbyterian Medical Center, Korea
- Payap College, Chiang Mai, Thailand
- Project HOPE Schools of Health Sciences, Caribbean and Latin America
- * Project ORBIS, Panama
- Shaare Zedek Hospital, Israel
- * Satya Wacana University, Salatiga, Indonesia
- Silliman University, Philippines
- Sogang University, Seoul, Korea
- Tel Aviv Vocational School or Moshe, Israel
- Universidad del Valle, Guatemala
- University of the Americas, Mexico
- Working Boys' Center, Quito, Ecuador
- Yad Benjamin Educational Center, Israel

AMERICAN SCHOOLS AND HOSPITALS ABROAD
GEOGRAPHIC DISTRIBUTION
FY 1978 and FY 1979 GRANTS

(Institutions with an asterisk identify 12 FY 1979 grantees not previously assisted by the ASHA program.)

	AMOUNT GRANTED (\$ Thousands)	
AFRICA	FY 1978	FY 1979
<u>Botswana</u>		
* Maru a Pula School, Gaborone	-0-	195
* Kanye Hospital, Kanye	-0-	1,000
		1,195
<u>Liberia</u>		
* Cuttington University College, Suacoco	-0-	1,200
<u>Malawi</u>		
* Malamulo Hospital, Makwasa	-0-	550
<u>Zaire</u>		
Good Shepherd Hospital, Kananga	200	150
Sub-total - Africa	200	3,095
<u>ASIA</u>		
<u>India</u>		
* Ludhiana Christian Medical College, Punjab	-0-	500
<u>Indonesia</u>		
Bandung Adventist Hospital	300	-0-
* Satya Wacana Christian University, Salatiga	-0-	650
	300	650
<u>Iran</u>		
Damavand College, Teheran	450	-0-
<u>Korea</u>		
Presbyterian Medical Center, Jeonju	300	833
Sogang University, Seoul	1,156	-0-
Yonsei University, Seoul	1,000	-0-
	2,456	833
<u>Thailand</u>		
Bangkok Adventist Hospital	250	-0-
Payap College, Chiang Mai	1,980	-0-
	2,230	

<u>Philippines</u>		
* De La Salle University, Manila	-0-	1,200
Subtotal - Asia	5,446	3,183
<u>EUROPE</u>		
<u>England</u>		
New England College, Arundel	25	375
<u>France</u>		
American Library in Paris	-0-	140
<u>Greece</u>		
American Farm School, Thessaloniki	380	350
Anatolia College, Thessaloniki	475	300
Athens College	-0-	285
Deree-Pierce College, Athens	285	300
	1,140	1,235
<u>Italy</u>		
Bologna Center of Johns Hopkins University	365	375
<u>Poland</u>		
American Children's Hospital, Krakow	785	-0-
Subtotal - Europe	2,305	2,125
<u>LATIN AMERICA</u>		
<u>Brazil</u>		
* Esperanca, Santarem	-0-	400
<u>Ecuador</u>		
Working Boys' Center, Quito	590	-0-
<u>Guatemala</u>		
Hospital de la Familia, Nuevo Progreso	335	225
Universidad del Valle, Guatemala	-0-	675
	335	900
<u>Haiti</u>		
* Port au Prince Adventist Hospital	-0-	235
<u>Honduras</u>		
Escuela Agricola Panamericana	150	200
<u>Mexico</u>		
University of the Americas, Puebla	2,249	-0-
<u>Panama</u>		
* Project ORBIS	-0-	1,034

Project HOPE

Schools of Health Science in Brazil, Barbados,
Jamaica, Colombia, Guatemala and Peru

2,000 2,000

Subtotal - Latin America 5,324 4,769

NEAR EAST

Egypt

American University in Cairo 250 500

Israel

Beth Zeiroth Mizrachi Vocational High School,
Jerusalem 500 -0-

Feinberg Graduate school of the eizmann Institute,
Rehovot 1,600 1,600

Gan Yavne Youth Village 975 -0-

Hadassah Medical Center, Jerusalem 1,350 1,000

* Ohr Somayach, Jerusalem -0- 1,150

Shaare Zedek Hospital, Jerusalem 1,000 -0-
5,425 3,750

Lebanon

American University of Beirut 4,500 4,500

International College of Beirut -0- 178
4,500 4,678

Turkey

Admiral Bristol Hospital, Istanbul 360 400

West Bank

* Mount of David Crippled Children's Hospital, Bethlehem -0- 1,500

Arab/Israeli Exchange Program -0- 1,000

Subtotal - Near East 10,535 11,828

Grant Total 23,810 25,000

PROGRAM SUMMARY CP 81-11 (8-79)				
<i>(In millions of dollars)</i>				
FY 1979 Actual	FY 1980 Estimated	FY 1981 Authorization Request	FY 1981 Appropriation Request	FY 1982 Authorization Request
28.0	21.8	25.0	25.0	N/A

INTERNATIONAL DISASTER ASSISTANCE

The compassion of the American people is expressed, in part, through the Disaster Assistance program. In FY 1979, the United States provided emergency assistance to victims of disasters in 33 countries where natural and manmade catastrophes:

- Killed 23,483 people;
- Affected 11,000,000 people;
- Consumed millions of dollars of development resources. (See table below)

As the developing world's population increases, more people become vulnerable to death and suffering from disasters. In order to respond to this type of humanitarian need, the A.I.D. Administrator, as the President's Special Coordinator for International Disaster Assistance, maintains a response capability in a constant state of readiness:

- A 24-hour Operations Center in Washington;
- Four overseas disaster supply stockpiles;
- Computerized information systems; and,
- Contingency plans at U.S. Embassies and A.I.D. Missions.

A.I.D. also assists disaster-prone LDCs to raise their levels of preparedness, and helps to improve their prediction and warning systems.

OBJECTIVES OF THE A.I.D. PROGRAM

To alleviate human suffering caused by natural and manmade disasters by providing:

- Emergency relief for people in countries affected;
- Rehabilitation in countries seriously affected;
- Prediction of natural disasters; and,
- Increased capability of foreign countries to prepare for, to prevent, and to respond to disasters.

A.I.D. OPERATIONS AND ACTIVITIES

A.I.D. has developed expertise in emergency relief and in preparedness in its Office of U.S. Foreign Disaster Assistance (OFDA). From 1964 through 1978 A.I.D. responded to 572 disasters with emergency relief costing \$123 million. These disasters killed

2,205,234 people and affected 535 million others. In addition, A.I.D. has provided training to hundreds of disaster officials representing most of the disaster prone developing countries of the world.

OFDA has a staff of 27 people, all of whom are available to meet needs overseas for relief or preparedness activities. During FY 1979 staff members carried out:

- Disaster relief coordination in Dominica, Nicaragua, St. Vincent, Sri Lanka, and Yugoslavia;
- Disaster assessment in Yugoslavia, the Dominican Republic, Indonesia, Fiji, Zaire and Uganda;
- Disaster preparedness seminars in India and St. Lucia for the Indian subcontinent and the Caribbean regions;
- Disaster technical assistance in Haiti, Jamaica, and Lebanon.

OFDA personnel worked in each case with A.I.D. Mission and Voluntary Agency staffs, as well as with the United Nations, Red Cross, and other bilateral donor representatives.

SELECTED PROGRAM EXAMPLES

Disaster Relief and Rehabilitation: The United States alone maintains a permanent, comprehensive disaster relief capability to assist other countries. This capability helps to assure:

- Emergency relief within an international context;
- In-country coordination through A.I.D. Mission staffs;
- Early assessment by special teams as needed;
- Experienced A.I.D. specialists to assist at disaster sites; and,
- Regional stockpiles which shorten emergency response time.

Example: A tropical cyclone devastated Sri Lanka on Thanksgiving Day, 1978, killing over 2,000, injuring 5,000, destroying 100,000 buildings and inflicting property damage estimated at \$200 million. OFDA managed the overall U.S. response, dispatching a 20-member disaster area survey team and a relief specialist to the site. A.I.D. airlifted 1,361 family tents, 10,000 blankets, saws, shovels and machetes from the Guam stockpile, and a 14-radio net from the U.S. to reestablish internal communications. The total cost was \$1 million.

CARE quickly moved in-country staff and vehicles to the disaster area, helping for 6 weeks, well into the rehabilitation phase, with relief and building materials. Substantial aid was provided by 13 other bilateral and multilateral donors. Twenty-four voluntary agencies also joined in this effort.

Disaster Preparedness: A.I.D. programs strengthen the capability of disaster prone developing countries to prepare for, to respond to, and to prevent disasters. Through this program:

- National leaders receive training in disaster management;
- Technical assistance is provided on specific problems;
- Shared problems are addressed at regional meetings;
- Assistance is provided in setting up effective warning systems;
- Prediction techniques are made available to countries; and,
- Modern technologies are applied to disaster prevention programs.

Example: Planners from Caribbean governments and international organizations joined in a regional disaster preparedness seminar in St. Lucia in June, 1979, planned and organized by OFDA. Given the Caribbean's high level of risk from natural and manmade disasters, it was recognized that preparation for events considered unavoidable has been inadequate. More than 150 representatives met for a week of intensive discussions to:

- Better understand the disaster threat in that region;
- Highlight areas of special vulnerability;
- Assess disaster preparedness in the region;
- Identify problems inhibiting preparedness measures;
- Recommend actions needed to strengthen country and regional preparedness;
- Expose issues and problems in national planning;
- Better understand earthquakes and volcanoes, deforestation, search and rescue, communications, and the role of the news media;
- Discuss programs in weather monitoring to estimate crop yields; and,
- Participate in a hurricane tracking simulation.

A follow-up meeting in 1980 will identify specific preparedness projects and activities that can be undertaken with the assistance of international and regional banks and development agencies.

U.S. FOREIGN DISASTER ASSISTANCE FY 1979
1 October 1978 - 30 September 1979

COUNTRY	DATE	DISASTER	DEAD	AFFECTED	AMOUNT, TYPE, AND METHOD OF PROVIDING ASSISTANCE
Africa Wide	11/78	Displaced Persons			\$2,000,000 Grant to ICRC to provide emergency assistance
Bolivia	1/79	Flood	25-40	100,000	26,675 Tools and home repair materials; technical assistance
Burma	3/79	Fire	0	32,190	10,000 Grant to Burma Red Cross for buying blankets and clothing
Djibouti (78)		Flood			2,614 Transport of medical supplies by Direct Relief Foundation
Dominica	8/79	Hurricane	38	60,000	617,112 DAST, medical assistance, food, tools, seed, blankets, tents
Dominican Republic	9/79	Hurricane	1,380	1,158,218	438,678 DAST, food, medicine, water purifiers, disease control team
Dom. & Dom. Rep.		"			5,985,906 Services by DOD to Dominica and Dominican Republic jointly
East Africa (78)		Locust			954,200 Helicopter lease, remote sensing, technical assistance
Equatorial Guinea	9/79	Civil Strife		200,000	30,880 CDC-OFDA assessment; purchase, airlift of medical supplies
Ethiopia	11/78	Drought/Famine		3,000,000	275,000 Grant to LICROSS for blankets
Fiji	3/79	Cyclones	51	20,584	285,109 Airlift DAST, tents, cots, blankets; aerial photography
The Gambia (78)		Power Shortage		13,145	13,145 Airlift generators
The Gambia	12/78	Yellow Fever	200		49,499 CDC team with 300,000 doses of vaccine, medical equipment
Guyana (78)		Power Shortage			164 Transportation of spare parts
Haiti	9/79	Hurricane			25,000 Grant to CARE for emergency relief operations
India (78)		Flood			200,000 Grant to CARE for plastic sheeting and house repairs
India	5/79	Cyclone			350,055 Grants to emergency relief fund in country and to CRS
Indonesia	12/78	Flood	8	15,000	25,000 Grant to Save the Children for food, clothes, medicines, etc.
Indonesia	3/79	Flood/Landslide	144	20,000	25,000 Grant to MAF for costs of airlifting relief supplies
Indonesia	6/79	Displaced Persons		400,000	2,124,490 Foods, meds, clothes, seeds; helicopter rental by CRS & ICRC
Jamaica	5/79	Flood	4	40,000	27,157 Food, clothing, blankets, mattresses, relief supplies
Jamaica	6/79	Flood	32	160,000	178,804 Airlift food, medicines, and clothing; helicopter support
Laos	10/78	Flood	31	459,000	25,000 Grant to UNHCR to purchase food
Lebanon	10/78	Civil Strife	350-450	450,000	1,028,888 Airlift cots, meds, ambulances; grant to ICRC; mattresses
Lebanon	5/79	Displace Persons			27,645 Grant for local procurement of emergency supplies
Liberia	4/79	Civil Strife	41	204,000	103,808 Airlift of medical supplies and equipment
Maldives (78)		Cholera			1,806 TDY of Dacca Cholera Research Laboratory personnel
Mali	1/79	Meningitis	17	38	75,650 100,000 doses of vaccine, team of epidemiologists
Martinique	9/79	Hurricane	20-30	20,000	25,000 Contribution to national emergency relief operations
Mauritania	4/79	Drought	0		405,000 Veterinary medicines; tanks, pumps, tank truck leasing
Mauritius	2/79	Cyclone	0		3,350 Purchase of materials to repair damaged structures
Nicaragua (78)		Civil Strife			184,000 Tents, food, generators
Nicaragua	6/79	Civil Strife	20,000	1,000,000	4,221,223 Airlift food, meds, and relief items; grants to ICRC and CRS
Paraguay	5/79	Flood		5,000	75,000 Grants to national emergency fund and to CRS
Portugal	1/79	Flood	19	20,000	25,000 Grant for basic necessities for victims
Portugal	2/79	Flood	4	15,000	50,000 Grant to national emergency assistance operation
Rwanda	11/78	Cholera	0	2,000	27,354 Support WHO immunization program with med supplies, equipment
St. Vincent	4/79	Volcanic Eruption	2	12,000	232,866 Airlift food, medicines; helicopter support; volcanologist
Senegal	12/78	Cholera	5	298	66,346 Provide medical equipment to support immunization program
Sri Lanka	11/78	Cyclone	740	1,000,000	1,017,434 Airlift tents, blankets, radios, tools; buy local medicines
Thailand	10/78	Flood	82	578,100	25,000 Purchase and transport of relief items; LANDSAT imagery
Thailand	5/79	Displaced Persons		630,000	925,675 Grants to CRS and ICRC for feeding and medical programs
Uganda	5/79	Civil Strife		400,000	228,425 Medicines and relief supplies; grant to CARE for seeds, hoes
Upper Volta	2/79	Meningitis	52	325	98,535 CDC epidemiologist with 60,000 doses vaccine and medicines
Yemen Arab Republic	3/79	Displaced Persons		72,000	450,000 Grants to ICRC and CRS for emergency operations
Yugoslavia	4/79	Earthquake	121	300,000	1,134,404 Airlift tents, cots, blankets, generators, water purifiers
Zaire	10/78	Displaced Persons		160,000	250,000 Grant to UNHCR for relief program
Zaire	1/79	Drought		450,000	2,516,228 Grants to CRS and LICROSS; nutritionists, food transport
Zambia	10/78	Displaced Persons			50,000 Grant to ICRC for relief operations
					542,483 Stockpile administration and HEW medical staff support
					1,593,049 Technical assistance, preparedness, evaluation activities

33 Countries 41 Disasters 9 Types 10,996,898 \$29,052,690 International Disaster Assistance Funds

U.S. FOREIGN DISASTER ASSISTANCE FY 1980
1 October 1979 - 15 December 1979

Belize	12/79	Flood	0	17,000	30,000 Airlift vegetable oil, rice and flour from Honduras, Panama
Cent. African Rep.	12/79	Civil Strife			3,500 CDC assessment of medical situation
Chad	11/79	Civil Strife		NA	25,000 Purchase, transport of medical, other relief supplies
Colombia		Flood	300	10,000	190,585 Use of C130 for in-country transport; 300 tents, 1,200 cots
Djibouti	11/79	Accident	63	90	18,500 Medical equipment and supplies for train wreck victims
Dominica (79)		Hurricane			193,425 Building materials, potato and pea seeds
Dominican Republic (79)		Hurricane			505,400 Rehabilitation of electric power distribution system
Egypt	10/79	Flood		75,000	25,000 Grant to Egyptian Red Crescent Society for emergency relief
Guyana	12/79	Fire			2,000 Emergency repair to housing
Honduras	11/79	Flood		8,000	25,000 Grant to national emergency program for relief supplies
Indonesia	11/79	Earthquake	26	43,000	25,000 Grant to CARE for program of home repair
Nicaragua	12/79	Flood		30,000	150,000 Medical teams; purchase and transport of emergency supplies
Nicaragua (79)		Civil Strife			299,900 Purchase and transport of medical supplies
Thailand (79)		Displaced Persons			1,416,500 Airlift food, water purifiers, medicines, tents, supplies
Turkey	11/79	Oil Spill Fire			4,000 Technical assistance by Coast Guard spill control advisors

PROGRAM SUMMARY CP 81-11 (8-79)				
<i>(In millions of dollars)</i>				
FY 1979 Actual	FY 1980 Estimated	FY 1981 Authorization Request	FY 1981 Appropriation Request	FY 1982 Authorization Request
.35	20.5	<u>1</u> /	.65	N/A

FOREIGN CURRENCY PROGRAMS

In FY 1981, A.I.D. proposes a special foreign currency appropriation of \$650,000 equivalent in Indian rupees to fund the Participant Training Program in India for a total of 416 Nepalese participants (165 new plus 251 continuing). This training will be in such fields as agriculture, forestry, soils conservation, health, education, rural development management, and equipment maintenance and will be directly related to A.I.D.'s present and planned projects.

The training program funded by PL-480 generated Indian rupees, began in 1963. Since that time over 1,200 Nepalese have been sent to various Indian educational and technical institutions. The majority received training in agriculture and natural resources, health and sanitation, and education. These priority fields of training relate directly to development problems being addressed by the United States assistance program in Nepal and to those being addressed by The Government of Nepal (GON).

Most Nepalese leadership is trained in Indian institutions and this trend is expected to continue. Training in India provides cost-effective skills training to Nepalese and is also considered appropriate in view of India's close proximity, cultural ties and advanced educational institutions. The cost of training in India is approximately one-seventh the cost of similar training in the United States. In addition, the GON and A.I.D. consider training in India, especially in agriculture, to be of high quality and appropriate for Nepal's stage of development.

1/ Authorized by Section 612 of the Foreign Assistance Act.

PROGRAM SUMMARY CP 81-11 (8-79)				
<i>(in millions of dollars)</i>				
FY 1979 Actual	FY 1980 Estimated	FY 1981 Authorization Request	FY 1981 Appropriation Request	FY 1982 Authorization Request
251.7	271.6*	289.1	289.1	N/A

OPERATING EXPENSES

A.I.D.'s Operating Expenses account provides administrative support for both Development Assistance, the Economic Support Fund and for much of the P.L. 480 food program. It includes the expenses of both the Washington headquarters and overseas operations.

FY 1981 Program

A.I.D. requires \$289,100,000 of new budget authority for its FY 1981 Operating Expenses, compared to \$271,600,000* appropriated for FY 1980. This \$17.5 million increase is needed primarily to fund the increased costs of overseas operations.

A.I.D. is determined to hold operating expenses in check and will continue its aggressive business approach to management practice and controls to minimize waste and inefficiency.

The most significant action the Agency is planning to restrain the rapid escalation of operating expenses is to reduce A.I.D.'s overall personnel levels.

A.I.D. realizes that effective implementation and management of an expanded development program with fewer personnel creates both risks and challenges. We are exploring changes in our approach to the development process, and improving and streamlining our program procedures, to ensure more efficient use of our reduced staff in carrying out management and oversight responsibilities.

Personnel

U.S. direct hire employees are the Agency's most important asset. Their technical skills, talent and commitment at all levels of the development assistance process are key to the success of the program. These employees are the personal communication link between the U.S. Government and the institutions and countries involved in the development effort. A.I.D., in recognition of this fact, continues to evaluate the level and quality of personnel essential to effective management of its programs. As part of this evaluation, A.I.D. assesses the skills required, the staff mix, the location of personnel, costs, and other management constraints.

The Agency's total direct hire requirements are projected at 5,518 for September 30, 1981, as shown in the following breakdown:

*Includes \$8.6 million attributed to October 1979 pay raise. Excludes \$2 million in reimbursements.

Numbers and Location of A.I.D. Direct Hire Personnel

	End of Fiscal Year			
	<u>FY 1978</u>	<u>FY 1979</u>	<u>FY 1980 (Est).</u>	<u>FY 1981 (Est).</u>
<u>U.S. Nationals</u>				
Overseas	1,449	1,504	1,540	1,525
United States	<u>2,200</u>	<u>2,223</u>	<u>2,130</u>	<u>2,100</u>
SUBTOTAL	3,649	3,727	3,670	3,625
<u>Foreign Nationals</u>	<u>2,106</u>	<u>2,026</u>	<u>1,935</u>	<u>1,893</u>
TOTAL	<u>5,755</u>	<u>5,753</u>	<u>5,605</u>	<u>5,518</u>

As shown above, by the end of FY 1981, A.I.D. will have reduced its United States based personnel by 100 (4.5%) from the FY 1978 level, and increased the number of overseas U.S. personnel by 76 (5.2%). Thus, 42.1% of the U.S. citizen workforce will be overseas in FY 1981, compared to 39.7% in FY 1978, and there will be 24 fewer U.S. personnel on the payroll than there were three years before.

The Washington workforce is engaged in:

- Centrally directed functions of policy formulation, programming, personnel operations, financial management, legal oversight and data processing; and,
- Functions that are clearly more effectively and economically managed from Washington such as disaster relief, Food for Peace oversight, auditing, research and development, contract management, support for overseas schools and hospitals, Equal Employment Opportunity, Small and Disadvantaged Business, and Title XII.

Further Washington operational efficiency is expected as increased responsibilities are delegated to field managers, and organizational restructuring is accomplished.

Overseas, A.I.D. plans to increase direct hire staff in Africa to support the continuing program expansion in that area but to reduce total direct hire personnel in other regions (due in part to the phasing down or closing of missions in Afghanistan, Pakistan, Colombia, Chile, Korea, and Uruguay as well as to a reduction of over 200 in foreign national support personnel). Foreign national professional/technical employees will increase by approximately 100 between the end of FY 1979 and FY 1981, reflecting the Agency's emphasis on strengthening its development effectiveness.

To achieve the goal of managing expanded assistance levels with a reduced staff, A.I.D. will explore the following:

- Increasing Host Country institutional capabilities to carry out development projects;
- More rapid phase out of countries with terminating programs;

- Reducing the number of development problems addressed in smaller programs;
- Decreasing the number of projects in active implementation status;
- Increasing program coordination with other international donors;
- Increasing the use of private and voluntary organizations;
- Reducing Washington staff not directly linked to program implementation;
- Consolidating functions to promote efficiency; and,
- Decentralizing functions which can be more effectively administered in the field.

Progress toward the Agency's personnel goals will be effected through attrition and through selective recruitment which will allow A.I.D. to adjust its skill mixture to meet changing program requirements.

To provide a steady influx of new talent, A.I.D. will continue its highly successful International Development Intern (IDI) program. In FY 1981, A.I.D. plans to recruit the maximum number of IDIs consistent with its ability to train and place them. The emphasis will be on people with skills in agriculture, health, education, and finance. They will serve world-wide as needed.

In developing a unified personnel system, A.I.D. determined the need for substantial overseas experience in a number of Washington positions. These positions will be staffed by Foreign Service Officers so that the Agency may better benefit from their field experience.

Costs

Increased requirements of overseas programs at new and/or expanding missions, particularly in Africa, combined with pay raises and substantial inflation, have greatly affected both overseas and U.S. costs.

- Inflation rates exceed 20% in many countries and are in excess of 50% in some;
- Rent and utility costs are rapidly escalating;
- Rising petroleum prices will increase costs of transporting people and commodities; and,
- Diminished host country contributions to local currency trust funds available for operating expenses will require increased appropriated dollars.

The increased emphasis on programs in Africa will have a substantial impact on operating expenses. The cost of maintaining one U.S. direct hire in Africa is 16% greater than the worldwide average and 46% more than in Latin America. Increased costs in Africa result from the comparative geographic isolation and the scarcity of adequate support facilities in most African countries.

- The distance from Washington to African posts is three times farther than to Latin American posts;

- Housing is extremely limited in most African countries;
- Post or hardship differentials average 15%, compared with 6% in Latin America and 10% worldwide; and,
- Of the thirty posts in Africa, 97% are eligible for rest and recuperation travel compared with 65% in Latin America.

Cost Controls

Actions initiated over the past two years that have increased operational efficiency and reduced the cost of doing business will, of course, be continued. Foremost among them is a closer adherence to the Agency's policy of assigning personnel to two two-year tours at each overseas post. A dual benefit is derived from this policy. One is the cost savings of transporting employees' household effects and vehicles. Second, and more important, is continuity which significantly increases operational efficiency.

Other actions which have already reduced operating costs and will be continued include:

- Standardization of vehicles and nonexpendable property to minimize maintenance and replacement costs;
- Transfer and sharing of project implementation responsibilities with recipient countries and other donor institutions;
- Continued emphasis on the use of excess property in place of new procurement; and,
- Expanded use of automation to improve communications, property management, and supervision.

Last year the "cost center" concept was implemented and is now operational. Each Washington bureau and office and each field mission now has a separate operating expense budget. Each month a report of actual obligations compared to budgeted obligations by cost center is prepared and distributed to A.I.D. management. Managers now have the responsibility for both management and cost decisions and have become increasingly cost-conscious.

The controller staffs in the Regional Bureaus have increased day-to-day oversight of field mission budgets and expenditures. In addition, they have assisted in relating personnel and program activities to operating expenses.

Where consolidation of functions and services overseas is determined to be economical and practical, this will be done.

Source and Application of Funds

A.I.D. operating expenses for FY 1981 will be funded from four types of funds.

- dollar funds appropriated annually by Congress;
- reimbursements from other agencies for services performed by A.I.D.;
- dollar funds from the A.I.D. Housing Guaranty and Excess Property programs that do not require annual appropriations; and,
- local currency trust funds provided by recipient countries.

The FY 1981 operating budget is proposed to be funded as follows:

FY 1981 A.I.D. Operating Expenses by Funding Source
(\$ millions)

Budget Authority	\$ 289.1	
Dollar Reimbursements	<u>1.5</u>	\$ 290.6
Dollar Fees	\$ 4.7	
Local Currency Trust Funds (overseas)	<u>5.7</u>	<u>10.4</u>
TOTAL		<u><u>\$ 301.0</u></u>

These funds will be divided between Washington and overseas missions as follows:

A.I.D. Operating Expenses by Major Locations
(\$ millions)

	<u>FY 1980</u>	<u>FY 1981</u>
Overseas	\$ 174.3	\$ 191.8
Washington*	<u>109.8</u>	<u>109.2</u>
TOTAL	<u><u>\$ 284.1</u></u>	<u><u>\$ 301.0</u></u>
*Funding Source:		
Budget Authority	\$ 106.3	\$ 105.7
Dollar Fees	2.4	2.4
Share of Reimbursements	<u>1.1</u>	<u>1.1</u>
TOTAL	<u><u>\$ 109.8</u></u>	<u><u>\$ 109.2</u></u>

The amount requested for FY 1981 operating expenses represents A.I.D.'s considered judgement of the lowest possible level essential to carry out the Agency's development responsibilities based on our current estimate of project levels and costs. However, it must be recognized that the nature of A.I.D.'s business is such that change is the norm and status quo the exception. Sudden terminations, large initial costs of new programs, or major shifts in policy or focus have a substantial impact on costs, and are not uncommon. All eventualities cannot be foreseen and change must be expected.

A.I.D. Operating Expenses by Object Class
(\$ millions)

<u>Object Class</u>	<u>FY 1979</u> <u>Actual</u>	<u>FY 1980</u> <u>Estimate</u>	<u>FY 1981</u> <u>Proposed</u>
11 Personnel Compensation			
A.I.D. Washington	\$ 67.8	\$ 74.2	\$ 72.3
Overseas	<u>67.6</u>	<u>77.0</u>	<u>80.3</u>
TOTAL	<u>135.4</u>	<u>151.2</u>	<u>152.6</u>

12	Personnel Benefits			
	A.I.D. Washington	\$ 5.8	\$ 6.4	\$ 6.2
	Overseas	<u>12.4</u>	<u>13.2</u>	<u>14.3</u>
	TOTAL	18.2	19.6	20.5
13	Benefits-Former Personnel			
	A.I.D. Washington	.1	.1	.1
	Overseas	<u>1.0</u>	<u>1.1</u>	<u>1.2</u>
	TOTAL	1.1	1.2	1.3
21	Travel and Transportation of Persons			
	A.I.D. Washington	3.9	4.8	5.3
	Overseas	<u>11.2</u>	<u>12.4</u>	<u>14.8</u>
	TOTAL	15.1	17.2	20.1
22	Transportation of Things			
	A.I.D. Washington	.4	.5	.4
	Overseas	<u>9.9</u>	<u>7.8</u>	<u>9.2</u>
	TOTAL	10.3	8.3	9.6
23	Rent, Communications, Utilities			
	A.I.D. Washington	7.5	8.1	8.4
	Overseas	<u>18.9</u>	<u>22.5</u>	<u>25.9</u>
	TOTAL	26.4	30.6	34.3
24	Printing and Reproduction			
	A.I.D. Washington	1.1	1.3	1.1
	Overseas	<u>.1</u>	<u>.3</u>	<u>.3</u>
	TOTAL	1.2	1.6	1.4
25	Other Services			
	A.I.D. Washington	11.6	12.1	12.7
	Overseas	<u>25.8</u>	<u>28.6</u>	<u>31.6</u>
	TOTAL	37.4	40.7	44.3
26	Supplies and Materials			
	A.I.D. Washington	.9	1.0	1.1
	Overseas	<u>3.7</u>	<u>3.4</u>	<u>3.8</u>
	TOTAL	4.6	4.4	4.9
31	Equipment			
	A.I.D. Washington	1.7	1.2	1.5
	Overseas	<u>9.0</u>	<u>6.0</u>	<u>7.4</u>
	TOTAL	10.7	7.2	8.9
32	Lands and Structures			
	A.I.D. Washington	-	-	-
	Overseas	<u>.4</u>	<u>2.0</u>	<u>3.0</u>
	TOTAL	.4	2.0	3.0

41	Grants, Subsidies, and Contributions			
	A.I.D. Washington	\$ -	\$ -	\$ -
	Overseas	-	-	-
	TOTAL	<u>-</u>	<u>-</u>	<u>-</u>
42	Insurance Claims and Indemnities			
	A.I.D. Washington	.1	.1	.1
	Overseas	-	-	-
	TOTAL	<u>.1</u>	<u>.1</u>	<u>.1</u>
	SUMMARY			
	A.I.D. Washington	\$ 100.9	\$ 109.8	\$ 109.2
	Overseas	<u>160.0</u>	<u>174.3</u>	<u>191.8</u>
	TOTAL	<u>\$ 260.9</u>	<u>\$ 284.1</u>	<u>\$ 301.0</u>

Funding Sources for A.I.D. Operating Expenses
(\$ millions)

	<u>FY 1979</u> <u>Actual</u>	<u>FY 1980</u> <u>Estimate</u>	<u>FY 1981</u> <u>Proposed</u>
Operating Expense Requirements	\$ 260.9	\$ 284.1*	\$ 301.0
Less: Dollar Fees	3.3	4.8	4.7
Local Currency Trust Funds	<u>5.9</u>	<u>5.7</u>	<u>5.7</u>
Appropriated Funding Level	251.7	273.6	290.6
Less: Dollar Reimbursements	<u>2.0</u>	<u>2.0</u>	<u>1.5</u>
Budget Authority Requested	<u>\$ 249.7</u>	<u>\$ 271.6*</u>	<u>\$ 289.1</u>

*Includes \$8.6 million attributed to October 1979 pay raise.

PROGRAM SUMMARY CP 81-11 (8-79)				
<i>(In millions of dollars)</i>				
FY 1979 Actual	FY 1980 Estimated	FY 1981 Authorization Request	FY 1981 Appropriation Request	FY 1982 Authorization Request
25.7	26.7 ^a	N/A ^b	25.3	N/A ^b

FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

In FY 1974, amendments to the Foreign Assistance Act of 1961, as amended permitted A.I.D. career foreign service employees to become participants in the Foreign Service Retirement and Disability Fund. Extension of the Fund's full benefits to A.I.D. employees had the following objectives:

- to encourage retirement under the foreign service system of newly eligible employees, enabling A.I.D. to achieve a more appropriate skill and grade mix without a reduction-in-force;
- to consolidate all U.S. Government foreign service employees into a single retirement system, thereby simplifying management and reducing administrative costs;
- to provide incentives for recruitment and retention of qualified personnel.

The extension of coverage to A.I.D. employees created an unfunded liability in the system. An actuarial determination by the Department of the Treasury shows that in FY 1981 \$25,296,000 will be required to amortize this liability and the unfunded liability created by pay raises and benefit changes since FY 1974. For FY 1981, A.I.D. requests appropriation of this amount.

a) Includes proposed supplemental appropriation of \$1,020,000 required to finance the increase in unfunded liabilities created by the salary increase of October 1979.

b) Authorized by Section 865 of the Foreign Service Act of 1946.

PROGRAM SUMMARY CP 81-11 (8-79)				
<i>(In millions of dollars)</i>				
FY 1979 Actual	FY 1980 Estimated	FY 1981 Authorization Request	FY 1981 Appropriation Request	FY 1982 Authorization Request
1,942.5 ^{1/}	2,107.0 ^{2/}	2,080.5 ^{3/}	2080.5 ^{3/}	N/A
<u>ECONOMIC SUPPORT FUND (ESF)^{4/}</u>				

The Economic Support Fund provides economic assistance to countries and organizations, on such terms and conditions as the President may determine, to promote economic or political stability. ESF is a flexible instrument which can finance:

- Balance of payments assistance;
- Infrastructure and other capital projects;
- Development programs of more direct benefit to the poor.

OBJECTIVES OF THE ESF PROGRAM

To support peaceful solutions to political and economic problems which threaten U.S. national interests and the attainment of U.S. foreign policy objectives. For example, ESF resources are used in:

- Egypt and Israel, to help bring peace to the area and lasting resolution to the issues that contribute to tension and conflict;
- Southern Africa, to support transition to majority rule and permit countries suffering the effects of conflict to address pressing economic and development problems;
- Turkey, the Sudan, Nicaragua, and elsewhere to finance critical balance of payments needs;
- The Philippines, Spain and Portugal to finance programs related to U.S. use of military facilities.

^{1/} Includes a \$85 million for Egypt included in FY 1979 supplemental appropriations.

^{2/} Excludes \$115 million for Egypt and \$100 million for Turkey included in FY 1979 supplemental appropriation and carried over for obligation in FY 1980. Excludes \$19 million for the Maqarin Dam and \$4,953,000 for Middle East regional cooperation appropriated in FY 1979 and expected to be reappropriated in FY 1980. Includes \$80 million pending supplemental budget request for Nicaragua and Central America. Includes proposed supplemental budget request of \$100 million for Pakistan.

^{3/} Excludes \$100 million for Egypt included in FY 1979 supplemental appropriation and carried over for obligation in FY 1981.

^{4/} Economic Support Fund (and Peacekeeping Operations presented and administered by the State Department) replaced Security Supporting Assistance per section 10(b)(6) of the International Security Assistance Act of 1978 (92 stat 735).

A.I.D. OPERATIONS AND ACTIVITIES:

A.I.D. administers the ESF program in generally the same fashion as Development Assistance programs. However, funds are necessarily used more flexibly, depending on the purposes a program seeks to achieve.

- Where the problem is longer term political and economic stability, funds are used to address basic development needs.
- Where immediate balance of payments problems interfere with the normal operation of the economy and affect political stability and development, funds are used to provide essential imports needed to restore equilibrium.

To accomplish these objectives, A.I.D.'s program managers, economists, and development specialists work with host country counterparts and cooperate with international financial institutions as appropriate. For some countries formal consultative groups operate; others have informal consultative arrangements. At the project level multi-donor financing is common.

In addition to ESF, the Congress authorized Peacekeeping Operations under Chapter 6, Part II of the Foreign Assistance Act of 1961, as amended. In FY 1981, two programs are proposed: United Nations Forces in Cyprus (UNFICYP) and the Sinai Field Mission. Further information may be found in the Congressional Presentation on Security Assistance prepared by the Departments of State and Defense.

FY 1981 PROGRAM

In 1981 \$2,080.5 million is requested to meet continuing or new challenges to political stability and U.S. foreign policy objectives throughout the world.

Middle East Peace: Over 75% of ESF funds, \$1,605.5 million, would be directed to the Middle East, to consolidate progress towards regional stability gained by the peace treaty and to provide the resources which permit participating countries to produce the economic and social improvements which justify the faith of the people in their leaders' efforts for peace.

Israel: A cash transfer of \$785 million is requested to help Israel:

- Sustain the economic base essential to its security;
- Manage its extraordinary balance of payments deficit, debt pressures and inflationary burden (In the last quarter of 1979 the rate of the consumer price index rose more than 150% on an annual basis); and,
- Undertake the economic stabilization measures needed to restore internal financial and economic stability while continuing the modest growth needed to sustain public confidence.

Egypt: Egypt, with a population of more than 40 million, and a per capita GNP of little more than \$300, has urgent development problems which must be addressed if an adequate living standard is to be achieved and the reasonable expectation of the Egyptian people for peace and prosperity are to be met. An ESF program of \$750 million would:

- Help finance a portion of the imports of essential raw materials, spare parts, and consumer goods needed to maintain economic momentum and public confidence in the political and economic policies being followed (\$200 million);
- Continue long term infrastructure development and expansion of production capacity needed to achieve sustained economic growth and eventually to permit the Egyptian people to realize their economic goals without the need for extraordinary external assistance; (\$153 million);
- Make possible major development programs and projects which respond directly to basic human needs in population planning and health; basic shelter and services such as water and sewerage; social and human resources; food production and nutrition; and energy (\$392 million);
- By responding to these priority Egyptian needs, evidence the United States' commitment to a long term mutually beneficial economic, trade, scientific and technological partnership in both the public and private sectors, and support the confidence of the people of Egypt in President Sadat's ability to bring them the material benefits of peace.

Middle East Regional Programs: \$8.5 million is proposed to continue the development activities of U.S. private voluntary organizations in the West Bank and Gaza and support regional activities among Arab countries and Israel, particularly in the field of scientific and technical cooperation, and to finance studies and other activities related to the development and support of ESF projects.

Jordan, Syria and Lebanon: The Administration requests \$62 million for these countries as a demonstration of U.S. concern for the development needs of their people and the importance attached to their becoming active participants in the search for a lasting peace.

- Jordan: A \$50 million loan for the Maqarin Dam and Jordan Valley Irrigation project would provide the second tranche of the planned \$150 U.S. contribution to this project.
- Syria: \$5 million would fund continued technical assistance for manpower training and feasibility studies. Through this modest assistance relationship we seek strengthened bilateral relationships, which will encourage Syria's involvement in the peace process.
- Lebanon: \$7 million would support Lebanese efforts to meet the most urgent needs of its people, particularly in heavily war damaged areas. Programs involving U.S. voluntary organizations would help restore social welfare services and reconstruct war damaged homes and business.

Africa:

Sudan: \$50 million would help meet pressing economic problems and a severe shortage of foreign exchange by providing balance of payments assistance for crucial imports, easing the political strain inherent in taking the remedial actions recommended by the IMF.

Southern Africa: Southern Africa is experiencing dramatic and historic change in its transition to majority rule, but related conflict and political turmoil are generating economic and human problems.

- The area is experiencing food shortages;
- Thousands of refugees have fled Zimbabwe-Rhodesia and South Africa for neighboring states;
- Transport routes are disrupted; and,
- The countries in Southern Africa remain economically dependent, to an extraordinary degree, on external factors.

U.S. economic assistance is mainly directed toward projects that are aimed directly at helping countries meet basic human needs, especially in agriculture. But, ESF can also support regional cooperation to improve transportation systems and other interregional activities. \$90 million is proposed to be used as follows:

- In Botswana, where there is a multiparty democratic system of government and a non-racial society, \$15 million would be used to continue projects supporting manpower development, agricultural education and planning, health and sanitation, and rural development.
- In Zambia, military conflict, economic dislocation, and a landlocked position on the continent have caused a substantial need for economic assistance. A program of \$27 million is proposed for a program to provide balance of payments support and to finance development related imports, an agriculture sector loan and a manpower training project.
- In Mozambique, \$9 million would provide agricultural imports for production and improve agricultural marketing. This assistance will help in the reconstruction of the national economy which has suffered from natural disasters and reaction to political strife in the region.

A Southern Africa Regional Program amounting to \$39 million would support regional cooperation in transportation and storage; regional technical and manpower training; and regional efforts in agriculture and in small scale enterprise development. Development activities could be designed to benefit an independent majority-ruled Zimbabwe within a Southern African regional context.

Latin America:

- In Nicaragua, \$25 million in balance of payments support would assure that country's ability to import vital raw materials and investment goods while it is reconstructing a war torn society and reestablishing a viable and self-sustaining economy. The local currency generated from the sale of imported goods would be used to help the government provide basic services to the poor, reconstruct basic infrastructure, and support expanded private sector activity.
- In Jamaica, a \$3 million loan would provide badly needed foreign exchange to the Jamaican Government and support expanded urban development activities. Urban employment is becoming increasingly severe in Jamaica, reaching as high as 60 -

80% in some of the slums of Kingston. To help alleviate this problem, the project will provide vocational education and job placement for the urban poor as well as technical assistance and credit to small employment-generating commercial enterprises.

Europe:

- Turkey: \$200 million will help ease Turkey's immediate balance of payments problem which is critically affecting internal political stability. This U.S. assistance would be part of a multilateral program of support for Turkey's IMF approved stabilization effort.
- Portugal: \$20 million is the second of four grants to the Government of Portugal in accordance with the exchange of notes of June 1979 extending the U.S. rights to the use of Lajes Air Base in the Azores. The Government of Portugal intends to use these funds for the economic and social development of the Azores.
- Spain: \$7 million will provide for technical exchange as agreed in the 1976 Treaty of Friendship and Cooperation between the United States and Spain.

Asia

- Philippines: \$30 million would be provided under the Military Bases Agreement to be used for development projects, some of them near Clark Air Base and Subic Naval Base, with emphasis directed toward meeting basic human needs.

ESF Special Requirements Fund: An ESF Special Requirements Fund of \$50 million is proposed to provide the President with a means to respond quickly to meet critical and unforeseen requirements that occur between budget cycles. This Fund would be used where economic assistance will serve United States interests, and no other U.S. or international funds are available or are appropriate. Examples would include: economic problems resulting from political upheaval; balance of payments crises caused by external economic conditions; natural disasters; as well as other emergencies for which a rapid response would demonstrate timely US support for its friends and allies. The Fund would also reduce the likelihood that supplemental ESF appropriations would be sought during the year, or that funds would need to be diverted from the high priority purposes already included in the program.

Congress will be kept informed regarding the nature and funding level of individual programs or activities funded from the Special Requirements Fund in accordance with the notification provisions of the Foreign Assistance Act and appropriations legislation.

ECONOMIC SUPPORT FUND PROGRAM
(\$000)

COUNTRY/PROGRAM	FY 1979 ACTUAL	FY 1980 ESTIMATED	FY 1981 PROPOSED
<u>AFRICA</u>			
Botswana.....	11,100	15,000	15,000
Liberia.....	5,000	--	--
Mozambique.....	--	3,000	9,000
Sudan.....	--	50,000	50,000
Uganda.....	3,000	--	--
Zambia.....	20,000	31,000	27,000
Southern Africa Regional...	<u>13,900</u>	<u>19,000</u>	<u>39,000</u>
SUBTOTAL.....	53,000	118,000	140,000
<u>ASIA</u>			
Philippines.....	--	20,000	30,000
Pakistan.....	--	100,000	--
SUBTOTAL.....	--	120,000	30,000
<u>LATIN AMERICA AND CARIBBEAN</u>			
El Salvador.....	--	5,000	--
Honduras.....	--	5,000	--
Jamaica.....	--	--	3,000
Nicaragua.....	<u>8,000</u>	<u>75,000</u>	<u>25,000</u>
SUBTOTAL.....	8,000	85,000 ^{a/}	28,000
<u>NEAR EAST</u>			
Cyprus.....	15,000	15,000	--
Egypt.....	835,000 ^{b/}	865,000 ^{b/}	850,000 ^{d/}
Israel.....	785,000	785,000	785,000
Jordan.....	93,000	79,000 ^{c/}	50,000 ^{c/}
Lebanon.....	--	--	7,000
Portugal.....	--	50,000	20,000
Syria.....	90,000	15,000	5,000
Turkey.....	50,000	198,000 ^{d/}	200,000
Yugoslavia.....	10,000	--	--
Middle East Regional Cooperation.....	50	4,950 ^{e/}	5,000
Program Support and PVO's..	<u>3,207</u>	<u>4,000</u>	<u>3,500</u>
SUBTOTAL.....	1,881,257	2,015,950	1,925,500
<u>OTHER</u>			
Bureau of Census Surveys...	290	--	--
Spain.....	--	7,000	7,000
ESF Special Requirements Fund.....	--	--	50,000
SUBTOTAL.....	290	7,000	57,000
<u>TOTAL ECONOMIC SUPPORT FUND..</u>	<u>1,942,547</u>	<u>2,345,950</u>	<u>2,180,500^{d/}</u>

a/ Includes \$80.0 million pending supplemental.

b/ Includes \$85 million in FY 1979, \$115 million in FY 1980, and \$100 million in FY 1981 funded from FY 1979 supplemental appropriation.

c/ Includes Maqarin Dam Project.

d/ Includes \$100 million funded from a FY 1979 supplemental appropriation.

e/ Reappropriation of funds originally made available in FY 1979.

f/ Funded under Peacekeeping Operations Appropriation.

NOTE: Regular appropriations for this account for FY 1980 had not been enacted at the time this budget was prepared. Funding is currently provided by a Continuing Resolution (Public Law 96-123) in effect through September 30, 1980. The amounts shown above are based on House action on H.R. 4473, Foreign Assistance and Related Programs Appropriations Act, 1980.



P.L. 480 - FOOD FOR PEACE

The Food for Peace program draws upon the abundant production of American farmers to provide food aid for primarily humanitarian and development purposes to poor countries.

- Many countries suffer from chronic food shortages and widespread malnourishment.
- In countries more nearly self-sufficient, shortfalls in production may occur as a result of floods, drought or other natural disasters.
- An influx of refugees may require an increase in food aid.
- A breakdown of the food distribution network or austerity measures under financial reform programs may also increase the need for food aid.

Such complex problems cannot be remedied in the short term, nor can they be resolved with food aid alone. Technical assistance and other resources from the U.S. and other bilateral and multilateral aid donors are also needed. The most crucial element, however, is a commitment by the developing countries to use their own resources, as well as external assistance, to achieve equitable growth.

OBJECTIVES OF THE P.L. 480 PROGRAM

- To meet critical food needs;
- To provide time for developing countries to address constraints on production and mount programs to alleviate malnutrition and poverty.

P. L. 480 OPERATIONS AND ACTIVITIES

Food aid under P.L. 480 may be provided directly to friendly governments or channeled through private voluntary agencies, the World Food Program (WFP) sponsored by the UN and the Food and Agriculture Organization for a variety of programs to benefit needy people. It is provided only when adequate storage facilities are available and when distribution of the food will not result in a substantial disincentive to the recipient country's own production nor seriously interfere with its food marketing system. These safeguards are important because many developing countries have the potential for increasing food production and because most of the population is dependent upon agriculture or agriculturally-related activities.

Title I and Title III

Food for Peace resources can support a variety of programs such as increasing the availability of farm credit, providing price incentives, and improving on-farm storage and distribution facilities.

Title I of the law authorizes concessional credits for sales of U.S. farm products to developing countries. These credits are repayable in dollars at low interest rates over a period of up to 40 years. Recipient countries must agree to undertake self-help measures aimed, where appropriate, at expanding demand for domestically-produced food and developing more adequate storage and distribution facilities. Local currency

proceeds from the sale of food within the recipient country finance those self-help measures and other development projects to stimulate equitable economic growth.

Food for Development programs authorized under Title III (but financed under Title I) offer special incentives to low-income countries to undertake additional development programs, which, in many cases, are related to changes in policies designed to improve the quality of life of the poor, particularly in rural areas. Title III agreements, which are subject to annual review, include supply commitments of up to 5 years. They also provide that the dollar sales value of the commodities, or the equivalent value of the local currencies used to carry out agreed development programs, may be credited against the dollar debt which would otherwise be due. The Congress has made it clear that full "loan forgiveness" can be achieved if the commodities or currencies used for development are equivalent to the dollar value of the U.S. commodity purchased.

Congress has authorized special incentives to countries identified as "least developed" by the UN. For example, Title III agreements may provide for payment of ocean freight costs by the U.S. and, in the case of landlocked countries, payment of delivery costs to points of entry. To the extent that the value of the commodities or local currencies used in any one year for development exceed the dollar debt due under the Title III agreement, the excess may be credited against the country's Title I dollar debt due that year. The effect is to provide immediate balance of payments relief.

For FY 1981 a Title I program of \$809 million is proposed. On the basis of seasonal average prices projected by the Department of Agriculture, this amount will finance shipments of 4.3 million tons of food aid--about the same amount that may be made available in FY 1980 unless the Congress approves the full amount of the supplemental appropriation requested because of sharp increases in commodity prices. For FY 1979, allocations totaled 4.7 million tons; however, this includes 266,000 tons carried over from the previous year.

Legislation requires that at least 75 percent of the volume of Title I food aid be initially allocated to countries with annual per capita incomes at or below the poverty criterion of the International Development Association -- currently \$625 per year. Eligibility for Food for Development (Title III) programs also is limited to this group of countries. For FY 1981, about 86 percent of food aid will be allocated to such countries, including the annual increment of Title III agreements to be negotiated in FYs 1980 and 1981. The requirement that Title III agreements equal 15 percent of the value of all Title I agreements signed in each fiscal year will be met and probably exceeded.

Title II

Title II of the law authorizes donations of food for emergency/disaster relief and for programs to help needy people -- particularly malnourished children -- through maternal child health, child feeding activities, food-for-work and other programs designed to alleviate the causes of the need for food assistance. For FY 1981, a program of \$748 million, including \$256 million for ocean transportation, is proposed. This should finance the grain equivalent of 1.7 million tons of food, including over 1.3 million tons for regular -- i.e. non-emergency programs -- sponsored by the voluntary agencies and the World Food Program. The total slightly exceeds the minimum tonnage of 1.65 million tons for FY 1981 required by the PL 480 legislation. The FY 1980 program of \$679 million--1.6 million tons--is predicated on the assumption that the Congress will approve the full amount of the supplemental appropriation which has been requested to

cover increased commodity prices and to help meet unusually large emergency disaster requirements.

The proposed FY 1981 Title II program includes an unallocated reserve of about 327,000 tons of food valued at \$60 million. The reserve, part of which could be channeled through the voluntary agencies and the World Food Program, should enable the U.S. to do its part in responding to emergencies or other unforeseen needs. Over 1 million tons of food -- \$348 million -- would be donated to the voluntary agencies for direct distribution to the needy in 40 countries, most with per capita incomes of less than \$300 per year. Project outreach, through which modest amounts of A.I.D. dollar funds are granted to U.S. voluntary agencies to help cover logistical support costs of expanding these people-to-people programs in poor countries -- particularly in some of the more impoverished areas in Africa -- will be continued through FY 1981.

About 287,000 tons of food at a cost of \$75 million will be allocated to the UN-FAO-sponsored multilateral World Food Program. The U.S., as well as 10 other major donors, pledge food, services (such as ocean transportation) and cash to the World Food Program which carries out a variety of programs similar to those sponsored by U.S. voluntary agencies.

Under Title II, sales of food donated to other governments may be authorized if the recipient government agrees to use the sales proceeds to alleviate the causes of the need for food assistance in accordance with the purposes and policies of Section 103 of the Foreign Assistance Act. This authority will be used selectively to support small-scale development projects in the field of agriculture, rural development or nutrition.

PL 480 TITLE I SALES PROGRAM (INCLUDING TITLE III)

(\$ MILLIONS)

COUNTRY	FY 1979 FINAL ALLOCATIONS		FY 1980 ESTIMATED		TOTAL		FY 1981 PROPOSED					NON-FOOD
	TITLE I	(OF WHICH)	TITLE I	(OF WHICH)	TITLE I	(OF WHICH)	WHEAT/ WHEAT FLOUR	RICE	OTHER GRAINS	VEGOIL	TOTAL FOOD	
		TITLE III		TITLE III		TITLE III						
<u>\$625 OR LESS</u>												
Bangladesh	62.1	(56.0)	74.4	(68.0)	83.3	(64.0)	64.0	-	-	-	64.0	19.3
Bolivia	12.0	(12.0)	17.3	(17.3)	18.4	(18.4)	18.4	-	-	-	18.4	-
Cape Verde	-	-	-	-	2.7	(2.7)	-	-	2.7	-	2.7	-
Egypt	227.1	(15.0)	286.4	(15.0)	247.2	(15.0)	247.2	-	-	-	247.2	-
Ghana	10.0	-	12.7	-	10.0	-	10.0	-	-	-	10.0	-
Guinea	6.0	-	6.0	-	7.0	-	2.3	4.7	-	-	7.0	-
Guyana	2.3	-	2.3	-	1.6	-	.3	-	-	1.3	1.6	-
Haiti	9.0	-	9.0	-	19.4	-	4.7	3.4	-	11.3	19.4	-
Honduras	2.0	(2.0)	2.0	(2.0)	2.2	(2.2)	2.2	-	-	-	2.2	-
Indonesia	104.3	-	101.3	-	-	-	-	-	-	-	-	-
Kenya	-	-	-	-	13.8	-	6.6	-	-	7.2	13.8	-
Mauritania	-	-	-	-	2.7	(2.7)	-	-	2.7	-	2.7	-
Mozambique	5.0	-	5.0	-	5.0	-	5.0	-	-	-	5.0	-
Pakistan	40.0	-	40.0	-	40.0	-	14.7	-	-	25.3	40.0	-
Philippines	10.0	-	-	-	-	-	-	-	-	-	-	-
Senegal	-	-	-	-	7.0	(7.0)	-	7.0	-	-	7.0	-
Sierre Leone	1.2	-	1.2	-	1.3	-	1.3	-	-	-	1.3	-
Somalia	10.7	-	11.7	-	15.0	(15.0)	2.9	6.7	1.4	4.0	15.0	-
Sri Lanka	17.0	-	18.2	-	19.8	-	19.8	-	-	-	19.8	-
Sudan	20.0	-	20.0	(20.0)	29.0	(20.0)	29.0	-	-	-	29.0	-
Tanzania	-	-	5.0	-	5.0	-	-	5.0	-	-	5.0	-
Zaire	17.0	-	15.7	-	10.0	-	4.9	5.1	-	-	10.0	-
Zambia	10.0	-	12.5	-	10.0	-	10.0	-	-	-	10.0	-
Subtotal	565.7	(85.0)	640.7	(122.3)	550.4	(147.0)	443.3	31.9	6.8	49.1	531.1	19.3
<u>\$626 OR MORE</u>												
Dominican Rep.	14.6	-	15.0	-	15.0	-	2.2	8.1	2.4	2.3	15.0	-
Israel	5.4	-	1.0	-	-	-	-	-	-	-	-	-
Jamaica	10.0	-	10.0	-	-	-	-	-	-	-	-	-
Jordan	5.4	-	1.0	-	-	-	-	-	-	-	-	-
Korea	40.0	-	30.0	-	27.0	-	27.0	-	-	-	27.0	-
Mauritius	2.8	-	2.8	-	-	-	-	-	-	-	-	-
Morocco	10.8	-	6.5	-	-	-	-	-	-	-	-	-
Nicaragua	2.6	-	10.0	-	8.8	-	8.8	-	-	-	8.8	-
Peru	20.0	-	20.0	-	20.0	-	4.6	15.4	-	-	20.0	-
Portugal	40.0	-	40.0	-	-	-	-	-	-	-	-	-
Syria	12.1	-	2.0	-	-	-	-	-	-	-	-	-
Tunisia	12.0	-	9.8	-	10.0	-	10.0	-	-	-	10.0	-
Subtotal	175.7	-	148.1	-	80.8	-	52.6	23.5	2.4	2.3	80.8	-
TOTAL ALLOCATED	741.4	(85.0)	788.8	(122.3)	631.2	(147.0)	495.9	55.4	9.2	51.4	611.9	19.3
RESERVE	43.6 *	-	67.5	-	178.2	-	128.4	49.8	-	-	178.2	-
GRAND TOTAL	785.0	(85.0)	856.3	(122.3)	809.4	(147.0)	624.3	105.2	9.2	51.4	790.1	19.3

* 1978 CARRY-IN FINANCED

PL 480 TITLE I SALES PROGRAM (INCLUDING TITLE III)

(000 MT)

COUNTRY	FY 1979 FINAL ALLOCATIONS		FY 1980 ESTIMATED		FY 1981 PROPOSED							
	TITLE I	(OF WHICH) TITLE III	TITLE I	(OF WHICH) TITLE III	TOTAL TITLE I	(OF WHICH) TITLE III	WHEAT/ WHEAT FLOUR	RICE	OTHER GRAINS	VEGOIL	TOTAL FOOD	NON- FOOD
<u>\$625 OR LESS</u>												
Bangladesh	410.0	(400.0)	407.0	(400.0)	412.0	(400.0)	400.0	-	-	-	400.0	12.0
Bolivia	89.0	(89.0)	102.0	(102.0)	115.0	(115.0)	115.0	-	-	-	115.0	-
Cape Verde	-	-	-	-	22.0	(22.0)	-	-	22.0	-	22.0	-
Egypt	1,500.0	(105.0)	1,600.0	(88.0)	1,500.0	(94.0)	1,500.0	-	-	-	1,500.0	-
Ghana	58.0	-	73.0	-	63.0	-	63.0	-	-	-	63.0	-
Guinea	23.0	-	17.0	-	25.0	-	12.0	13.0	-	-	25.0	-
Guyana	3.0	-	4.0	-	3.0	-	1.5	-	-	1.5	3.0	-
Haiti	34.0	-	27.0	-	53.0	-	29.0	10.0	-	14.0	53.0	-
Honduras	15.0	(15.0)	12.0	(12.0)	14.0	(14.0)	14.0	-	-	-	14.0	-
Indonesia	517.0	-	384.0	-	-	-	-	-	-	-	-	-
Kenya	-	-	-	-	53.0	-	41.0	-	-	12.0	53.0	-
Mauritania	-	-	-	-	22.0	(22.0)	-	-	22.0	-	22.0	-
Mozambique	27.0	-	29.0	-	31.0	-	31.0	-	-	-	31.0	-
Pakistan	260.0	-	62.0	-	132.0	-	92.0	-	-	40.0	132.0	-
Philippines	37.5	-	-	-	-	-	-	-	-	-	-	-
Senegal	-	-	-	-	20.0	(20.0)	-	20.0	-	-	20.0	-
Sierra Leone	4.1	-	8.0	-	8.0	-	8.0	-	-	-	8.0	-
Somalia	33.0	-	42.0	-	54.0	(54.0)	18.0	19.0	11.0	6.0	54.0	-
Sri Lanka	120.0	-	107.0	-	124.0	-	124.0	-	-	-	124.0	-
Sudan	140.0	-	105.0	(105.0)	175.0	(125.0)	175.0	-	-	-	175.0	-
Tanzania	-	-	14.0	-	14.0	-	-	14.0	-	-	14.0	-
Zaire	47.5	-	57.0	-	45.0	-	30.0	15.0	-	-	45.0	-
Zambia	40.0	-	104.0	-	63.0	-	63.0	-	-	-	63.0	-
Subtotal	3,358.1	(609.0)	3,154.0	(707.0)	2,948.0	(866.0)	2,716.5	91.0	55.0	73.5	2,936.0	12.0
<u>\$626 OR MORE</u>												
Dominican Rep.	74.0	-	81.0	-	59.0	-	14.0	23.0	19.0	3.0	59.0	-
Israel	40.0	-	6.0	-	-	-	-	-	-	-	-	-
Jamaica	80.0	-	66.0	-	-	-	-	-	-	-	-	-
Jordan	40.0	-	6.0	-	-	-	-	-	-	-	-	-
Korea	227.6	-	161.3	-	169.0	-	169.0	-	-	-	169.0	-
Mauritius	10.0	-	8.0	-	-	-	-	-	-	-	-	-
Morocco	75.0	-	40.0	-	-	-	-	-	-	-	-	-
Nicaragua	15.0	-	75.0	-	55.0	-	55.0	-	-	-	55.0	-
Peru	73.0	-	53.0	-	73.0	-	29.0	44.0	-	-	73.0	-
Portugal	266.0	-	273.0	-	-	-	-	-	-	-	-	-
Syria	58.0	-	10.0	-	-	-	-	-	-	-	-	-
Tunisia	90.0	-	67.0	-	62.0	-	62.0	-	-	-	62.0	-
Subtotal	1,048.6	-	846.3	-	418.0	-	329.0	67.0	19.0	3.0	418.0	-
TOTAL												
ALLOCATED	4,406.7	(609.0)	4,000.3	(707.0)	3,366.0	(866.0)	3,045.5	158.0	74.0	76.5	3,354.0	12.0
RESERVE	268.3 *	-	319.2	-	945.0	-	803.0	142.0	-	-	945.0	-
GRAND TOTAL	4,675.0	(609.0)	4,319.5	(707.0)	4,311.0	(866.0)	3,848.5	300.0	74.0	76.5	4,299.0	12.0

* 1978 CARRY-IN FINANCED

FY 1981
PL 480 CONGRESSIONAL PRESENTATION
TITLE II

THOUSAND DOLLARS

ITEM	FY 1979 ACTUAL				FY 1980 ESTIMATED				FY 1981 PROPOSED			
	TOTAL	VOLAGS	WFP	G/G	TOTAL	VOLAGS	WFP	G/G	TOTAL	VOLAGS	WFP	G/G
GRAND TOTAL	549,235				678,612				747,598			
TOTAL COMMODITIES	399,474	292,891	73,527	33,056	462,312				491,598			
Subtotal - Regions	399,474	292,891	73,527	33,056	402,014	278,966	96,647	26,401	431,448	349,212	75,000	7,236
NEAR EAST	56,214	37,652	18,562		43,940	29,562	19,378		63,181	43,574	19,607	
LATIN AMERICA	63,349	49,066	7,876	6,407	66,502	54,501	7,733	4,268	69,669	60,547	8,912	210
AFRICA	87,141	36,996	24,537	25,608	105,130	51,068	31,929	22,133	86,118	55,643	23,449	7,026
ASIA	192,770	169,177	22,552	1,041	181,442	143,835	37,607		212,480	189,448	23,032	
EMERGENCY - UNALLOCATED					60,298				60,150			
SECTION 204	566				1,000							
OCEAN TRANSPORTATION	149,195				215,300				256,000			
(IEFR)			(2,739)				(21,648)					

FY 1981
PL 480 CONGRESSIONAL PRESENTATION
TITLE II

THOUSAND DOLLARS

REGION/COUNTRY	FY 1979 ACTUAL				FY 1980 ESTIMATED				FY 1981 PROPOSED			
	TOTAL	VOLAGS	WFP	G/G	TOTAL	VOLAGS	WFP	G/G	TOTAL	VOLAGS	WFP	G/G
<u>NEAR EAST - TOTAL</u>	56,214	37,652	18,562		48,940	29,562	19,378		63,181	43,574	19,607	
Afghanistan	4,551		4,551		2,277		2,277		2,241		2,241	
Bhutan	228		228		570		570		1,082		1,082	
Cyprus	1,545		1,545						33		33	
Egypt	21,413	15,894	5,519		22,763	13,923	8,840		27,013	21,930	5,083	
Gaza	1,505	1,505			1,308	1,308			1,555	1,555		
Jordan	835	227	608		512	497	15		576	505	71	
Jordan, W.B.	1,661	1,661			2,301	2,301			2,477	2,477		
Lebanon	3,094	2,863	231									
Morocco	11,373	11,373			9,275	9,275			13,326	13,326		
Syria	2,741		2,741		4,104		4,104		7,161		7,161	
Tunisia	6,850	4,129	2,721		4,725	2,258	2,467		6,852	3,781	3,071	
Turkey	73		73		68		68		74		74	
Yemen, A. R.	345		345		1,037		1,037		791		791	

FY 1981
PL 480 CONGRESSIONAL PRESENTATION
TITLE II

THOUSAND DOLLARS

REGION/COUNTRY	FY 1979 ACTUAL				FY 1980 ESTIMATED				FY 1981 PROPOSED			
	TOTAL	VOLAGS	WFP	G/G	TOTAL	VOLAGS	WFP	G/G	TOTAL	VOLAGS	WFP	G/G
<u>LATIN AMERICA - TOTAL</u>	63,349	49,066	7,876	6,407	66,502	54,501	7,733	4,268	69,669	60,547	8,912	210
Barbados	47		47		42		42		95		95	
Bolivia	6,794	5,998	421	375	11,671	9,532	1,701	438	13,526	12,698	828	
Brazil	391		391		758		758		606		606	
Chile	9,114	9,114			5,197	5,197			7,604	7,604		
Colombia	1,095		1,095		352		352					
Costa Rica	20		20		90		90		160		160	
Dominica	219	183		36	1,117	1,117						
Dominican Republic	6,859	6,859			6,322	6,322			5,216	5,216		
Ecuador	2,191	966	1,225		1,800	1,155	645		1,899	1,151	748	
El Salvador	2,573	1,604	969		2,985	2,674	311		3,189	2,374	815	
Guatemala	5,415	5,415			4,012	3,906	106		4,737	4,604	133	
Guyana	73		26	47	155			155	210			210
Haiti	6,625	5,553	1,072		9,417	7,708	1,709		10,774	8,715	2,059	
Honduras	2,625	1,918	707		3,457	3,081	376		4,793	3,324	1,469	
Jamaica	213	84	39	90	57		57		124		124	
Nicaragua	3,652		447	3,205	4,057	382		3,675				
Panama	1,089	1,072	17		981	909	72		1,130	1,015	115	
Paraguay	174		174		247		247		21		21	
Peru	14,165	10,285	1,226	2,654	13,785	12,518	1,267		15,585	13,846	1,739	
St. Vincent	15	15										

FY 1981
PL 480 CONGRESSIONAL PRESENTATION
TITLE II

THOUSAND DOLLARS

REGION/COUNTRY	FY 1979 ACTUAL				FY 1980 ESTIMATED				FY 1981 PROPOSED			
	TOTAL	VOLAGS	WFP	G/G	TOTAL	VOLAGS	WFP	G/G	TOTAL	VOLAGS	WFP	G/G
AFRICA - TOTAL	87,141	36,996	24,537	25,608	105,130	51,068	31,929	22,133	86,118	55,643	23,449	7,026
Angola	1,136		167	969	942		200	742				
Benin	795		795		832	262	570		1,121	503	618	
Botswana	2,569		2,569		3,854		3,854		2,208		2,208	
Burundi	2,076	1,404	672		3,485	2,863	622		3,498	2,875	623	
Cameroon	1,495	413	1,082		706	706			878	878		
Cape Verde	2,852			2,852	1,531		310	1,221	-			
Central Afr. Empire	192		192		384		384		291		291	
Chad	4,076	859	1,249	1,968	2,336	948	309	1,079	1,644	1,205	439	
Comoro Island					222		222		39		39	
Congo	905		905		384		384		390		390	
Djibouti	369			369	791	756	35					
Ethiopia	9,081	1,175	2,192	5,714	6,416	2,694		3,722	2,982	2,982		
Gambia	764	691	73		859	666	193		1,131	1,008	123	
Ghana	5,124	3,998	1,126		4,814	4,272	542		4,995	3,888	1,107	
Guinea					37		37		80		80	
Guinea-Bissau	152		152		437		437		459		459	
Ivory Coast	119		119		38		38		29		29	
Kenya	1,274	1,274			3,578	3,578			3,407	3,407		
Lesotho	5,584	3,553	2,031		7,226	5,498	1,728		6,551	5,442	1,109	
Liberia	128		128		191		191		235		235	
Madagascar	2,124	2,099	25		1,549	1,507	42		2,965	2,881	84	
Malawi	251		251		552		552		517		517	
Mali	1,150		1,150		484		484					
Mauritania	1,111	925	186		2,169	980	7	1,182	1,311	1,311		
Mauritius	281		281		374		374		634		634	
Mozambique	8,749		698	8,051	3,239		3,239		3,132		3,132	
Niger	92		92		813		813		3,081		484	2,597
Rwanda	996	996			2,091	1,963	128		2,625	2,355	270	
Sao Tome	58		58		62		62					
Senegal	5,969	5,487	482		6,095	4,972	1,123		6,134	5,613	521	
Seychelles	109	109			245	245			237	237		
Sierra Leone	1,022	1,022			2,007	2,007			2,358	2,358		
Somalia	5,520		2,459	3,061	12,553		4,614	7,939	2,506		2,506	
Sudan	1,284	249	1,035		7,072	1,014	6,058		4,885	1,255	3,630	
Swaziland	312		312		257		257		636		636	
Tanzania	2,464	1,244	1,220		2,376	1,829	547		7,072	1,847	1,929	3,296
Togo	2,705	2,293	412		5,021	4,307	714		6,631	5,817	814	
Uganda					2,140	1,451	689					
Upper Volta	8,596	6,618	713	1,265	10,534	8,550	1,275	709	11,456	9,781	542	1,133
Zaire	4,184	2,587	1,597									
Zambia	1,473		114	1,359	6,434		895	5,539				

FY 1981
PL 480 CONGRESSIONAL PRESENTATION
TITLE II

THOUSAND DOLLARS

REGION/COUNTRY	FY 1979 ACTUAL				FY 1980 ESTIMATED				FY 1981 PROPOSED			
	TOTAL	VOLAGS	WFP	G/G	TOTAL	VOLAGS	WFP	G/G	TOTAL	VOLAGS	WFP	G/G
<u>ASIA - TOTAL</u>	192,770	169,177	22,552	1,041	181,442	143,835	37,607		212,480	139,448	23,032	
Bangladesh	27,096	22,802	3,253	1,041	9,860	9,345	515		18,458	18,024	434	
Burma	90		90									
Cambodia					18,161		18,161					
India	133,298	124,547	8,751		115,040	105,996	9,044		152,769	142,593	10,176	
(of which - CLUSA)	(22,415)	(22,415)			(24,132)	(24,132)			(24,537)	(24,537)		
Indonesia	6,983	5,164	1,819		11,014	7,890	3,124		10,441	6,662	3,779	
Laos	1,932		1,932		200		200		305		305	
Nepal	1,889		1,889		2,622		2,622		2,611		2,611	
Pakistan	1,923		1,923		1,036		1,036		2,517		2,517	
Philippines	15,084	12,633	2,451		17,472	14,859	2,613		17,815	14,820	2,995	
Singapore	42		42									
Sri Lanka	4,433	4,031	402		6,037	5,745	292		7,564	7,349	215	

HOUSING GUARANTY PROGRAM

Unprecedented growth in urban centers of the developing world is a result of natural population increases and the worldwide phenomenon of rural-to-urban migration. The UN estimates that by the year 1980, one-third of the developing world--almost a billion people--will reside in cities.

An estimated one-third to one-half of the developing countries' urban dwellers reside in central city tenements and squatter settlements that ring major cities. The occupants of these cramped, crowded and unsanitary settings are constantly faced with the threat of eviction as well as scarcities of water, sewerage and other sanitary services.

Over the last decade, developing countries and international assistance agencies have been giving increasing attention to the problems of urban growth and related urban services. The 1976 UN Vancouver Conference on Human Settlements represented a breakthrough in the world's recognition that urban poverty and its associated problems must be incorporated into the development strategies of nations.

OBJECTIVES OF THE A.I.D. PROGRAM

- To assist poor countries to increase their capacity to analyze their housing requirements, and to develop plans, policies and programs--especially for low income people;
- To mobilize savings to provide credit for poor people and to minimize subsidies;
- To help local governments design community development programming in which housing forms part of a package of comprehensive assistance to low income neighborhoods;
- To develop low-cost solutions (core housing, sites and services and slum upgrading as well as the use of new construction and land use standards which emphasize self-help); and,
- To encourage labor-intensive building technology.

A.I.D. OPERATIONS AND ACTIVITIES

The Housing Guaranty (HG) Program, A.I.D.'s major financing instrument for shelter and urban service assistance, helped to create and organize financing for housing in developing countries during the 1960s, particularly through savings and loan institutions in Latin America. In 1973 the Agency reformulated its HG strategy to emphasize programs which finance housing for families earning below the median urban income--the poorer half of the population in a given urban area. Since FY 1974 all HG projects authorized by A.I.D. have been targeted for this income group.

Under the HG program A.I.D. guarantees repayment to private U.S. lenders who finance A.I.D. approved housing for low income families. A.I.D. charges a fee for the guarantee, making the HG program self-sufficient; operating expenses and claims have been paid from fee income and reserves without the need to use appropriated funds.

A.I.D.'s shelter program assists countries to develop and pursue national policies and programs which provide affordable shelter to large numbers of low income people. In Honduras, Korea and the Ivory Coast the Housing Guaranty Program has been instrumental in introducing new national housing policies to benefit low income families.

A.I.D. seeks to finance innovative programs such as upgrading squatter settlements through the provision of sewerage, potable water, electricity and credit for home improvement; sites and services through the provision of a basic urbanized lot, with the family constructing its own dwelling unit; and low cost, expandable core housing units.

The size of a Housing Guaranty Program in a given country is determined by the readiness of that country to undertake major shelter programs for low income people. Programs generally include technical assistance and training elements to upgrade or create institutional capacity for expanded shelter program development and implementation. Loan size is based on analysis of the country's balance of payments, debt level, investment needs and management capacity.

Program Level and Authority. The statutory ceiling for housing guaranties outstanding to September 30, 1981 is \$1,505,000,000, of which approximately \$1,233,500,000 has been authorized for housing programs as of September 30, 1979.

To expand the number of countries participating in the program--at present 38 countries and one regional bank have received HG loans (see table below)--A.I.D. has increased the size and number of field offices to service and develop the Housing Guaranty Program. A.I.D. is planning HG projects in 14 countries in FY 1980 and 13 countries in FY 1981.

The following table summarizes the status on A.I.D.'s Housing Guaranties by region and country as of September 30, 1979.

<u>AFRICA</u>	<u>Status of Housing Projects</u>	
	<u>Number of Projects Total</u>	<u>Amount of Authorization (In Millions)</u>
Botswana	1	\$ 2.6
Cameroon	1	10.0
Ethiopia	1	1.5
Ivory Coast	4	33.5
Kenya	4	34.0
Liberia	1	10.0
Senegal	1	5.0
Zaire	1	10.0
Zambia	<u>1</u>	<u>10.0</u>
	15	\$ 116.1

ASIA

Republic of China	1	\$ 4.8
Korea	9	130.0
Thailand	<u>2</u>	<u>20.0</u>
	<u>12</u>	<u>\$ 154.8</u>

LATIN AMERICA

Argentina	7	\$ 54.3
BIAPE	1	15.0
Bolivia	3	17.6
Central American Bank for Economic Integration	6	92.0
Caribbean Island	1	2.0
Chile	5	59.7
Colombia	3	26.9
Costa Rica	4	18.0
Dominican Republic	5	18.9
Ecuador	2	7.4
El Salvador	3	10.9
Guatemala	5	26.8
Guyana	2	1.6
Honduras	5	17.9
Jamaica	6	40.4
Mexico	2	10.8
Nicaragua	4	25.9
Panama	11	72.6
Paraguay	1	4.0
Peru	10	85.9
Venezuela	<u>9</u>	<u>51.4</u>
	<u>95</u>	<u>\$ 660.0</u>

NEAR EAST

Iran	1	\$ 7.5
Israel	6	175.0
Lebanon	2	30.0
Morocco	1	15.0
Portugal	2	40.0
Tunisia	<u>5</u>	<u>50.0</u>
	<u>16</u>	<u>\$ 302.5</u>

Total All Regions 138 \$ 1233.4

Grant Funds. A.I.D. augments its guaranty programs with Operational Program Grants (OPGs) to private and voluntary organizations (PVOs), financed under the Selected Development Activities Account. One of these grants is to develop shelter and

community improvement demonstration projects for the poor using new techniques in self-construction, non-conventional finance and community organization. PVO grant programs (some of which are completed) are under development or are operating under the guidance of the Office of Housing in Lesotho, Botswana, Kenya, Honduras, Peru, Jamaica, Panama and Paraguay.

The grant program:

- Helps the Housing Bank of Peru develop a home improvement program for lower-income families;
- Helps the Honduran National Housing Institution, the Federation of Housing Cooperatives and the Municipal Council of Tegucigalpa plan sites and services for self-help housing;
- Supports efforts by Jamaican institutions and the National Credit Union League to upgrade shelter for low income urban and rural families;
- Assists a local production cooperative in Lesotho to improve local fabrication and marketing of building materials for lower cost shelter construction;
- Successfully developed a self-help housing agency to implement self-help shelter programs and urban squatter upgrading activities for lower income people in Botswana; and,
- Helps the Government of Kenya to develop an institution to finance and deliver cooperative housing to low income workers.

In FY 1981, A.I.D. will continue to assist host country institutions to demonstrate ways in which public services can be more efficiently designed for low income areas in conjunction with other assisted shelter programs. Through this grant-financed project, "Integrated Improvement Program for the Urban Poor", host countries can be made aware of developments in the use and conservation of energy and solar energy, low cost water and sanitation technology and management systems for delivery of public utility and social services. Activities under the project are planned for Bolivia, Cameroon, Honduras, the Philippines, Tanzania, Malawi, Thailand, Kenya, Niger and Togo. In every case, host countries will contribute at least 25 percent of total project costs.

THE REIMBURSABLE DEVELOPMENT PROGRAM

The Reimbursable Development Program ("RDP") allows the United States to use instruments other than concessional assistance to strengthen its contribution to development. It uses other resources--trade, private investment, exports--to support Third World economic and social development.

OBJECTIVES OF THE PROGRAM

- To promote development through the sale of technological goods and services from the U.S. public and private sectors to middle and upper income developing countries;
- To direct a part of U.S. foreign economic strategy toward countries not participating in regular A.I.D. programs but with whom the United States wishes to maintain a cooperative development relationship--A.I.D.-graduates, OPEC members or any friendly country which desires to pay for RDP services (RDP is also active in certain A.I.D.-recipient countries); and,
- To involve U.S. agencies or firms in early planning of projects with the expectation that U.S. goods and services will be used in implementation, thus improving the international competitive position of U.S. private firms in overseas development business, while, at the same time, furnishing vital technology to developing countries.

OPERATIONS AND ACTIVITIES

RDP provides two kinds of legislatively authorized services:

- technology, technical services and training from U.S. federal and state agencies on a reimbursable basis under Section 607(a) of the Foreign Assistance Act; and,
- planning assistance, including feasibility studies, by U.S. agencies and private firms on a grant basis under Section 661 of the Foreign Assistance Act.

Technical services are provided in virtually every area of development priority identified by host countries and recommended by American Embassies. Unlike regular A.I.D. programs, RDP activities are not limited to "new directions" criteria or countries in which A.I.D. programs normally operate. RDP projects may be carried out, for example, in:

- agriculture and agri-business
- human resources development
- industrial, mineral and infrastructure development
- energy development and conservation
- transportation and communications
- economic planning, public administration and training.

Feasibility studies sponsored by RDP typically provide technical, economic, financial and social evaluations of development projects upon which governments can base investment decisions. RDP also facilitates host country access to financing sources such as the Export-Import Bank and Overseas Private Investment Corporation. In addition, working through the Department of Commerce and U.S. private sector institutions, RDP brings development projects to the attention of U.S. firms interested

in trade and investment or the provision of technical, management and marketing services overseas.

For FY 1981, A.I.D. requests authority under Section 661 to use up to \$4 million for RDP activities leading both to U.S. agency involvement under Section 607(a) and direct private sector follow-on. Section 661 funding will allow RDP to sponsor government and/or private industry experts to conduct project identification/prefeasibility and feasibility studies.

Reimbursable activities carried out under Section 607(a) authority currently have a value of over \$1.2 billion. Participating agencies serve, in effect, as primary contractors to host governments. These agencies usually supplement their in-house technical capabilities by sub-contracting with U.S. private firms.

Until 1979, Section 661 funds were used for planning assistance to stimulate only federal agency reimbursable services. In March 1979, in response to Congressional concern over lack of private sector involvement, new guidelines were issued permitting the provision of planning assistance for projects involving U.S. private sector participation. The new guidelines added a significant dimension to the Reimbursable Development Program by facilitating U.S. private sector participation in overseas development activities from early project planning through the implementation stages. In effect, Section 661 authority could be used to promote U.S. export opportunities for major development projects.

Currently Section 661 planning assistance requests far exceed the level of funds authorized for this activity. During FY 1979 all available funds were fully obligated.

RDP is administered by a small staff in Washington and abroad. RDP regional attaches are stationed in American Embassies in Caracas (covering Latin America), Seoul (covering the Far East), and Lagos (covering Africa). An attache temporarily resident in Washington covers the Near East.

SELECTED PROGRAM EXAMPLES

RDP activities are conducted with more than 40 countries. Specific examples of the range of countries and activities are cited below:

- Nigeria: RDP has arranged for approximately 2500 Nigerian students to receive technical training in U.S. colleges and public institutions. The cumulative cost to the Nigerian Government has been \$40 million to date.
- Saudi Arabia: RDP has helped stimulate Saudi procurement of over \$1 billion in technical goods and services from U.S. public agencies and private firms. This procurement has been coordinated by the Department of Treasury.
- Colombia: RDP is sponsoring an assessment of U.S. agro-industry potential in Colombia. The assessment was requested by the Colombian Caja Agraria, one of Latin America's largest development banks. This institution is interested in agro-industry as a component of its financial commitment of over \$300 million for integrated rural development.

- Kuwait: Through RDP, the Federal Highway Administration (FHWA) and U.S. private firms are helping carry out Kuwait's highway expansion plans. Kuwait has paid approximately \$7 million in FHWA services and an estimated hundreds of millions of dollars in procurement from U.S. firms.
- Tunisia: RDP has sponsored a plan for joint engineering ventures by U.S. and Tunisian firms in major development projects in the Middle-East. RDP has also financed feasibility studies for industrial development projects in Tunisia which are expected to lead to procurement of U.S. goods and services at over \$30 million.
- Bahrain: In an effort to help improve technical training in the Gulf States through application of U.S. educational technology, RDP has sponsored a demonstration of educational technology at a regional meeting in Bahrain. This project is expected to lead to procurement of training services and equipment from the U.S.
- Venezuela: RDP is helping Venezuela plan (a) solid waste disposal and recycling systems, (b) the restructuring of its Ministry of Development and associated development finance institutions, and (c) modernization of its public health system.
- Brazil: Through RDP, the Army Corps of Engineers is providing technical services to the Brazilian Ports and Rivers Agency for development of Brazil's navigable waterways. It is also working with state governments in energy (coal conversion) and environmental protection projects.
- Malaysia: Through RDP, the Bureau of Reclamation has supplied technical assistance for the design and construction of dams for flood control at a cost of \$1.1 million to the Government of Malaysia.
- Thailand: RDP is sponsoring a planning study by the U.S. Department of Energy for a new 1,500 megawatt power system serving Bangkok. Potential U.S. equipment sales to the project are estimated at \$15 million.

EXCESS PROPERTY PROGRAM

Section 608 of the Foreign Assistance Act of 1961, as amended, requires that A.I.D. use excess property acquired from other Federal agencies in its economic development program "...wherever practicable in lieu of the procurement of new items." Thus A.I.D. acquires excess property on an "as is - where is" basis from other agencies at minimal or no cost. The equipment -- almost all of it obtained from the Department of Defense -- falls into five major categories: heavy construction equipment, vehicles of all types, heavy machinery, electrical generation equipment, and medical equipment and supplies.

OBJECTIVES OF THE A.I.D. PROGRAM

- To use excess property as an economy measure to conserve funds appropriated for A.I.D. programs.
- To assist recipients eligible under Section 607 of the Act (friendly countries, international organizations, the American Red Cross, and registered private and voluntary agencies) to purchase property with their own resources.

A.I.D. OPERATIONS AND ACTIVITIES

The excess property program is a continuing function for which neither new authority nor appropriation of funds is required. A revolving fund of \$5 million is used to cover A.I.D.'s overhead in managing the program, including salaries of 21 full-time and 4 part-time employees, and for equipment reconditioning and transportation costs. The fund is replenished through service fees and reimbursements by recipients of the equipment.

The headquarters for the Section 608 Program is at New Cumberland, Pennsylvania, with field offices in Salt Lake City, Utah; Lathrop, California; Kaiserslautern, Germany; and Panama City, Panama. Those offices acquire U.S. Government-owned excess property domestically and overseas and make it available with or without reconditioning.

Since inception of the program in FY 1963, excess property having an original acquisition cost of more than \$275 million has been delivered to and used by A.I.D. recipients at low cost. From FY 1977 through FY 1979, excess property with an original acquisition cost of \$35 million was used principally by the Philippines, Egypt, Malta, Costa Rica, and Guatemala.

As an example of the cost savings impact of the program, during FY 1978 and FY 1979 Egypt acquired 718 unused railway cars and 95 tons of repair parts. The cars and parts were manufactured to European specifications during World War II for \$6.4 million and stored thereafter. They were delivered to the Egyptian Government for only \$2 million, which was financed from an A.I.D. loan. The current market price for such equipment exceeds \$21 million.

A recent legislative change has affected A.I.D. administration of the excess property program. Section 3 of Public Law 94-519, which amended the Federal Property and Administrative Services Act of 1949, became effective October 17, 1977. This amendment lowered A.I.D.'s priority for grant-funded projects below that of other Federal agencies and state and local organizations. As a result, domestic availability of traditional excess property has been greatly reduced. Property acquired and transferred during FY 1979 had an original acquisition cost of \$9.8 million, down from \$11.5 million for FY 1978 and \$13.7 million in FY 1977.

At the beginning of FY 1979, A.I.D. initiated an independent management appraisal of the program to assess its effectiveness and efficiency; to define and evaluate the impact of recent legislation and legal rulings; and to recommend specific options concerning the structure and operation of the excess property program. The General Accounting Office is also engaged in a study of the program.



SPECIAL ISSUES

CAPITAL SAVING TECHNOLOGY

Despite GNP growth in the recent past in developing countries, low income and widespread underemployment and unemployment persist. This can be attributed, in part, to a failure by planners fully to take into account economic and social conditions when choosing technology. Development experience brings into question the relevance of some technologies that have been transferred to developing countries. This is not to say that everything done in the past was wrong, or that large scale, sophisticated technology is inapplicable in LDCs. Experience does show that LDCs with relatively abundant labor, scarce capital, and limited foreign exchange earnings and reserves, can benefit substantially from employment generating and capital saving technologies relevant to their needs and conditions.

OBJECTIVES OF THE A.I.D. PROGRAM

- Increased income from work;
- Low cost provision of basic goods and services for the poor;
- Improvements in technology to free low income families trapped by the limited efficiency of traditional production techniques; and,
- Application of efficient capital saving technologies on a widespread basis.

A.I.D. ACTIVITIES

A.I.D. seeks to promote development and the dissemination of capital saving technology through the following types of activities:

- increasing information about capital saving technology through publications, extension services and demonstration projects;
- developing, adapting, and testing of capital saving technology;
- strengthening enterprises that demand and produce capital saving technologies through credit, technical assistance and training; and,
- assisting LDC governments to adapt technologies to their public services (such as health and education) especially those that require low initial capital outlay or have low recurrent cost.

SELECTED PROGRAM EXAMPLES

Development Principle: Private voluntary organizations that work primarily with local LDC private organizations are an important vehicle to introduce capital saving technology at the village level.

Example: A matching grant of \$1,700,000 to Technoserve (TNS) will enable it to develop rural small scale enterprises. TNS has assisted small- and medium-scale sugar processing, rice milling and wood-working enterprises that offered broad based ownership potential. TNS also has provided management assistance to the Harambee

Cooperative Savings and Credit Society in Kenya, an organization of over 17,000 members and a share capital exceeding \$4.5 million.

Development Principle: Information about capital saving technologies must reach small entrepreneurs who can profit from those technologies.

Example: A grant to Volunteers in Technical Assistance (VITA) of \$840,000 will enable it to continue to provide information about capital saving technology worldwide. VITA receives numerous requests from LDCs for capital saving technology solutions in agriculture, water resources, rural industry and alternative energy uses. VITA's 4,000 technical and scientific volunteers respond to these requests. Further, VITA has been contracted by A.I.D. to prepare a plan for a worldwide information system. (The feasibility study will be completed in early 1980.) If the plan is implemented, information about proven technologies can be disseminated rapidly and usefully to local institutions and individuals.

Development Principle: A technology's impact on consumers and producers alike must be considered before its widespread application.

Example: In Honduras an intermediate technology saturation program with funding of \$5,000,000 will identify the technological limitations on agricultural production on entrepreneurs and on rural families. Intermediate or capital saving technologies will be developed, designed and delivered.

Example: In the Yemen Arab Republic a project with funding of \$4,500,000 will identify and promote capital saving technologies for rural areas through a persuasive, semi-promotional approach, designed to show Yemini users that they will benefit from suitable equipment and processes and to persuade importers that demand for capital saving technologies exists by bringing them together with manufacturers of capital saving technologies.

Example: The Battelle Memorial Institute, under an A.I.D. contract, developed a hand pump for local manufacture in many LDCs. It costs less and is more durable than other available hand pumps. A.I.D. has also contracted with Georgia Tech to form a technology transfer team to place the pump in production in other countries. (It is being manufactured in Indonesia and the Dominican Republic.)

Example: A \$14,000,000 small-scale irrigation project in Bangladesh will enable farmers to buy their own irrigation equipment--primarily handpumps--on credit. And local hand pump manufacturers will receive credit and raw materials to produce the 240,000 pumps called for by the end of the project.

Development Principle: Projects which develop local capacity to adapt, select and use capital saving technologies can build a base for future widespread applications of capital saving technology.

Example: AT International, with project funding of \$9,600,000 through FY 1979, provides rapid funding and technical assistance for small

projects designed to promote capital saving technology. Of the nearly 50 projects funded to the present time, most are to strengthen the technical capability of grass roots organizations involved in information systems development, and technology adaptation, demonstration, and dissemination.

Example: Through a \$6,100,000 sub-Saharan African "Improved Rural Technology" project technological information will be exchanged regionally and funding for small scale experimental projects will be provided. The Rural Technology Bulletin, a French-English newsletter about capital saving technology, is being distributed regionally. About twenty-five small projects have been funded or are under consideration for funding through this project.

WOMEN IN DEVELOPMENT

Women's status varies from country to country and even within individual countries, depending on social class, education, cultural heritage, and the country's level of development. Yet in all societies, women and men have unequal access to power, opportunity and resources. Closing the gaps between men's and women's options is a necessary step to making women full partners for effective national development.

In the agricultural regions of developing countries, women have been major contributors to community productivity. Yet, modernization has not always been advantageous to women. Land reform programs, new legal systems, and technological innovations often have reduced their traditional levels of community participation and access to economic or educational opportunities. At the same time that women's share of resources is declining, demands on them are increasing -- particularly where there are high rates of male out-migration and where there is conversion to cash cropping. Since women receive less education, they lag far behind men in literacy, especially in rural areas.

Women in Development--An International Concept

Women as a factor in development strategy is not solely a U.S. issue.

- The U.N. declared a Decade for Women (1975-85) and a World Plan of Action was drafted during International Women's Year (1975). One of the three themes of the Decade for Women is development.
- In July 1980, a Mid-Term World Conference on the Decade will be held in Copenhagen to review the progress of the World Plan and to design an action-oriented program emphasizing employment, education and health for the balance of the Decade.
- The FAO World Conference on Agrarian Reform and Rural Development (July 1979) urged recognition of women's land ownership rights, expanding women's access to agricultural goods and technical services, and promoting collective action by and organization of rural women to facilitate their participation in the benefits of the societies in which they live.

A.I.D. Response

A greater recognition of the role and contribution of women to development is emerging within A.I.D. in its policies, projects and research. A detailed statement of A.I.D. projects involving women in development including A.I.D.'s response to the goals set by the Mid-Term Conference, will be submitted to the Congress by the end of 1980.

Aims of the Women in Development Program

- to identify needs of women living in LDCs;
- to help raise LDC women's status and to improve their incomes, productivity and quality of life;
- to develop major projects that meet women's needs and concerns in A.I.D.-assisted countries; and,

- to integrate women's needs and concerns into all A.I.D. projects.

A.I.D. Operations and Activities

The Office of Women in Development promotes, assists and coordinates women in development activities and projects. Agency-wide seminars, debriefings and workshops have been held, in addition to field sessions, to exchange program and project information and experiences. Rosters of women in development specialists have been published and distributed overseas. Regional bureaus and missions have held sessions and provided technical assistance about how to integrate women's needs and concerns into project design and implementation. Numerous missions have commissioned studies of the status of women and of women's organizations or activities in host countries.

The Office of Women in Development also collects, publishes and distributes materials through its Resource Center and provides assistance to individuals and groups working on Agency projects. WID-distributed materials include mission produced studies, research reports, project documents, specially commissioned papers and relevant publications of other donors.

Cooperation with other donors, including other member-nations of OECD/DAC and multi-lateral organizations, is growing through informal meetings and document exchanges. Conferences on the role of women's organizations as vehicles for development have been held with LDC women.

Women in Development Projects

"WID specific" projects are designed to benefit women only. They are designed for women to gain access to resources and to acquire and use new skills. "WID components" of larger projects take deliberate account of women's needs and participation.

- A Tanzanian project used media in two villages to help women identify health and nutrition problems and created a self-sustaining mechanism for involving women in solving them. A "listening survey" respecting health and nutrition conducted by the village women themselves in the natural setting of the village proved more effective than conventional survey techniques and at the same time made women a part of the problem identification/solving process. The project is being extended to other villages.
- A "Strengthening Women's Roles in Development" project in Upper Volta involves village women and the rural domestic economic extension service in income generating activities through a revolving credit fund. The project is now gaining momentum and will reach women in sixty villages.
- A rural development project in Jamaica--intended to reach 4,000 farmers and their families--has a WID component to assure that women (whether or not they are household heads and irrespective of whether their husbands participate) are active in the project. A unique aspect of the project is its training of men and women to work in teams as extension agents. WID technical assistance has emphasized vegetable intercropping and intensive gardening techniques. A later phase may develop agriculturally-based crafts for income generation.

TITLE XII -- FAMINE PREVENTION

As its title implies -- Famine Prevention and Freedom from Hunger--Title XII of the Foreign Assistance Act ("FAA") helps LDCs to develop their capabilities to meet their food needs. In some countries population growth outstrips food production increases and causes chronic food deficits. In others, food supply margins are so narrow that severe shortages occur in years of poor weather. Nothing hurts poor people more severely than food shortages be they chronic or periodic.

In 1976 Congress created the Board for International Food and Agricultural Development (BIFAD) and subordinate committees (a Joint Research Committee and a Joint Committee on Agricultural Development) and authorized a staff to advise A.I.D. officials and participate in the formulation of agricultural development policy, the design of projects and the use of U.S. agricultural universities in A.I.D. programs. Title XII of the Foreign Assistance Act recognized that:

- U.S. agricultural universities have been largely responsible for creating the most productive agricultural system on earth;
- U.S. universities have helped LDCs to develop their institutional and human resources to apply improved technology to LDC farming; and,
- Some solutions to the world's food problem can be found by drawing upon scientific resources and institutional experience available in U.S. agricultural universities.

Title XII programs are funded under FAA Section 103 -- Agriculture, Rural Development and Nutrition. They are components of A.I.D. country programs and to a lesser extent, of the Development Support Bureau's programs (described elsewhere). Funding has been expanding since enactment of Title XII and in FY 1981 it is expected that these programs will comprise a major portion of Section 103 activities.

BIFAD, with its subordinate committees and staff, has contributed to shaping A.I.D. programs under Title XII, with direct impact on:

- policy and planning;
- apportionment of funds;
- effective use of U.S. universities (In FY 1979, BIFAD gave direction to project design and provided advice on selection of U.S. universities for implementation of projects totaling \$264 million, in 33 countries, a substantial increase over FY 1978);
- arranging for baseline studies (completed in Ecuador and Yemen, and under way in Peru, Jamaica and Guyana) to assess levels of agricultural research, education and extension institutions;
- recommending international agricultural research investments to be managed by U.S. universities and developing country institutions;
- providing assistance to U.S. agricultural universities through the Title XII strengthening program to increase their capacity for participating in A.I.D.'s overseas development programs, resulting in FY 1979 in:

- grants to 42 universities under the matching formula program, for which universities bear two-thirds of the total cost; and
- grants to four minority universities in the non-matching program.

FY 1981 Activities

BIFAD will advise the International Development Cooperation Agency (IDCA) about apportionment of funds and policy questions; and, with the cooperation of subordinate committees, advise A.I.D. about Title XII programs.

BIFAD and its committees will:

- arrange for additional country studies to identify needs for assistance;
- recommend programs and the U.S. universities with the required capabilities to implement them;
- improve the use of U.S. universities in development assistance;
- seek greater participation of U.S. universities in programs requiring contribution of their resources.

The strengthening program will be expanded to include new institutions while maintaining those institutions already in the program. The following table shows the manner of expansion and funds required:

U.S. Institutions in Strengthening Programs

	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>
Matching-Formula	42	42 + 11 (new) = 53	53 + 5 (new) = 58
Minority	<u>4</u>	<u>4 + 7 (new) = 11</u>	<u>11 + 3 (new) = 14</u>
 TOTAL	 46	 46 + 18 (new) = 64	 64 + 8 (new) = 72
		<u>Funding (Millions)</u>	
	\$5.0	\$7.1	\$8.0

Universities will develop capabilities in geographic areas or countries, including languages, and in technical fields, such as dryland agriculture, irrigation, specific crops, pest management, animal husbandry, animal diseases, grassland development, resource conservation, agricultural credit, planning and administration, and institutional development.

PRIVATE AND VOLUNTARY ORGANIZATIONS

Since World War II, U.S. government agencies have worked closely with private and voluntary organizations (PVOs) in international programs for disaster relief, food distribution, development assistance, and operating overseas schools and hospitals. Together they have sought to relieve human suffering and deprivation.

Taking advantage of our pluralistic society's concern for voluntary and humanitarian work, the American government and PVO partnership taps the large financial and human resources and the extensive overseas field experience of private American groups. A.I.D. has supported PVOs without seeking either undue influence or divestment of PVO responsibility.

A.I.D. support for PVOs under centrally- and regionally-funded programs is estimated at \$172 million in FY 1980, and is expected to increase in FY 1981.

Total A.I.D.-administered support to PVOs is expected to exceed \$540 million in FY 1980, roughly two-thirds of which relates to PL 480 Title II food programs financed through the Department of Agriculture's budget.

OBJECTIVES OF THE A.I.D. PROGRAM

- To increase the flow of needed resources to low-income people abroad through collaboration with PVOs;
- To maximize the involvement of low-income people in the process of change; and,
- To support and encourage innovative approaches to development problems.

A.I.D. OPERATIONS AND ACTIVITIES

A.I.D. provides grants to PVOs which enable them to use their capabilities or to enhance their capacities to execute development programs to help rural and urban poor people. The grants support PVO programs in agriculture, rural development, health, family planning, education and a variety of grassroots collaborative efforts with local groups.

Beginning in 1978, a new "matching grants" category of assistance was created, whereby A.I.D. matches the cost of up to \$1 million of a PVO's overseas program. The purpose of the matching grant program is to support those PVOs having proven field experience to carry out development programs consistent with A.I.D.'s legislative mandate. Matching grants also are designed to generate increased private resources for developing countries. Programs supported by these grants must be field-oriented and must deal with an identifiable development problem within specified functional and geographic areas. In FY 1979, nine PVOs received matching grants. In recognition of strengthened PVO capability, funding for the matching grant program will be increased substantially in FY 1981.

A.I.D. provides management assistance to help PVOs design, implement, manage, and evaluate projects. A.I.D. also will advise them about environment, energy, women-in-development and population programs. Those PVOs new to development assistance, but which are likely to make significant contributions in developing countries, will receive

A.I.D. encouragement. Management service assistance will be made available to local PVOs overseas and support for collaborative project planning and implementation by PVO consortia (such as Private Agencies Collaborating Together and Coordination in Development, Inc.) will continue.

Through institutional support grants, A.I.D. supports a limited number of PVOs that have contributed significantly to development and which need longer term A.I.D. financing in order to sustain their specialized overseas programs. While institutional development grants are declining, some will be provided to PVOs having the potential to become self-sustaining.

Strengthened PVOs will enable A.I.D. to increase the number of operating program grants (OPGs) for specific projects in individual countries. From less than \$7 million in FY 1976, funds committed to OPGs exceeded \$50 million in FY 1979, and they are expected to expand in FY 1981. Consistent with A.I.D.'s goals to decentralize responsibility for field projects and to simplify review and approval procedures, missions are authorized--without referral to Washington--to fund OPGs whose life-of-project costs do not exceed \$500,000.

A.I.D. will continue reimbursing PVOs for ocean freight charges to cover shipping costs for privately donated or purchased supplies required for their programs abroad.

PVOs also derive support through other A.I.D. programs: Food for Peace, Disaster Assistance, American Schools and Hospitals Abroad, Cooperative Credit Unions, Population and Energy.

During 1979 A.I.D. reconstituted its Advisory Committee on Voluntary Foreign Aid. The Committee played a major role in convening forums which facilitate dialogue between A.I.D. and the PVOs. The Committee is considering other means to promote a more fruitful A.I.D. and PVO relationship.

SELECTED PROGRAM EXAMPLES

Development Principle: Involvement of private and voluntary organizations, especially through the Matching Grant program, can greatly multiply the initiation or extension of community health services that reach poor people.

Example: Medical Assistance Programs (MAP) are reaching communities in approximately ten countries. The proposed \$400,000 FY 1981 grant will introduce poor families to community health services and train local health workers to use non-formal education methods and to plan, manage and evaluate projects.

Development Principle: Through cooperative efforts, private and voluntary organizations increase their effectiveness to solve development problems facing rural poor people in less developed countries.

Example: Private Agencies Collaborating Together (PACT), an organization of 20 U.S., Latin American and African private agencies, promotes collaborative development planning. The \$3,900,000 FY 1981 consortium grant will help fund 35 new projects and continue projects that provide technical assistance to rural and village low-income farmers, small entrepreneurs, and cooperatives.

Development Principle: By strengthening the PVO's institutional capacities to plan, implement and evaluate projects, assistance to low-income families will be increased.

Example: The \$157,000 institutional support grant in FY 1981 to Town Affiliation Association (TAA) will strengthen the development and technical capabilities of U.S. cities to assist their LDC counterparts to benefit the urban poor. Such assistance includes identifying urban priorities, providing technical assistance and conducting workshops.

PROGRAM EVALUATION

A.I.D. evaluations are a major tool of program management and policy formulation. They focus on practical problems of project implementation and the impact of A.I.D. supported programs on the poor so that LDCs and the development community may learn from the immediate past in order to improve the quality and effectiveness of future programming. A.I.D. evaluations are not research projects aimed at testing development theory or investigating new ideas. Rather, evaluation is a fundamental element of program design; indeed, the design and evaluation systems in A.I.D. are interdependent. FY 1980 brings a renewed emphasis on evaluation and the acceleration of several major evaluation programs. The emphasis on evaluation after project completion has been exceptionally successful, and will be strengthened and made more systematic in FY 1981. The benefits of evaluation, whether as part of an individual project or standing as a separate activity, lead directly to improvements in the quality of projects carried out by LDCs with A.I.D. or other donor assistance.

OBJECTIVES OF A.I.D.'S EVALUATION PROGRAM

- To provide a management tool to LDCs and A.I.D. as an integral part of the operation of each project, allowing corrections to improve performance;
- To influence policy and budget planning so that the lessons of development are used to improve allocation of resources; and
- To help improve public administration in LDCs through better evaluation practices on their part.

EVALUATION ACTIVITIES

During FY 1979 the role and usefulness of evaluation was enhanced, including initiatives to assure that evaluation is responsive to executive concerns and that evaluation results improve development programs.

- The responsibility for field evaluation was set at the USAID program officer level or higher.
- A decision was made by the Administrator to test evaluation procedures in FY 1980 on completed projects, leading to establishment of an Agency-wide evaluation system for completed projects in FY 1981. These evaluations will judge the impact of development projects in "New Directions" terms, on the socio-economic well-being of the poor. They will be carried out generally by direct-hire staff to ensure that important development lessons are widely shared and integrated into future programs and projects. Evaluations involving A.I.D. professionals and developing country personnel are being coordinated by A.I.D.'s Office of Evaluation.
- Finally, evaluation has been made more relevant to policy making by disseminating the results of evaluation to LDC, A.I.D., major donor and PVO decision-makers and other development organizations. This has been accomplished through two Agency-wide publication series: the A.I.D. Program Evaluation Discussion Paper series and the A.I.D. Program Evaluation Reports series. Discussion papers produced so far have addressed livestock in Africa, potable water, use of traditional health systems, and labor-intensive rural roads. Future evaluation reports will address sectoral

topics. Also, during FY 1979 two conferences covering the results of sectoral studies have been held. One conference brought to senior A.I.D. executives the results of evaluation and research work in the field of population. The second conference involved a number of U.S. and foreign experts (including a number of Africans) on the question of nomadic livestock practices in Africa.

By FY 1981 A.I.D. will have taken a number of actions to improve the quality of evaluations conducted by the Agency. Quality will be the major focus since quantitative coverage is now exceptionally large (far in excess of other donor and other Federal programs). In FY 1981 consideration will be given to conducting evaluations of country programs, area development (e.g., river basin development schemes) and cross-sectoral questions such as local participation and impacts on certain deprived groups. Limited outside assistance will be furnished by the Bureau of the Census and by private contractors.

A.I.D.'s evaluation of ongoing projects is proving itself as a means of improving projects. Although the policy and beneficiary evaluation work of the Agency is relatively new, there have already been immediate benefits.

A.I.D. evaluations have:

- Resulted in a leading LDC policymaker deciding to change his country's potable water development policies to favor low-cost technologies, which have generally proven more reliable and useful than high technology water systems;
- Led to lively debate about labor-based rural roads and on rural electrification and to a commitment to intensive evaluation work in these areas;
- Helped expedite the creation of assistance policies for firewood and reforestation; and,
- Resulted in A.I.D.'s evaluation staff assisting in formulating a major part of the U.S. position for the U.N. Decade for Water.

These are only the initial results from a regular flow of evaluation findings. In the longer run, A.I.D. expects to use evaluation findings to help guide fundamental budget choices by analyzing information respecting the relative efficiency and effectiveness of development approaches. This type of analysis will also be useful to LDC planners.

ENERGY PROGRAMS

The developing countries today face two energy crises of unprecedented proportion: (i) the high cost of fossil fuels brought on by oil price increases and (ii) shortages of household fuels--such as firewood, charcoal and dung that are used by the world's poor--creating accelerated environmental degradation and severe economic costs.

The developing countries are unable to reduce their dependence on oil imports because their growing commercial energy needs are based largely on fossil fuel energy. Moreover, the LDCs find it difficult to finance their essential oil imports. The prospects for economic development in the LDCs, therefore, are closely tied to increased levels of fossil fuel consumption and to the financial strain of increased oil costs. The second crisis--dwindling supplies of firewood and other traditional sources of energy--may well prove to be serious for poor people who cannot afford alternative fossil fuels.

A.I.D.'s FY 81 program in energy will help developing countries address the various energy problems confronting them. The program will place more emphasis on renewable energy (including fuelwood) reflecting the link between these activities and A.I.D.'s primary focus on the poor. Major A.I.D. activities will include:

- Training and institutional development to help countries create and expand their capability to establish and implement effective national energy policies;
- Assisting LDC's in assessing their own energy needs, uses and resources through studies and surveys;
- Experimental programs and projects to determine the feasibility of new and renewable energy technologies; and,
- Fuelwood and reforestation programs addressing the traditional fuels shortages.

A.I.D. recognizes the urgency to the LDC's of reliable and affordable commercial energy. Activities in training, planning, fossil fuel surveys, and selected power generation and rural electrification encompass conventional energy sources, although not with the same emphasis as is placed on renewable energy.

A.I.D. will, however, continue to look to multilateral programs as the major source for assistance in the energy field and will coordinate its efforts with other countries and international institutions, many of which are establishing new programs and approaches to help LDCs cope with energy problems. A.I.D., is a major contributor to U.S. actions to fulfill a U.S. initiated commitment made at the 1978 Bonn Economic Summit and reiterated at the 1979 Tokyo Economic Summit, for the developed countries to increase development assistance programs and to coordinate energy activities in the LDCs.

A.I.D. will play an important role in preparations for the 1981 UN Conference on New and Renewable Sources of Energy, a conference focusing world attention on the importance and potential of renewable energy.

A.I.D. is working with and relies heavily upon experts from the Department of Energy, Department of State, Peace Corps and other Federal agencies and the U.S. private sector in the design and implementation of its energy program.

ENVIRONMENT AND NATURAL RESOURCES

A.I.D.'s long-term environmental strategy in LDCs focuses on:

- Identification of ecological problems and development limitations affecting their solution, and
- The environmental soundness of A.I.D.-supported assistance.

The "Country Development Strategy Statement" prepared by each A.I.D. mission describes the environmental situation in each country as part of the development strategy. In Washington A.I.D. prepares environmental profiles of selected countries to help Missions and host countries assess environmental problems and their ability to manage natural resources. Ten profiles have been completed, and 15 are in progress.

A.I.D. procedures for assessing environmental impact have been updated and streamlined as a result of experience gained during the past 3 years from project evaluations. The role of host countries in this process is expected to increase enhancing their awareness of environmental and developmental relationships.

LDC interest in maintaining a sound natural resource base has resulted in environmental and natural resource projects of many dimensions. Environmental preservation and restoration projects focus on: watersheds, range lands, agricultural pests, parks and reserves, wildlife, coastal zones, reforestation/revegetation, agro-forestry, communal woodlots, urban fuelwood plantations, water supply and sanitation, and integrated rural and agricultural development. Components of these activities strengthen a host country's capability to better manage its environmental and natural resources through:

- **TRAINING.** Workshops, seminars and courses in natural resource management for LDC decision makers and others who will plan, implement and manage natural resource programs. Examples include the 13 nation African Environmental Training-/Management Program, a pilot Asian "Workshop on Natural Resource Management" in the Philippines, and an environmental seminar that introduces Mauritanian officials to environmental degradation and corrective measures.
- **INSTITUTIONAL DEVELOPMENT.** A.I.D. provides expertise to help organize or train personnel in environmental ministries and to establish a firm legal base for natural resource management. Guatemala, Panama, Costa Rica, Indonesia and Nepal have received such assistance.
- **TECHNICAL ASSISTANCE.** Environmental and natural resource assistance is available to LDCs from U.S. firms, A.I.D.'s technical experts, specialists on loan from other U.S. governmental agencies and several nongovernmental organizations registered with A.I.D. as PVOs. Services include assistance in project design, environmental surveys and impact analyses, or development planning. Indonesia, Peru, Senegal, Costa Rica and Panama have received such technical assistance.
- **EDUCATION.** Public education in natural resource conservation and grass roots understanding of the environment enhances LDC natural resources management. Involvement of local PVOs with environmental expertise is expected to increase this year.

In 1976, A.I.D. adopted formal procedures for reviewing environmental impact. Thus, the Agency has acquired more experience about this aspect of development assistance than has any other bilateral aid agency. A.I.D. will continue to share this experience and encourage other donors to adopt similar policies and programs. A.I.D. also has undertaken environmental assessment of some multi-donor projects such as river basin development programs in Sri Lanka and Senegal.

Attention within A.I.D. to the problems of deforestation and loss of important resources has been heightened by the internationally recognized need to both halt deforestation by dealing with its many causes, and correct, where possible, its impacts--erosion, silting of reservoirs, disruption of irrigation cycles, loss of firewood and wildlife habitats, etc. A recent Strategy Paper on Forestry and Related Issues is expected to stimulate LDC activities in this field.

COOPERATIVE DEVELOPMENT AND CREDIT UNIONS

COOPERATIVES

LDCs recognize that cooperatives are important components of their national development programs. Support of U.S. organizations and their involvement in cooperative development remains of special interest to A.I.D. In FY 1979 the aggregate support for cooperative programs including loans totalled \$28 million and will approximate this level in 1980.

By supporting cooperative development programs, A.I.D.:

- Responds to extensive LDC interest in establishing cooperatives;
- Brings to bear relevant United States cooperative experience on LDC problems of cooperative development;
- Provides the technical expertise of U.S. cooperative organizations and their staffs to LDC cooperatives; and,
- Encourages U.S. cooperatives to channel their financial resources to LDCs for cooperative development.

In FY 1981 A.I.D. will support 129 cooperative development projects in 47 countries in these geographic areas:

- Africa: 53 projects in 23 countries
- Asia: 14 projects in 4 countries
- Latin America/Caribbean: 49 projects in 15 countries
- Near East: 13 projects in 5 countries.

In addition, A.I.D. will support 14 regional cooperative programs and six that will be centrally-funded and managed.

In FY 1981, A.I.D. will continue to facilitate its relationships with U.S. cooperative development organizations and expand its support of cooperative development programs, including increased integration of these programs with the other technical assistance resources of the Agency.

CREDIT UNIONS

A.I.D. supports the international programs sponsored by the Credit Union National Association (CUNA) and the World Council of Credit Unions. Three regional confederations in Africa, Latin America, and the Caribbean will receive A.I.D. assistance in FY 1981 under a 1962 agreement with CUNA to assist credit union development in LDCs. Through FY 1978 A.I.D. support for this program totalled \$13,733,345; of that, \$9,215,316 was spent for regional or country-specific programs, and \$3,733,579 supported the central offices of CUNA which provides technical assistance to international programs. A.I.D.'s funds are used to:

- improve and expand the technical assistance capability of CUNA's Global Projects Office;
- expand CUNA's capability to solve problems common to all LDC credit unions; and,
- expedite the development and implementation of a worldwide credit union strategy which combines financial resources from credit unions in both the developed and developing countries.

A.I.D.-funded CUNA projects during the three year period FY 1979 - FY 1981 include the following:

Haiti/Small Farmer Credit

Paraguay/CREDICOOP - Central Credit Union Federation

Africa Regional/ACOSCA - African Confederation of Savings and Credit Associations

Sierra Leone/Credit Union Development

Togo/Credit Union Development

Caribbean Regional/Credit Union Development

Nicaragua/FUNDE - Nicaraguan Development Foundation/Rural Merchant Credit Unions

Nicaragua/FECANIC - Nicaraguan Federation of Credit Unions/Credit Union Management

Central/CUNA Institutional Support Grant

EXPLANATION OF ECONOMIC AND SOCIAL DATA

The New Directions mandate and the basic human needs strategy have directed increased attention to poor people. It is thus important that A.I.D. assemble social and economic data on recipient countries--especially in the key sectors of population, agriculture, rural development and nutrition, health, education and human resources.

The Agency also monitors information and carries out programs of special concern to the Congress, such as women in development, energy and the environment. Over time, we expect to develop comparable statistics which will allow us not only to design projects more effectively but also to evaluate the progress of countries in meeting basic human needs.

The process of accumulating reliable statistics for the developing world, particularly in the social sectors, is far from complete. Many programs still suffer from a lack of current information. However, A.I.D.'s own data collection efforts and those of national and international organizations are improving. The Agency is also expanding its data storage and retrieval facilities to meet this demand.

This year the data categories are largely the same as those shown last year. We have turned our attention to automating the production of the data page and obtaining more recent and reliable data. By computerizing this process we are more capable of evaluating and incorporating the most recent statistics for display on the data page.

Before discussing economic and social indicators in the country narratives, several caveats are in order. There is no attempt to disaggregate statistics by region or subpopulation (e.g., urban, rural or ethnic group) within the countries. Thus inter-regional disparities and variations among important subgroups within a country do not appear on the economic and social data sheets. To the extent that such information is available and relevant, it is incorporated in the country narratives.

Developing countries' statistics are subject to numerous qualifications. Their reliability is often questionable; thus the values shown should be interpreted as being indicative rather than precise. Comparisons with last year's Congressional Presentation data should be made with caution. Some of the differences may reflect changes in definition or compilation methods. Others may be attributed to an increased use of standard sources.

Notes on Sources. A.I.D. data are derived from a variety of sources, including international and U.S. Government agencies.* The major sources are IBRD, for key economic indicators, including GNP and external debt; USDA and FAO, for agricultural data; IMF, for central government finances and foreign trade statistics; HEW, for mortality and morbidity figures; UN specialized agencies (e.g., ILO, UNESCO, and UNRISD) for social indicators and A.I.D. for demographic data.

Selected Data Elements. A brief explanation of selected items on the economic and social data sheets may be helpful:

*Any questions on data sources or definitions should be addressed to the Office of Policy Development and Program Review, Economic and Social Data Services Division in A.I.D.'s Bureau for Program and Policy Coordination.

"Total Population" data are A.I.D. Office of Population mid-year estimates based on most recent censuses and A.I.D. interpretations of subsequent fertility and mortality trends prepared with the assistance of the Population Reference Bureau. The total population figure (which may include A.I.D. adjustment of a census result), sometimes differs from population estimates used by other sources in some of the data elements shown (e.g., by the IBRD in computing per capita GNP).

"Per Capita GNP" figures are preliminary estimates reported in the 1979 World Bank Annual Report or the 1978 World Bank Atlas published in January 1979. They represent current dollar figures, generally based on GNP in national currencies at average 1975-77 domestic prices, converted to U.S. dollars at average 1975-77 exchange rates and divided by estimated mid-year population. They are adjusted for U.S. inflation between the 1975-77 base period and the year shown. These figures are not fully adjusted for differences in purchasing power of the dollar and are not fully comparable among countries. (See also the above note on "total population").

"Average Annual Rate of Inflation" is reported by the IBRD. It is the "implicit GDP deflator" which is calculated by dividing, for each year of the period covered, the value of the GDP (gross domestic product) in current market prices by the value of GDP in constant market prices, both in national currency.

"Life Expectancy at Birth"--Expectation of life values are the average number of years of life for males and females at birth, assuming the same mortality conditions. Generally they are derived from official life tables of the recipient countries as reported in the UN Demographic Yearbook and UN Statistical Yearbook. The accuracy of life tables depends upon the accuracy and completeness of censuses and death registrations.

"Adult Literacy Rate" is an estimate of the percentage of the population aged 15 and over able to read and write. Data for some countries may not fully conform with this definition.

"Average Annual Per Capita Agricultural Production Growth Rate" is computed from USDA data on total value of crop plus livestock production evaluated at constant prices.

"Agricultural Production as % of GDP"--The agricultural sector is more broadly defined here to include crops, livestock, forestry, hunting and fishing. Agricultural production is defined as value added in agriculture. GDP is the total output of goods and services produced within the country's borders regardless of allocation between domestic and foreign claims. World Bank data are used.

"Population Density Per Square Mile of Agricultural Land"--Agricultural land consists of arable land, land under permanent crops (tree crops) and permanent pastures and meadows.

"Central Government Finances"--Total expenditures cover (1) capital expenditures; (2) current expenditures, of which "defense expenditures" is separately specified and (3) net lending (gross lending less loan repayments). Domestic revenue is total revenue less foreign grants. Both total expenditures and domestic revenues are for the

central government only, and are calculated on a cash basis. To the extent possible, A.I.D. uses the NATO definition in estimating defense expenditures, thus excluding civilian-type expenditures (such as ordinary police protection) of the defense ministry, but including military-type expenditures (including those for para-military organizations) of other ministries. Defense expenditures, both current and capital, are treated as "current expenditures" and they include investment for defense. All U.S. dollar figures shown are converted from local currency at the 1977 annual average exchange rate, as provided (as far as possible) by the IMF publication, International Financial Statistics.

"Official International Reserves" represent holdings by the monetary authority of gold, SDRs, reserve position in the IMF and foreign exchange, as reported by the IMF. Gold is valued throughout at the official gold price, and not at fluctuating market prices. As market prices have been considerably above the official price during the reporting period these data represent a conservative estimate of country reserves. The number of months of imports shows how many months end-year reserves represent of total imports for the year shown.

"Main Trading Partners" is derived from IMF data on the value of imports plus exports between the country in question and all of its trading partners. The three partners with the highest total for the latest three years are listed.

"External Public Debt as % of GNP" is based on debt outstanding (disbursed amounts only). It represents debt repayable to external creditors, with an original or extended maturity of more than one year, which is a direct obligation of, or has repayment guaranteed by, a public body in the borrowing country. Data generally exclude military debts.

"Service Payments on External Public Debt" represent the payment of principal plus interest on medium-and long-term public debt and on publicly guaranteed debt held by foreign investors. Repayment of principal and interest on private debt is not included. In most cases service payments on debt contracted to purchase military equipment are not included either, as this form of debt is seldom reported.

"Service Payments on External Public Debt as % of Export Earnings" are payments of principal plus interest (see above) as a percentage of exports of goods and services. The debt service ratio is, by itself, an inadequate and incomplete indicator of a country's debt situation. International comparisons of these ratios have only limited meaning. Other factors must also be considered, such as the stability and diversification of the country's export structure, prospects for future growth and the total indebtedness. The debt service ratio is only an indication of the importance of debt and debt service in a country's total foreign exchange situation. (See also the above note on "External Public Debt as % of GNP".)

"Population Growth Rate" is a ten-year compound average annual growth rate computed from A.I.D. Office of Population data. The figure reflects the rate of natural increase (births minus deaths) plus net migration.

"% Population in Urban Areas"--There is a lack of strict comparability between countries. For example, urban status may be defined by some countries as places with as few as 400 inhabitants or a minimum of 5,000 persons.

"Total Births Per 1,000 Population" are the number of live births per 1,000 mid-year population. Most of the data derive from civil registers, supplemented by census data or sample surveys. One of several factors limiting international comparability is

the practice of some countries to exclude from live-birth statistics infants who were born alive but died before registration or within the first 24 hours of life, thus underestimating the total number of live births.

"% Married Women Aged 15-44 Years Using Contraception"--These data were obtained by the A.I.D. Population Office from country reports. Considerable variation in definitions and reporting between countries makes intercountry comparisons difficult.

"Infant Deaths During First Year of Life Per 1,000 Infants" are the number of deaths which occurred under one year of age during the calendar year cited per 1,000 live births reported in the same year. No adjustment is made for the fact that some of the infants who died were born in the year preceding the reference year.

"People Per Physician"--"Physician" means a person qualified from a medical school of university level, actually working in the country whether in private practice or as an employee of an official or private institution. However, due to lack of precise information for certain countries regarding either the professional level of personnel or the number actually working in the country, caution should be exercised in making comparisons among countries.

"Per Capita Calorie Supply as a % of Requirements" refers to the caloric supply available for consumption relative to physical requirements based upon body size and weight and metabolic rate based upon climate. These ratios are approximations because they do not fully account for variations in individual nutritional requirements and because there is no complete accounting of food lost between producer and consumer.

"% of Population with Reasonable Access to Safe Water Supply"--The term "safe water supply" includes treated surface waters or untreated but uncontaminated water such as water from protected boreholes, springs and sanitary wells. "Reasonable access" implies that a public fountain or water tap is located no further than 200 meters away from a house in an urban area. In a rural area it implies that a member of a household does not have to spend a disproportionate part of the day in fetching the family's water needs.

"Total School Enrollment as % of Population in Age Group"--Pre-primary, adult and special education is not covered unless the data for certain countries already include it in one of the three levels of education shown. Data on education at the secondary level cover general education and vocational and teacher training. The beginning of the school year and the criteria used for classifying education by level vary from country to country. Furthermore, enrollment figures pertain to all students, both native and foreign, enrolled in local educational institutions. They do not include host country students studying in foreign institutions. In some cases the percentages shown may exceed 100% of the age group. This signifies that students outside the age range indicated are enrolled. This most commonly occurs in the primary school enrollment ratio where many students may be 15 years old or older.

The enrollment ratios are based on a standardized age range for each of the three levels (5-14 yrs., 15-19 yrs. and 20-24 yrs., for primary, secondary and post secondary respectively). The use of these standardized age ranges across all countries is advantageous when making intercountry comparisons. However, it is different from the practice in UNESCO and other sources where enrollment ratios are generally quoted on a country-specific age-range basis. This difference will lead to differences

between the enrollment ratios shown in this presentation and those shown in other sources. In particular, it should be noted that the primary enrollment ratio shown here will typically be below the value quoted in other sources which often use a 6-11 year age range.

"Energy Production as % of Consumption"--Consumption of energy is defined as the domestic consumption of commercially produced energy derived from coal, lignite, peat, crude petroleum, natural gas, water power and nuclear sources. Production refers to domestic output during the year in question. Energy is expressed in terms of hard coal equivalent. The conversion formula is based on caloric values--the amount of coal required to produce the same amount of heat as produced directly by a specified amount of another source of energy. The ratio of production to consumption will exceed 100 percent in those countries which are net exporters of energy (e.g., OPEC countries). Countries with values of less than 100% may be exporters of energy; however, on balance, they import more than they export. Data are drawn from the UN, World Energy Supplies 1972-76 and other secondary sources.

A note on "arithmetic and harmonic means"--This year in the regional summary tables we compute the summary statistics using the technically correct method of population weighted harmonic means for all ratio indicators having country population in the numerator, (e.g., population density and people per doctor). The effect of using harmonic means is to yield regional average ratios which measure regional total population divided by the regional total value in question (e.g., total land area or total doctors). Arithmetic means are used when the indicator contains population in the denominator and the value in question (e.g., GNP per capita, literacy rate, etc.) in the numerator. The effect of using a population weighted arithmetic mean in these cases is to achieve the desired total regional value (GNP or number of literates, etc.) divided by the total regional population.

INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
 AGENCY FOR INTERNATIONAL DEVELOPMENT
 TOTAL PROGRAM AVAILABILITY AND ACTUAL PROGRAM
 FY 1979 ACTUAL
 (in thousands of dollars)

	UNOBLIGATED BALANCE BROUGHT FORWARD	NEW BUDGET AUTHORITY	AVAILABLE PRIOR YEAR RECOVERIES	TRANSFERS	REIMBURSE- MENTS	TOTAL AVAILABLE FOR OBLIGATION	TOTAL A.I.D. PROGRAM	UNOBLIGATED BALANCE LAPSING TO TREASURY	UNOBLIGATED BALANCE CARRIED FORWARD
FUNCTIONAL DEVELOPMENT ASSISTANCE:									
Agriculture, Rural Development and Nutrition	2,777	605,000	5,271	3,101	--	616,149	614,158	384	1,607
Population Planning	--	185,000	--	--	--	185,000	184,935	65	--
Health	338	130,000	2,742	375	13	133,468	132,946	123 1/	399
Education & Human Resources Development	789	97,000	983	113	--	98,885	97,681	221	983
Selected Development Activities	891	115,000	1,959	9	--	117,859	117,427	273	159
SUBTOTAL, Func. Accounts	<u>4,795</u>	<u>1,132,000</u>	<u>10,955</u>	<u>+3,598</u>	<u>13</u>	<u>1,151,361</u>	<u>1,147,147</u>	<u>1,066</u>	<u>3,148</u>
(Grants, included above)	(--)	(735,513)	(--)	(--)	(13)	(735,526)	(734,460)	(1,066)	(--)
(Loans, included above)	(4,795)	(396,487) 2/	(10,955)	(+3,598)	(--)	(415,835)	(412,687)	--	(3,148)
Sahel Development Program	154	75,000	1,496	--	--	76,650	75,152	--	1,498
American Schools and Hospitals	--	25,000	--	--	--	25,000	25,000	--	--
International Disaster Assistance	6,058	20,000	--	+2,157 3/	--	28,215	28,029	186	--
African Refugees	--	15,000	--	--	--	15,000	14,999	1	--
Italy Relief and Rehabilitation	3,576	--	--	--	--	3,576	3,576	--	--
Romanian Relief & Rehabilitation	700	--	--	--	--	700	700	--	--
Miscellaneous Prior Year Accounts:									
Disaster Relief Assistance	1,627	--	1,401	--	--	3,028	2,323	--	705
Development Loan Fund	--	--	3,598	-3,598	--	--	--	--	--
President's Foreign Assistance Contingency Fund	--	3,000	--	--	--	3,000	2,990	10	--
Overseas Training (Foreign Currency Program)	(157)	(400)	(-6) 4/	--	--	(551)	(353)	(198)	--
SUBTOTAL, Func. & Other	<u>16,910</u>	<u>1,270,000</u>	<u>17,450</u>	<u>+2,157</u>	<u>13</u>	<u>1,306,530</u>	<u>1,299,916</u>	<u>1,263</u>	<u>5,351</u>
Operating Expenses	--	254,000	--	-1,500	2,480	254,980	251,701	3,279	--
Foreign Service Retirement and Disability Fund	--	25,676	--	--	--	25,676	25,676	--	--
TOTAL, AID DEVELOPMENT ASSISTANCE	<u>16,910</u>	<u>1,549,676</u>	<u>17,450</u>	<u>+ 657</u>	<u>2,493</u>	<u>1,587,186</u>	<u>1,577,293</u>	<u>4,542</u>	<u>5,351</u>
Economic Support Fund	--	2,282,000	--	-500	--	2,281,500	1,942,547	--	338,953 5/
TOTAL, AGENCY FOR INTERNATIONAL DEVELOPMENT	<u>16,910</u>	<u>3,831,676</u>	<u>17,450</u>	<u>+ 157 3/</u>	<u>2,493</u>	<u>3,868,686</u>	<u>3,519,840</u> ✓	<u>4,542</u>	<u>344,304</u>

1/ Amount used to cover upward adjustment in prior year's obligation.

2/ P.L. 95-481 included a "floor" of \$396.2 million for loans from new obligational authority.

3/ Includes \$157 thousand transferred from the Middle East Special Requirements Fund, part of the Peacekeeping Operations Appropriation now administered by the Department of State.

4/ Adjustment due to changes in exchange rates.

5/ Includes \$23,953 thousand requested for reappropriation, includes \$215 million for Egypt and \$100 million for Turkey.

INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
 AGENCY FOR INTERNATIONAL DEVELOPMENT
 TOTAL PROGRAM AVAILABILITY
 FY 1980 ESTIMATED
 (\$ 000)

	UNOBLIGATED BALANCE BROUGHT FORWARD ***** *****	NEW BUDGET AUTHORITY ***** *****	AVAILABLE RECEIPTS & RECOVERIES ***** *****	TRANSFERS ***** *****	REIMBURSEMENTS ***** *****	TOTAL AVAILABLE FOR OBLIGATION ***** *****	INSTITUTE FOR SCIENTIFIC & TECHNOLOGICAL COOPERATION ***** *****	TOTAL A. I. D. PROGRAM ***** *****	UNOBLIGATED BALANCE CARRIED FORWARD ***** *****
FUNCTIONAL DEVELOPMENT ASSISTANCE:									
Agriculture, Rural									
Development and Nutrition	1,607	659,000	--	+1,043	--	661,650	47,800	613,850	--
Population Planning	--	195,500	--	--	--	195,500	500	195,000	--
Health	399	140,590	--	+6	--	140,995	8,376	132,619	--
Education & Human Resources									
Development	983	105,000	--	+4	--	105,987	--	105,987	--
Selected Development Activities	159	118,590	--	+1	--	118,750	200	118,550	--
SUBTOTAL, Func. Accounts	3,148	1,218,680	--	+1,054	--	1,222,882	56,876	1,166,006	--
(Grants, included above)	(--)	(845,930)	--	(--)	--	(845,930)	(56,876)	(789,054)	--
(Loans, included above)	(3,148)	(372,750)	--	(+1,054)	--	(376,952)	(--)	(376,952)	--
Sahel Development Program	1,498	100,000	--	--	--	101,498	--	101,498	--
American Schools and Hospitals	--	20,000	--	--	--	20,000	--	20,000	--
International Disaster Assis.	--	21,800	--	--	--	21,800	--	21,800	--
Caribbean Disaster Relief	--	20,000	--	--	--	20,000	--	20,000	--
Cambodian Disaster Relief	--	30,000	--	--	--	30,000	--	30,000	--
Miscellaneous Prior Year									
Accounts:									
Disaster Relief Assistance	705	--	--	--	--	705	--	705	--
Development Loan Fund	--	--	1,054	-1,054	--	--	--	--	--
Retroactive Terms Adjustment	--	--	12,252 1/	--	--	12,252 1/	--	12,252 1/	--
Overseas Training and Special									
Development Activities (Foreign									
Currency Program)	--	(20,500)	--	--	--	(20,500)	--	(20,500)	--
SUBTOTAL, Func. & Other	5,351	1,410,480	13,306	--	--	1,429,137	56,876	1,372,261	--
Operating Expenses: AID & IDCA	--	271,587 2/	--	--	2,000	273,587	--	273,587	--
Foreign Service Retirement									
and Disability Fund	--	26,696 3/	--	--	--	26,696	--	26,696	--
TOTAL, AID DEVELOPMENT ASSISTANCE	5,351	1,708,763	13,306	--	2,000	1,729,420	56,876	1,672,544	--
Economic Support Fund	338,953 4/	2,107,000 5/	--	--	--	2,445,953	--	2,345,953	100,000
TOTAL, AGENCY FOR INTERNATIONAL DEVELOPMENT	344,304	3,815,763	13,306	--	2,000	4,175,373	56,876	4,018,497	100,000

1/ Funded from anticipated loan receipts.

2/ Includes \$8,587 thousand proposed budget supplemental to cover October 1979 pay raise costs.

3/ Includes \$1,020 thousand proposed budget supplemental to cover October 1979 pay raise costs.

4/ Includes \$23,953 thousand anticipated reappropriation, \$115 million for Egypt, \$100 million for Turkey.

5/ Includes \$80,000 thousand pending budget supplemental for Central America and a \$100,000 thousand proposed budget supplemental for Pakistan.

NOTE: Regular appropriations for these accounts for FY 1980 had not been enacted at the time this budget was prepared. Funding is currently provided by a Continuing Resolution (Public Law 96-123) in effect through September 30, 1980. The amounts shown above are based on House and Senate action on H.R. 4473, Foreign Assistance & Related Programs Appropriations Act, 1980.

INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
 AGENCY FOR INTERNATIONAL DEVELOPMENT
 FY 1981 AUTHORIZATION AND NEW BUDGET AUTHORITY REQUEST
 FY 1981 PROPOSED PROGRAM
 (in thousands of dollars)

	1 9 8 1			
	FOREIGN ASSIST- ANCE ACT AUTHORIZATION REQUEST	BUDGET AUTHORITY REQUEST	ESTIMATED CARRYOVER AND REIMBURSEMENTS	PROPOSED PROGRAM
Functional Development Assistance:				
Agriculture, Rural Development and Nutrition	729,273	729,273	--	729,273
Population Planning	238,015	238,015	--	238,015
Health	164,213	164,213	--	164,213
Education and Human Resources Development	122,069	122,069	--	122,069
Selected Development Activities	160,632	160,632	--	160,632
SUBTOTAL, Functional Accounts (Grants, included above)	<u>1,414,202</u> (939,722)	<u>1,414,202</u> (939,722)	--	<u>1,414,202</u> (939,722)
(Loans, included above)	(474,480)	(474,480)	--	(474,480)
Sahel Development Program	113,442 ^{a/}	113,442	--	113,442
American Schools and Hospitals Abroad	15,000	15,000	--	15,000
American Schools and Hospitals Abroad:				
Foreign Currency Program	^{b/}	(14,300)	--	(14,300)
International Disaster Assistance	25,000	25,000	--	25,000
Overseas Training: Foreign Currency Program	^{b/}	(650)	--	(650)
Retroactive Terms Adjustment	10,845	^{c/}	--	10,845
SUBTOTAL, Functional & Other	<u>1,578,489</u>	<u>1,567,644</u>	--	<u>1,578,489</u>
Operating Expenses: AID ^{d/}	289,100	289,100	1,500 ^{e/}	290,600
Foreign Service Retirement Fund	^{f/}	25,296	--	25,296
TOTAL, AID Bilateral Development Assistance	<u>1,867,589</u>	<u>1,882,040</u>	<u>1,500</u>	<u>1,894,385</u>
Economic Support Fund ^{g/}	2,080,500	2,080,500	100,000 ^{h/}	2,180,500
TOTAL, Agency for International Development	<u>3,948,089</u>	<u>3,962,540</u>	<u>101,500</u>	<u>4,074,885</u>

^{a/} Assumes FY 1980 appropriation of \$100 million, which would exhaust the existing no-year authorization for the Sahel Development Program.

^{b/} Authorized by section 612 of the Foreign Assistance Act.

^{c/} Funded from anticipated loan receipts, no new budget authority is requested but the program must be approved in the FY 1981 Appropriation Act.

^{d/} Excludes IDCA operating expenses of \$4.7 million.

^{e/} Estimated reimbursements for services provided other agencies.

^{f/} Authorized by section 865 of the Foreign Service Act of 1946 and by the Foreign Assistance Act of 1973.

^{g/} Excludes programs for the UN Forces in Cyprus, \$9 million, and the Sinai Support Mission, \$16 million, now funded under Peacekeeping Operations and justified by the Departments of State and Defense.

^{h/} Carryover for Egypt of funds appropriated in FY 1979.

INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

AGENCY FOR INTERNATIONAL DEVELOPMENT
CASH OUTLAYS AND UNLIQUIDATED BALANCES

FY 1979 ACTUAL
(in thousands of dollars)

FUNCTIONAL DEVELOPMENT ASSISTANCE:	UNLIQUIDATED BALANCE (PIPELINE)	CURRENT YEAR OBLIGATIONS	TOTAL AVAILABLE	O U T L A Y S			UNLIQUIDATED BALANCE (PIPELINE)
	9/30/78 ^{1/}			PRIOR YEAR FUNDS	CURRENT YEAR FUNDS	TOTAL	9/30/79
Agriculture, Rural Development, and Nutrition	1,363,798	614,158	1,977,956	419,853	38,696	458,549	1,519,407
Population Planning	186,279	184,935	371,214	123,643	16,726	140,369	230,845
Health	214,377	132,946	347,323	52,726	10,077	62,803	284,520
Education and Human Resources Development	179,697	97,681	277,378	63,867	6,793	70,660	206,718
Selected Development Activities	180,277	117,427	297,704	82,358	22,710	105,068	192,636
Development Loans, pre-1974	68,542	--	68,542	20,524	--	20,524	48,018
SUBTOTAL, FUNCTIONAL ACCOUNTS	2,192,970	1,147,147	3,340,117	762,971	95,002	857,973	2,482,144
Sahel Development Program	46,218	75,152	121,370	9,249	6,674	15,923	105,447
American Schools and Hospitals Abroad	36,128	25,000	61,128	18,153	7,895	26,048	35,080
International Disaster Assistance ^{2/}	64,076	47,304	111,380	30,925	23,062	53,987	57,393
Miscellaneous Appropriations ^{3/}	57,608	2,323	59,931	20,689	269	20,958	38,973
President's Foreign Assistance Contingency Fund	1,511	2,990	4,501	88	2,943	3,031	1,470
SUBTOTAL, FUNCTIONAL & OTHER	2,398,511	1,299,916	3,698,427	842,075	135,845	977,920	2,720,507
Operating Expenses	40,978	251,701	292,679	35,302	194,508	229,810	62,869
Foreign Service Retirement and Disability Fund	--	25,676	25,676	--	25,676	25,676	--
SUBTOTAL, AID DEVELOPEMT ASSISTANCE	2,439,489	1,577,293	4,016,782	877,377	356,029	1,233,406	2,783,376
Economic Support Fund ^{4/}	2,589,320	1,942,547	4,531,867	829,435	899,338	1,728,773	2,803,094
TOTAL, AGENCY FOR INTERNATIONAL DEVELOPMENT	5,028,809	3,519,840	8,548,649	1,706,812	1,255,367	2,962,179	5,586,470
				Less Loan Receipts.....	- 584,285		
				Net Outlays, AID.....	2,377,894		

^{1/} Revised to reflect adjustments in prior year obligations.

^{2/} Includes special disaster appropriations for Italy, Romania, and African Refugees.

^{3/} Includes Prototype Desalting Plant, Disaster Relief Assistance, Refugee Relief Assistance (Bangladesh), African Famine Relief (Sahel), African Development Program, State Administrative Expenses, Social Progress Trust Fund, Indochina Postwar Reconstruction, and Assistance to Portugal and Portuguese Colonies.

^{4/} Includes Security Supporting Assistance. Excludes Peacekeeping Operations and Middle East Special Requirements Fund administered by the Department of State.

INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
 AGENCY FOR INTERNATIONAL DEVELOPMENT
 CASH OUTLAYS AND UNLIQUIDATED BALANCES
 FY 1980 ESTIMATED
 (in millions of dollars)

FUNCTIONAL DEVELOPMENT ASSISTANCE:	PRIOR YEAR UNLIQUIDATED BALANCE (PIPELINE) 9/30/79 1/	CURRENT YEAR OBLIGATIONS	TOTAL AVAILABLE	O U T L A Y S			UNLIQUIDATED BALANCE (PIPELINE) 9/30/80
				PRIOR YEAR FUNDS	CURRENT YEAR FUNDS	TOTAL	
Agriculture, Rural Development and Nutrition	1,507.4	613.9	2,121.3	425.5	26.6	452.1	1,669.2
Population Planning	225.8	195.0	420.8	126.7	14.9	141.6	279.2
Health	280.5	132.6	413.1	93.6	7.0	100.6	312.5
Education and Human Resources Development	201.7	106.0	307.7	78.1	7.4	85.5	222.2
Selected Development Activities	186.6	118.5	305.1	88.2	8.6	96.8	208.3
Development Loans, pre-1974	47.0	--	47.0	33.4	--	33.4	13.6
SUBTOTAL, FUNCTIONAL ACCOUNTS	2,449.0	1,166.0	3,615.0	845.5	64.5	910.0	2,705.0
Sahel Development Program	105.4	101.5	206.9	26.4	8.1	34.5	172.4
American Schools and Hospitals Abroad	35.1	20.0	55.1	14.0	4.0	18.0	37.1
International Disaster Assistance 2/	56.4	71.8	128.2	28.6	48.7	77.3	50.9
Miscellaneous Appropriations 3/	39.0	.7	39.7	20.2	--	20.2	19.5
President's Foreign Assistance Contingency Fund	1.5	--	1.5	1.5	--	1.5	--
SUBTOTAL, FUNCTIONAL & OTHER	2,686.4	1,360.0	4,046.4	936.2	125.3	1,061.5	2,984.9
Operating Expenses	60.4	273.6	334.0	48.3	221.5	269.8	64.2
Foreign Service Retirement and Disability Fund	--	26.7	26.7	--	26.7	26.7	--
SUBTOTAL, AID DEVELOPMENT ASSISTANCE	2,746.8	1,660.3	4,407.1	984.5	373.5	1,358.0	3,049.1
Economic Support Fund 4/	2,802.1	2,346.0	5,148.1	925.0	1,082.0	2,007.0	3,141.1
TOTAL, AGENCY FOR INTERNATIONAL DEVELOPMENT 5/	5,548.9	4,006.3	9,555.2	1,909.5	1,455.5	3,365.0	6,190.2
				Less Loan Receipts..... - 690.9 6/			
				Net Outlays, AID..... 2,674.1			

1/ Revised to reflect adjustments in prior year obligations.

2/ Includes special disaster appropriations for Cambodia and the Caribbean.

3/ Includes Prototype Desalting Plant, Disaster Relief Assistance, Refugee Relief Assistance (Bangladesh), African Famine Relief (Sahel), African Development Program, State Administrative Expenses, Social Progress Trust Fund, Indochina Postwar Reconstruction, and Assistance to Portugal and Portuguese Colonies.

4/ Includes Security Supporting Assistance. Excludes Peacekeeping Operations and Middle East Special Requirements Fund administered by the Department of State.

5/ Excludes ISTC transfer projects of \$56.9 million and outlays of \$4.6 million.

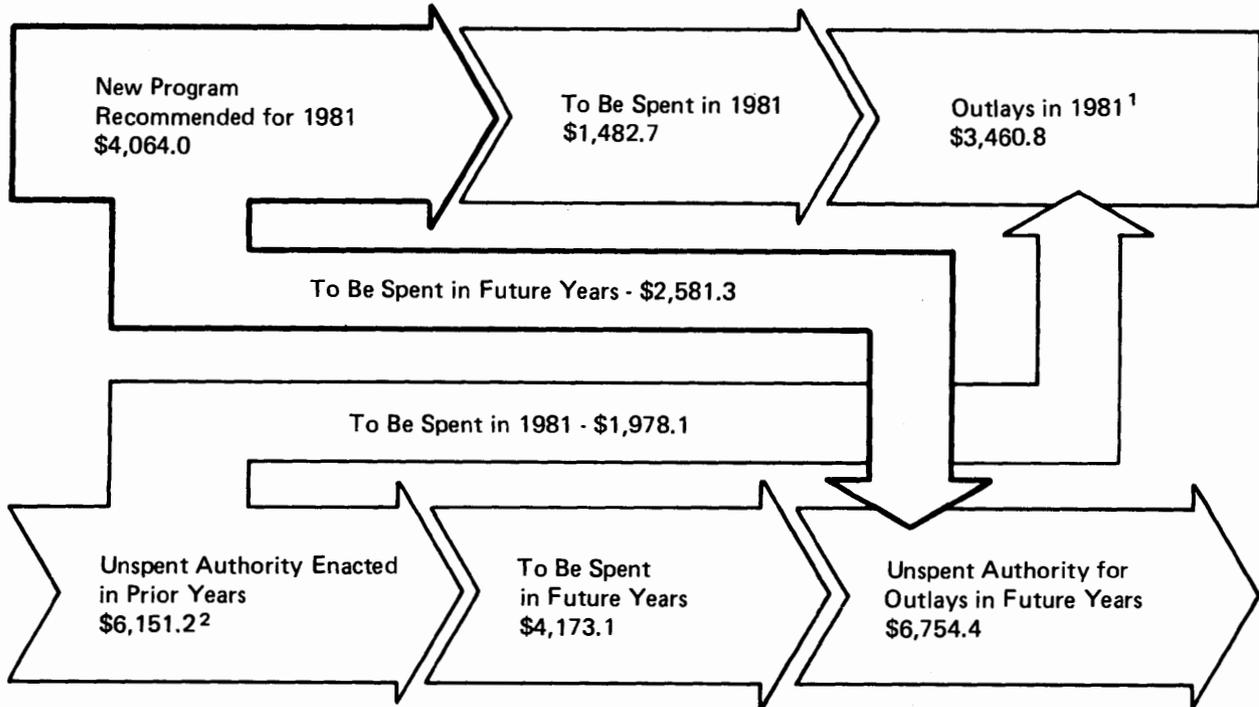
6/ Excludes receipts to be used for Retroactive Terms Adjustment of \$12.3 million.

INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
 AGENCY FOR INTERNATIONAL DEVELOPMENT
 CASH OUTLAYS AND UNLIQUIDATED BALANCES
 FY 1981 PROPOSED
 (in millions of dollars)

FUNCTIONAL DEVELOPMENT ASSISTANCE:	PRIOR YEAR UNLIQUIDATED BALANCE (PIPELINE) 9/30/80 ^{1/}	CURRENT YEAR OBLIGATIONS	TOTAL AVAILABLE	O U T L A Y S			UNLIQUIDATED BALANCE (PIPELINE) 9/30/81
				PRIOR YEAR FUNDS	CURRENT YEAR FUNDS	TOTAL	
Agriculture, Rural Development and Nutrition	1,655.2	729.3	2,384.5	466.3	32.9	499.2	1,885.3
Population Planning	275.2	238.0	513.2	154.1	16.4	170.5	342.7
Health	307.5	164.2	471.7	105.4	7.9	113.3	358.4
Education and Human Resources Development	216.2	122.1	338.3	85.8	7.4	93.2	245.1
Selected Development Activities	203.3	160.6	363.9	104.3	9.9	114.2	249.7
Development Loans, pre-1974	13.6	--	13.6	13.6	--	13.6	--
SUBTOTAL, FUNCTIONAL ACCOUNTS	2,671.0	1,414.2	4,085.2	929.5	74.5	1,004.0	3,081.2
Sahel Development Program	171.9	113.4	285.3	43.0	9.1	52.1	233.2
American Schools and Hospitals Abroad	37.1	15.0	52.1	14.8	3.0	17.8	34.3
International Disaster Assistance	49.9	25.0	74.9	33.1	10.0	43.1	31.8
Miscellaneous Appropriations ^{2/}	19.5	--	19.5	13.0	--	13.0	6.5
SUBTOTAL, FUNCTIONAL & OTHER	2,949.4	1,567.6	4,517.0	1,033.4	96.6	1,130.0	3,387.0
Operating Expenses ^{3/}	61.7	290.6	352.3	54.7	226.8	281.5	70.8
Foreign Service Retirement and Disability Fund	--	25.3	25.3	--	25.3	25.3	--
SUBTOTAL, AID DEVELOPMENT ASSISTANCE	3,011.1	1,883.5	4,894.6	1,088.1	348.7	1,436.8	3,457.8
Economic Support Fund ^{4/}	3,140.1	2,180.5	5,320.6	890.0	1,134.0	2,024.0	3,296.6
TOTAL, AGENCY FOR INTERNATIONAL DEVELOPMENT ^{5/}	6,151.2	4,064.0	10,215.2	1,978.1	1,482.7	3,460.8	6,754.4
						Less Loan Receipts... - 767.1 ^{6/}	
						Net Outlays, AID..... 2,693.7	

^{1/} Revised to reflect adjustments in prior year obligations.
^{2/} Includes Disaster Relief Assistance, Prototype Desalting Plant, and Social Progress Trust Fund.
^{3/} Excludes IDCA operating expenses.
^{4/} Includes Security Supporting Assistance. Excludes Peacekeeping Operations.
^{5/} Excludes projects transferred to ISTC in FY 1980 with outlays of \$27.0 million.
^{6/} Excludes receipts to be used for Retroactive Terms Adjustment of \$10.8 million.

**Relation of Proposed FY 1981 Program to Outlays
(Millions of Dollars)**



¹Excludes offsetting loan receipts \$767.1 Million.

²Pipeline data adjusted for recoveries from prior year obligations.

AUTHORIZATION AND APPROPRIATION HISTORY FOR ECONOMIC ASSISTANCE
Under the Foreign Assistance Act of 1961 and Predecessor Legislation
(Including supplementals, excluding International Narcotics Control)
FY 1948-1980
(in millions of dollars)

Fiscal Year	Authorization Request ^{a/}	Authorized by Congress ^{b/}	Appropriation Request ^{a/}	Appropriated by Congress ^{c/}
1948-49	7,370.0	6,913.0	7,370.0	6,446.3
1950	4,280.0	4,280.0	4,280.0	3,728.4
1951	2,950.0	2,762.5	2,950.0	2,262.5
1952	2,197.0	1,585.7	2,197.0	1,540.4
1953	2,475.0	1,894.3	2,499.0	1,782.1
1954	1,543.2	1,475.7	1,543.2	1,301.5
1955	1,798.1	1,571.9	1,788.5	1,528.8
1956	1,812.8	1,851.8	1,812.8	1,681.1
1957	1,860.0	1,815.1	1,860.0	1,749.1
1958	1,964.4	1,786.9	1,964.4	1,428.9
1959	2,142.1	2,070.6	2,142.1	1,933.1
1960	2,330.0	2,176.8	2,330.0	1,925.8
1961	2,875.0	2,786.3	2,875.0	2,631.4
1962	2,883.5	2,559.5	2,883.5	2,314.6
1963	3,281.3	3,074.8	3,281.3	2,573.9
1964	3,124.6	2,602.1	3,124.6	2,000.0
1965	2,461.7	2,452.0	2,461.7	2,195.0
1966	2,704.5	2,605.0	2,704.5	2,463.0
1967	3,443.4	2,628.0	2,469.0	2,143.5
1968	2,785.6	2,165.0	2,630.4	1,895.6
1969	2,554.2	1,609.8	2,498.5	1,380.6
1970	2,210.0	1,624.2	2,210.0	1,424.9
1971	2,093.7	2,093.7	2,008.0	1,733.9
1972	2,355.2	1,868.6	2,355.2	1,718.2
1973	1,970.5	1,026.5	2,256.6	1,664.2
1974	1,760.6	1,726.9	1,884.2	1,632.6
1975	2,603.5	2,584.9	2,948.7	2,049.8 ^{d/}
1976	3,192.3	3,388.3	3,216.5	3,168.9
1977	3,490.8	3,642.6	3,328.1	3,156.6
1978	3,500.2	3,566.8	3,531.6	3,750.0
1979	4,238.0	4,226.1	4,262.8	4,119.1
1980	3,870.9 ^{e/}	3,515.1 ^{e/}	3,841.6 ^{e/}	- ^{f/}

NOTE: Excludes Investment Guaranty Program (Borrowing Authority and Appropriations) and OPIC

^{a/} Adjusted to fiscal year basis and includes Executive Branch adjustments.

^{b/} Adjusted to fiscal year basis and includes multiyear authorizations.

^{c/} Includes Borrowing Authority (other than for Investment Guaranties) during Marshall Plan period April 1948-52.

^{d/} Excludes \$15,600 thousand for payment to the Foreign Service Retirement and Disability Fund. The FY 1975 Payment of \$16,080 thousand is funded by transfer of \$480 thousand from Development Assistance funds and \$15,600 thousand from funds appropriated for the same purpose in the Department of State Appropriation Act, 1975.

^{e/} Excludes International Organizations and Peacekeeping Operations.

^{f/} Appropriation bill for FY 1980 not yet enacted as of printing date.

PROPORTION OF A.I.D. BILATERAL DEVELOPMENT
ASSISTANCE TO THE POOREST DEVELOPING COUNTRIES

	Total Direct to all Assisted Countries <u>(\$ In Millions)</u>	Total Direct To Poorest Developing Countries <u>(\$ In Millions)</u>	<u>%</u>
1975	670.5	454.1	68%
1977	559.9	449.2	80%
1979	850.1	690.1	81%
1981	1,014.2	855.7	84%

The Developing countries designated as the poorest are those that meet the poverty criterion for eligibility for assistance from the International Development Association (IDA)

DISTRIBUTION OF PER CAPITA INCOME

<u>Country</u>	<u>Per Capita (a)</u>	<u>Country</u>	<u>Per Capita (a)</u>
Bhutan	80	Equatorial Guinea,	
Bangladesh	90	Republic of	330
Laos	90	Cameroon	340
Maldivo Islands	90	Yemen, Peoples	
Ethiopia	110	Dem. Rep. of	340
Mali	110	Western Somoa	360
Nepal	110	Ghana	380
Somalia	110	Botswana	410
Burundi	130	Honduras	410
Cape Verde	130	Liberia	420
Chad	130	Nigeria	420
Rwanda	130	Sao Tome and Principe	420
Upper Volta	130	Thailand	420
Zaire	130	Senegal	430
Burma	140	Yemen Arab Republic	430
Malawi	140	Philippines	450
India	150	Zambia	450
Mozambique	150	Congo, Rep. of	490
Niger	160	Papua New Guinea	490
Vietnam	160	Southern Rhodesia	500
Afghanistan	190	Grenada	520
Comoros	190	El Salvador	550
Pakistan	190	Morocco	550
Sierra Leone	190	Guyana	560
Tanzania	190	Swaziland	610
Djibouti, Democratic		Bolivia	630
Republic of	194	Ivory Coast	690
Benin (Dahomey)	200	Jordan	710
Gambia, The	200	Seychelles	710
Sri Lanka	200	Colombia	720
Guinea	220	Paraguay	730
Haiti	230	Mauritius	760
Lesotho	240	Ecuador	790
Madagascar	240	Guatemala	790
Central African Republic	250	Korea, Republic of	820
Solomon Islands	250	Nicaragua	830
Kenya	270	Dominican Republic	840
Mauritania	270	Peru	840
Uganda	270	Tunisia	860
Guinea-Bissau	280	Syria	910
Sudan	290	Malaysia	930
Angola	300	Algeria	1,110
Indonesia	300	Turkey	1,110
Togo	300	Mexico	1,120
Egypt	320	Jamaica	1,150

<u>Country</u>	Per Capita (a)
Lebanon	1,070 (1975)
Chile	1,160
China, Republic of	1,170
Fiji	1,210
Panama	1,220
Costa Rica	1,240
South Africa, Republic of	1,340
Brazil	1,360
Uruguay	1,430
Suriname	1,470
Iraq	1,550
Romania	1,580
Argentina	1,730
Barbados	1,770
Cyprus	1,830
Portugal	1,890
Yugoslavia	1,960
Iran	2,160
Trinidad & Tobago	2,380
Oman	2,540
Hong Kong	2,590
Venezuela	2,660
Greece	2,810
Israel	2,850
Singapore	2,880
Spain	3,190
Bahamas	3,520
Gabon	3,860

Source: World Bank, using Atlas methodology.

GLOSSARY OF TERMS

The Glossary defines legislative, administrative, programming and budget terms* referred to in this Presentation. Under-scored terms in the definitions are defined elsewhere in the Glossary. Frequently used abbreviations are included.

Activity: project or task required to carry out a program. The word "activity" is used for any activity or unified group of activities, programs, projects, types of material assistance or other operations for which a separate Activity Data Sheet in the Congressional Presentation or in an Advice of Program Change would normally be used.

Actual Year: last completed fiscal year; in this case, FY 1979.

Appropriation: an act of Congress permitting Federal agencies to incur obligations for specified purposes, e.g., Foreign Assistance and Related Programs Appropriation Act, 1979.

Appropriation Accounts: the separate accounts for which specific dollar amounts are authorized and appropriated.

Authorization: substantive legislation which establishes legal operation of a Federal program, either indefinitely or for a specific period and sanctions particular program funding levels, e.g., the Foreign Assistance Act of 1961, as amended (FAA).

Bilateral Assistance: economic assistance provided directly by a country to a country or intended to benefit one or more countries indirectly. (A.I.D. Development Assistance, Economic Support Fund and most P.L. 480 food aid are among the U.S. bilateral programs. Others include Peace Corps and International Narcotics Control).

Budget Authority: authority provided to the Government by law to enter into obligations which result in outlays of government funds.

Budget Year: year of budget consideration; in this case, FY 1981.

Consortium Grants: grants to consortia of PVOs to enable a group of PVOs with similar interests to exchange information and program experiences and to collaborate in programs, thereby avoiding duplication.

* For additional definitions of budget terms, see "Terms Used in the Budgetary Process," July 1977 (PAD-77-9) published by the Comptroller General of the United States.

Cooperatives: a business voluntarily owned and controlled by its users and operated for them on a non-profit basis.

Deobligations: unexpended funds obligated for a specific activity which are subsequently withdrawn, following a determination that they are not required for that activity.

Development Assistance: assistance primarily designed to promote economic growth and equitable distribution of its benefits. Except as otherwise specified, the term includes all of the A.I.D. appropriation accounts with the exception of the Economic Support Fund.

Development Assistance Committee (DAC): a specialized committee of the Organization for Economic Cooperation and Development (OECD). The purpose of the DAC is to increase total resources made available to developing countries. Member countries jointly review the amount and nature of their contributions to bilateral and multilateral aid programs in the developing countries. DAC members are Australia, Austria, Belgium, Canada, Denmark, Finland, France, the Federal Republic of Germany, Italy, Japan, the Netherlands, New Zealand, Norway, Sweden, Switzerland, the United Kingdom, the United States and the Commission of the European Economic Communities.

Development Loan: a long term, low interest loan in U.S. dollars which finances goods and services and general imports needed for development usually from the United States.

Development Program Grants (DPGs): grants to assist PVOs to strengthen their ability to be effective development agencies.

Economic Assistance: bilateral and multilateral foreign assistance designed primarily to benefit the recipient country's economy. Military assistance, Export-Import Bank activities, Overseas Private Investment Corporation programs and Commodity Credit Corporation short-term credit sales, which have primary purposes other than economic development, are not included in this category.

Economic Support Fund: an appropriation account for funding economic assistance to countries based on considerations of special economic, political or security needs and U.S. interests. It took the place of Security Supporting Assistance, as provided in Section 10(b) (6) of the International Security Assistance Act of 1978 (92 STAT 735).

Expenditures: as reported in this document, represent the accrued value of goods or services committed. Actual expenditures, e.g., funds paid out, or disbursements, are also reported as outlays (from the U.S. Treasury) or resource flows (funds paid to recipients).

Fiscal Year: yearly accounting period, without regard to its relationship to a calendar year. (The fiscal year for the U.S. Government begins October 1 and ends September 30).

Foreign Assistance Act (FAA): the Foreign Assistance Act of 1961, as amended (A.I.D.'s present authorizing legislation).

Foreign Assistance and Related Programs Appropriation Act: the appropriation act for a particular year for economic (except P.L. 480) and military assistance and Export-Import Bank. The Appropriation Act for 1980 had not been enacted as of this printing.

Functional Assistance: Development Assistance funded from one of the following five appropriation accounts: (1) Agriculture, Rural Development Nutrition; (2) Population Planning; (3) Health; (4) Education and Human Resources Development; and (5) Technical Assistance, Energy, Research, Reconstruction and Selected Development Problems ("Selected Development Activities").

Grants: assistance which need not be repaid. (Term also describes a funding instrument for programs of an institution or organizations, e.g., International Planned Parenthood Federation (IPPF) or an international agricultural research center).

Institutional Support Grants: grants to organizations which provide a unique development service overseas but are unable to raise enough money from the private sector to finance their operations.

International Financial Institutions (IFIs): currently known as Multilateral Development Banks (MDBs), multilateral lending institutions which provide resources for development. They include the following: Asian Development Bank (ADB), Inter-American Development Bank (IADB), International Bank for Reconstruction and Development (IBRD) ("The World Bank"), International Finance Corporation (IFC), International Development Association (IDA) and African Development Fund (ADF).

Loans: assistance which must be repaid. Repayment terms for development loans under Development Assistance and Economic Support Fund are established by A.I.D. in accordance with the Foreign Assistance Act of 1961, as amended (FAA), and the current Foreign Assistance and Related Programs Appropriation Act.

Management Services Grants: grants to PVOs who in turn provide management or program support services to other PVOs (clearinghouse, accounting assistance, evaluation, etc.).

Multilateral Assistance: economic assistance which the United States provides to LDCs through multilateral development banks and the United Nations agencies, and other international organizations with development purposes.

Multilateral Development Banks (MDBs): see international financial institutions (IFIs).

New Directions: legislation enacted in 1973 requiring A.I.D. to focus more of its efforts on helping the poor majority in developing countries.

Non-Project Assistance: program or commodity loans or grants which provide budget or balance of payments support to another country. Such assistance is usually funded under the Economic Support Fund.

Obligation: legal commitment of budget authority. This commitment consists of a signed agreement between the U.S. Government and the host government for goods and services received, or a contract or with a grant to an organization.

Ocean Freight Reimbursements: reimburses PVOs for up to one-half of their cost in shipping equipment and commodities overseas in support of their development programs.

Official Development Assistance (ODA): assistance on concessional terms (with a grant element of at least 25 percent), provided by member countries of the Development Assistance Committee (DAC) to promote economic development in developing countries.

Operating Expenses: includes all costs associated with A.I.D.'s direct efforts in direct-hire personnel and their related expenses such as "Travel and Transportation"--the costs of "doing business".

Operational Year: fiscal year in progress (current year); presently FY 1980.

Operational Program Grants (OPGs): grants to PVOs to carry out specific programs.

Organization for Economic Cooperation and Development (OECD): organization of donor countries which promotes policies designed to stimulate economic growth and development of less developed countries (LDCs). OECD member countries are Australia, Austria, Belgium, Canada, Denmark, Finland, France, the Federal Republic of Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

Outlays: cash disbursements from the Treasury.

Peacekeeping Operations: the program authorized and appropriated for FY 1979 for a special type of economic assistance for peacekeeping operations and other programs carried out in furtherance of the national interests of the United States.

Pipeline: the difference between obligations and expenditures.

P.L. 480: the Agricultural Trade Development and Assistance Act of 1954, as amended, which governs administration of the U.S. Food For Peace program. (Term is often used to describe food aid).

President's Budget: budget for a particular fiscal year transmitted to Congress by the President in accordance with the Budget and Accounting Act of 1921, as amended.

Private Voluntary Organization (PVO): a non-profit tax-exempt and non-governmental organization established and governed by a group of private citizens whose purpose is to engage in voluntary, charitable and development assistance operations overseas.

Program: a coordinated set of A.I.D.-financed activities directed toward specific goals. For example: maternal child health, nutrition education and family planning projects designed to promote the spacing of children may comprise a program to reduce infant deaths.

Project: a single activity designed to generate specific results. For example: maternal child health project may be designed to extend basic health services to 60 percent of children under five years of age in a poor, rural district of the recipient country. A project is A.I.D.'s basic unit of management.

Reobligation: obligation of an amount which had been obligated and deobligated in prior transactions.

Abbreviations

ADB	-	African Development Bank
ADB	-	Asian Development Bank
ADC	-	Agricultural Development Council
ADF	-	African Development Fund
A.I.D.	-	Agency for International Development
ASEAN	-	Association of Southeast Asian Nations
ASHA	-	American Schools and Hospitals Abroad
BHN	-	Basic Human Needs
BIFAD	-	Board for International Food and Agricultural Development
CDSS	-	Country Development Strategy Statement
CILSS	-	Permanent Interstate Committee for Drought Control in the Sahel
CP	-	Congressional Presentation
DAC	-	Development Assistance Committee (of the OECD)
DCC	-	Development Coordination Committee
ESF	-	Economic Support Fund
EX-IM	-	Export-Import Bank of the United States
FAA	-	Foreign Assistance Act of 1961, as amended
FAO	-	Food and Agriculture Organization of the United Nations
FFP	-	Food for Peace
FITC	-	Foundation for International Technological Cooperation
GDP	-	Gross Domestic Product
GNP	-	Gross National Product
PVOs	-	Private and Voluntary Organizations