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UNCLASSIFIED

Annual Budget Submission

FY 1984

PAKISTAN

June 1982

Agency for International Development
Washington, D.C. 20523

UNCLASSIFIED

BEST AVAILABLE

EMBASSY OF THE
UNITED STATES OF AMERICA

Islamabad, Pakistan

May 27, 1982

Mr. Eugene S. Staples
Acting Assistant Administrator
Bureau for Asia
Agency for International Development
Washington, D.C. 20523

Dear Mr. Staples:

I am satisfied that USAID/Pakistan's FY 1984 Annual Budget Submission is a sound proposal for FY 1984 funding. As it should, it fully reflects and carries out the purposes of our government's negotiations with the Government of Pakistan which laid out a six-year economic assistance program. It is mindful of the balance of payments and development objectives of those negotiations. The proposed FY 1984 projects, acknowledged to be at a preliminary conceptual stage, are worthy of further development.

The suggested revision of FY 1985, FY 1986 and FY 1987 funding totals, while leaving the overall program magnitude unchanged, is a useful and, to my mind, plausible proposal which should be fully considered in Washington.

In short, I approve this submission.

Sincerely,

Ronald I. Spiers
Ambassador

Enclosure: FY 1984 ABS

FY 1984 ANNUAL BUDGET SUBMISSION

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USAID/PAKISTAN

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USAID/PAKISTAN -- FY 1984 ABS

TABLE I

LONG-RANGE PLAN NARRATIVE

Background

The United States was one of the principal sources of development assistance for Pakistan before Section 669 of the Foreign Assistance Act was invoked in early 1979. From that time until early 1982, new obligations of assistance under the Foreign Assistance Act were suspended and only PL 480 assistance was provided. The governments of the United States and Pakistan are now embarked on a renewed and strengthened effort to increase their economic and development cooperation. This effort was initiated by high-level USG-GOP consultations in 1981 which culminated in the negotiation of a $3.2 billion package of economic and military assistance which the U.S. will seek to provide to Pakistan during the period FY 1982 through FY 1987.

The USG Economic Assistance Negotiating Team, headed by the A.I.D. Administrator, visited Pakistan in August 1981 to discuss the details of the economic portion of the military/economic assistance package with the Government of Pakistan. These negotiations were successfully completed, and agreement was reached on the composition of the FY 1982 ESF Program and on areas of concentration for the FY 1982 through FY 1987 period.

The economic assistance component was designed not only to maximize its development impact but also to produce as favorable a balance of payments impact as possible. The balance of payments objective reflects two critical purposes of the agreed-upon economic assistance: (1) to ameliorate the burden created by Pakistan's increased defense expenditures; and (2) to reduce the constraints on development which balance of payments limitations generate. In this manner, the interrelated economic, development, and security interests of both nations are being supported.

Strategy

The economic assistance package is one of the strategic elements of the renewed and expanded USG-GOP relationship. It is one of the principal instruments being used to achieve the USG and GOP's mutual goals with respect to security and economic development. This package is seen as an indispensable contribution to the shaping and implementation of a new US-Pakistan relationship and to the critical role in the region which the U.S. Government seeks to assist Pakistan to play. The military/security/political position of Pakistan, including the burden of a massive refugee influx, accentuates the development problems to which the proposed U.S. economic assistance package responds.

The economic assistance program is designed to help Pakistan, one of the world's largest and poorest nations, fulfill the basic human needs of its people. At the same time, it is designed to address the country's foreign exchange needs through quick disbursing activities while laying the foundation for more rapid economic growth. The program is shaped to assure the widest possible distribution of benefits. The program agreed to by the GOP and USG negotiating teams will:

1. reactivate a long-term development assistance relationship, which the U.S. views as important because of Pakistan's size, poverty, strategic location, and other multi-faceted U.S. interests;

2. provide balance of payments support to help address short and medium-term foreign exchange shortfalls, thereby reducing constraints to financing development activities and strengthening the economy;

3. address key economic problems, which will help Pakistan to achieve self-sustaining growth and manage its debt burden;

4. complement and support IMF, World Bank, and ADB assisted programs, and improve their overall impact; and,

5. expand resource availability for local cost financing.

All of the objectives and purposes of the economic package cannot be achieved simultaneously. In the first year, FY 1982, the balance of payments objective is given primary emphasis. In later years, the balance of payments focus is retained while attention to the long-term development needs is increased.

Program Composition

The program proposed for Pakistan for FY 1984 is a blend of development and commodity assistance financed with Economic Support Fund (ESF), Development Assistance (DA) and PL 480 resources. These have been integrated in a manner which optimizes the economic and development impact of the bilateral assistance. The total six-year economic assistance package totals \$1.625 billion, with \$1.050 billion in ESF, \$275 million in DA, and \$300 million in PL 480. The details of this funding by year and by ESF, DA and PL 480 are shown in Table I.

The program composition reflects a development-oriented program with emphasis on providing balance of payments assistance to the GOP. This is reflected in the considerable commodity component of the overall package (e.g., PL 480 edible oil, fertilizer, agricultural equipment, insecticides and contraceptives) and the substantial local currency cost financing in projects. Terms of the assistance reflect the USG's undertaking to provide two-thirds of the ESF assistance on a grant basis and one-third on a loan basis.

The \$300 million PL 480 Title I component of the assistance package is projected at \$50 million each year. As discussed in detail in the PL 480 narrative, the Title I program includes emphasis upon edible oil production and agricultural policy dialogues, and is supportive of and well-integrated with other components of the economic assistance program in Pakistan.

The Mission expects that PL 480 Title II commodities, distributed through multilateral institutions, will continue to provide significant levels of assistance to help the GOP deal with the humanitarian and relief problems associated with the large number of Afghan refugees in Pakistan. The latest figures available indicate there are approximately two million registered Afghan refugees in Pakistan. A policy decision has been made to provide USG assistance for the Afghan refugees in Pakistan under international programs coordinated by the U.N. High Commissioner for Refugees (UNHCR). To help alleviate the suffering of Afghan refugees, in 1981 the USG channeled $88 million in food and foreign exchange and the equivalent of $4.8 million in US-owned Pakistani rupees through the World Food Program, UNHCR, and voluntary agencies. Similar large amounts of assistance continue to be needed and are being provided in FY 1982. Given the volatile nature of the situation in Afghanistan and the possibility of another large influx of refugees, it is not possible to estimate the total level of assistance that will be required for refugees in FY 1983 and FY 1984. The Mission continues to recommend that appropriate levels of U.S. assistance be provided in conjunction with international donor efforts.

ESF and DA

The DA funding levels reflect planning figures provided by AID/Washington. During the six-year period (FY 1982 through FY 1987) of the economic assistance package, the annual level of DA rises gradually, from $25 million in FY 1983, to $50 million in FY 1984 and FY 1985, and to $75 million in FY 1986 and FY 1987.

ESF provides the major source of funding during the six-year period, with $100 million in FY 1982, $175 million in FY 1983 and FY 1984, $250 million in FY 1985 and FY 1986, and $100 million in FY 1987.

The total of DA and ESF is $1.325 billion, as negotiated in 1981. However, the total DA level has declined from the level discussed in 1981, reflecting AID/W guidance, and the ESF has been increased accordingly to assure a six-year package that still totals $1.325 billion. The yearly funding levels mentioned above represent a proposed revision of the notional totals for FY 1985, FY 1986 and FY 1987, set forth in the negotiations. Specifically, this ABS submission recommends $200 million in FY 1983, $225 million in FY 1984, $300 million in FY 1985, $325 million in FY 1986, and $175 million in FY 1987. These yearly funding levels reflect our best judgement at this time as to the allocation of annual totals within the $1.625 billion which provides the USG the programming flexibility believed necessary. A cable discussing this matter has been sent to AID/W and to the Department of State.

Pipeline Problems

USAID/Pakistan, in preparing projects, has been able to utilize FY 1984 funding to provide at least 12 months of funding for all ongoing grant projects requiring incremental funding, and at least 18 months of funding for all new grant projects with life of project costs greater than $2 million. However, the Mission has not been able to fully comply with all AID/W guidance on forward funding. For example, it has not been possible to fully fund new FY 1984 projects, nor to forward fund ongoing projects for completion with FY 1983 and FY 1984 money, nor has it been possible to fully fund all new loan projects.

The Mission's inability to completely adhere to forward funding guidelines is due to the resource requirements of the large number of development projects that are being initiated in accordance with the August 1981 USG-GOP negotiations (ten new projects and two major amendments in FY 1982 and four new projects in FY 1983). Incremental funding requirements for these ongoing projects will utilize all but $14 million of the proposed FY 1984 funds, thus preventing full compliance in FY 1984 with the forward funding guidelines. Adherence to the negotiated schedule for new project starts will not only mean fulfilling our commitment but would also effectively carry out the economic and political objectives of the program.

Assuming that the USG will be providing the full $1.625 billion to Pakistan agreed upon in August 1981, USAID/Pakistan anticipates no difficulties in being able to fully fund to completion all new projects and ongoing projects. Funds available in the years FY 1985 through FY 1987 will be more than adequate to complete funding on all projects initiated in FY 1982, FY 1983, and FY 1984.

A large buildup in the pipeline of undisbursed funds is not anticipated: (1) the funding constraints described above prevent significant forward funding; and (2) most of the activities are relatively fast disbursing. PL 480 Title I, the fertilizer component of the Agricultural Commodities and Equipment Program, and the commodities component of the Malaria Control II Project, which together represent 30 percent of the funding of the six year program, will be fully disbursed within a year after funds are obligated. A significant portion of the remainder of the assistance package will be fully disbursed within eighteen months after funds are obligated.

Project Reserve

Recognizing the inability to fully identify in the first year all possible needs for a six-year period, a "Project Reserve" of $340 million was established during the August 1981 USG-GOP negotiations. It was agreed that the "Project Reserve" would be available for meeting unforeseen needs among the indicated and new activity areas, possibly including balance of payments support. This Project Reserve is included in the totals shown in Table I and is specifically shown as a line item on Tables III, IV, and V. Funding needs identified to date require $37.8 million of the Project Reserve. The remaining funds in the Project Reserve, $302.2 million, are an essential part of the USG economic assistance program negotiated with the GOP that will be allocated to specific activities as firm requirements are established.

Population

Through the Population Welfare Planning Project (391-0469), centrally procured contraceptive supplies will be provided to the GOP. This project, and its corresponding commodity supplies, are funded entirely by ESF grants and are not reflected in Table I under the Development Assistance category. Due to the recent renewal of bilateral aid to Pakistan, contraceptive projections for central procurement, which would normally have been submitted to S&T/Pop by March 31, 1982, had not been made by USAID/Pakistan. At that time, the Mission was completing the final stages of the design of the population project which was subject to AID/W approval. Subsequent to this approval, these contraceptive procurement tables have been completed and forwarded to AID/W. A copy of these tables is included with the 1984 ABS materials. The following table represents the ESF grant levels for the Population Welfare Planning Project and the budgeted contraceptive commodities funded under this project:

	FY 1982 Est.	FY 1983 Est.	FY 1984 Request	Planning Period 1985	1986	1987
Population Welfare Planning ESF Grant	4,300	4,600	5,000	6,700	5,000	-
(Of which centrally procured commodities)	2,570	3,296	3,920	4,636	5,015	-

A second population project, Social Marketing of Contraceptives (391-0484), to be initiated in FY 1982 through the private sector, is still in the design stage. This project will be supported through a five-year $20 million ESF grant, and will provide approximately $10 million of contraceptive commodities. When this project is further developed, additional projections on contraceptive commodity needs will be submitted to AID/W for central procurement.

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TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT ($ Thousands)

Country/Office: PAKISTAN

DEVELOPMENT ASSISTANCE	FY 1982 EST	FY 1983 EST	FY 1984 REQUEST	PLANNING PERIOD 1985	1986	1987
Agriculture, Rural Development and Nutrition	(-)	(25,000)	(50,000)	(50,000)	(75,000)	(75,000)
Grants	-	-	-	-	-	-
Loans	-	25,000	50,000	50,000	75,000	75,000
Population	(-)	(-)	(-)	(-)	(-)	(-)
Grants	-	-	-	-	-	-
Loans	-	-	-	-	-	-
(of which centrally procured commodities)	-	-	-	-	-	-
Health	(-)	(-)	(-)	(-)	(-)	(-)
Grants	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Education	(-)	(-)	(-)	(-)	(-)	(-)
Grants	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Selected Dev. Activities	(-)	(-)	(-)	(-)	(-)	(-)
Grants	-	-	-	-	-	-
Loans	-	-	-	-	-	-
SUB-TOTAL FUNC. ACCOUNTS	(-)	(25,000)	(50,000)	(50,000)	(75,000)	(75,000)
Grants	-	-	-	-	-	-
Loans	-	25,000	50,000	50,000	75,000	75,000
Other DA Accts. (specify)	(-)	(-)	(-)	(-)	(-)	(-)
Grants	-	-	-	-	-	-
Loans	-	-	-	-	-	-
TOTAL DA ACCOUNTS	(-)	(25,000)	(50,000)	(50,000)	(75,000)	(75,000)
Grants	-	-	-	-	-	-
Loans	-	25,000	50,000	50,000	75,000	75,000
Economic Support Fund	(100,000)	(175,000)	(175,000)	(250,000)	(250,000)	(100,000)
Grants	66,000	78,000	155,000	166,000	166,000	66,000
Loans	34,000	97,000	20,000	84,000	84,000	34,000
TOTAL DA AND ESF	100,000	200,000	225,000	300,000	325,000	175,000
PL 480 (non-add)						
Title I	50,000	50,000	50,000	50,000	50,000	50,000
(of which Title III)	-	-	-	(50,000)	(50,000)	(50,000)
Title II	-	-	-	-	-	-
Housing Guaranties (non-add)	-	-	-	-	-	-
TOTAL PERSONNEL						
USDH (workyears)	20	27	30	35	35	35
FNDH (workyears)	35	37	37	37	37	37

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TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1982 to FY 1984
($ thousands)

Country/Office: PAKISTAN

APPROPRIATION ACCOUNT		FY 1982	FY 1983	FISCAL YEAR 1984
DEVELOPMENT ASSISTANCE				
Agriculture, Rural Development and Nutrition				
391-0467 Irrigation System Management	Loan	-	15,000	3,000
391-0468 Agricultural Commodities and Equipment	Loan	-	10,000	-
391-0473 Rural Electrification	Loan	-	-	25,000
391-0476 Agricultural Production, Distribution and Storage	Loan	-	-	22,000
Sub-Total for Agriculture, Rural Development and Nutrition		(-)	(25,000)	(50,000)
	Loan	-	25,000	50,000
TOTAL -- ALL DA APPROPRIATION ACCOUNTS		(-)	(25,000)	(50,000)
	Loan	-	25,000	50,000
ECONOMIC SUPPORT FUND				
391-0296 Agricultural Research	Grant	3,200	-	-
391-0413 On-Farm Water Management	Grant	7,000	3,000	-
391-0467 Irrigation System Management	Grant	7,800	16,200	19,000
391-0468 Agricultural Commodities and Equipment	Grant	26,000	-	40,000
	Loan	34,000	50,000	20,000

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TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1982 to FY 1984
($ thousands)

Country/Office: PAKISTAN

APPROPRIATION ACCOUNT		FY 1982	FY 1983	FISCAL YEAR 1984
ECONOMIC SUPPORT FUND (Continued)				
391-0469 Population Welfare Planning	Grant	4,300	4,600	5,000
391-0470 Project Design Fund	Grant	3,000	4,500	2,500
391-0471 Tribal Area Development	Grant	3,000	5,000	5,000
391-0472 Malaria Control II	Grant	1,500	6,400	10,000
391-0473 Rural Electrification	Grant	5,000	6,000	-
	Loan	-	47,000	-
391-0474 Development Support Training	Grant	1,000	3,000	3,000
391-0475 Primary Health Care	Grant	3,700	2,000	8,000
391-0476 Agricultural Production and Storage	Grant	-	5,000	8,000
391-0477 Agricultural Education, Research and Extension	Grant	-	10,000	27,500
391-0478 Energy Planning and Development	Grant	-	5,000	3,000
391-0479 Baluchistan Area Development	Grant	-	-	5,000
391-0480 Farm to Market Roads	Grant	-	-	3,000

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TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1982 to FY 1984
($ thousands)

Country/Office: PAKISTAN

APPROPRIATION ACCOUNT		FY 1982	FY 1983	FISCAL YEAR 1984
ECONOMIC SUPPORT FUND (Continued)				
391-0481	Forestry Planning and Development Grant	-	-	3,000
391-0482	Private Sector Mobilization Grant	-	5,000	3,000
391-0484	Social Marketing of Contraceptives (OPG/I/N) Grant	500	2,300	7,000
-	Project Reserve Grant	-	-	3,000
	TOTAL -- ESF	(100,000)	(175,000)	(175,000)
	Grant	66,000	78,000	155,000
	Loan	34,000	97,000	20,000
	TOTAL -- DA AND ESF	(100,000)	(200,000)	(225,000)
	Grant	66,000	78,000	155,000
	Loan	34,000	122,000	70,000

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TABLE IV PROJECT BUDGET DATA

Country/Office: PAKISTAN

PROJECT NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE INITIAL	OBLIGATION DATE FINAL	LIFE OF PROJECT COST (Millions) AUTH	LIFE OF PROJECT COST (Millions) PLAN	CUM PIPELINE AS OF 9/30/81	FY 1982 OBL	FY 1982 EXP	FY 1983 OBL	FY 1983 EXP	FY OBLIGATIONS 1984 AAPL	FUNDED TO MO/YR	1985	1986	1987	FUTURE YEAR	ITEM #
	DEVELOPMENT ASSISTANCE																	
	Agriculture, Rural Development and Nutrition																	
391-0296	Agricultural Research*	G	69	79	1.8	1.8	77	-	77	-	-	-	-					
391-0296	Agricultural Research*	L	69	79	7.6	6.2	3,611	-	3,611	-	-	-	-					
391-0413	On-Farm Water Management*	L	77	78	7.5	7.5	2,865	-	2,865	-	-	-	-					
391-0417	Village Level Food Processing	G	76	79	0.5	0.5	29	-	29	-	-	-	-					
391-0432	Fauji Fertilizer	L	77	77	40.0	40.0	1,302	-	1,302	-	-	-	-					
391-0467	Irrigation System Management*	L	83	84		18.0	-	-	-	15,000	12,000	3,000	9/85					
391-0468	Agricultural Commodities and Equipment*	L	83	86		58.0	-	-	-	10,000	9,000	-	-	26,000	22,000			
391-0473	Rural Electrification*	L	84	85**		82.0	-	-	-	-	-	25,000	1/84	7,000	-			
391-0476	Agricultural Production, Distribution and Storage*	L	84	86**		62.0	-	-	-	-	-	22,000	9/86	-	40,000	-	-	
391-0480	Farm to Market Roads*	L	85	86**		80.0	-	-	-	-	-	-	-	17,000	13,000	-	-	
-	Project Reserve*	L	87	87		75.0	-	-	-	-	-	-	-	-	-	75,000	-	
	Sub-Total Agriculture, Rural Development and Nutrition	G			2.3	2.3	106	-	106	-	-	-	-	-	-	-	-	
		L			55.1	328.7	7,778	-	7,778	25,000	21,000	50,000	-	50,000	75,000	75,000	-	

* Excludes Economic Support Fund

** Obligation date is different from FY 83 C.P.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE IV PROJECT BUDGET DATA

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PROJECT NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE INITIAL	OBLIGATION DATE FINAL	LIFE OF PROJECT COST (Millions) AUTH	LIFE OF PROJECT COST (Millions) PLAN	CUM PIPELINE AS OF 9/30/81	FY 1982 OBL	FY 1982 EXP	FY 1983 OBL	FY 1983 EXP	FY OBLIGATIONS 1984 AAPL	FUNDED TO MO/YR	1985	1986	1987	FUTURE YEAR	ITEM #
	Health																	
391-0415	Basic Health Services	G	77	77	1.5	1.5	11	-	11	-	-	-	-	-	-	-	-	
391-0415	Basic Health Services	L	77	79	7.0	7.0	2,500	-	2,500	-	-	-	-	-	-	-	-	
391-0424	Malaria Control	L	77	79	24.0	24.0	46	-	46	-	-	-	-	-	-	-	-	
	Sub-Total Health	G			1.5	1.5	11	-	11	-	-	-	-	-	-	-	-	
		L			31.0	31.0	2,546	-	2,546	-	-	-	-	-	-	-	-	
	Selected Development Activities																	
391-0414	Technical Services	L	76	76	2.5	2.5	109	-	109	-	-	-	-	-	-	-	-	
	Sub-Total SDA	L			2.5	2.5	109	-	109	-	-	-	-	-	-	-	-	
	Total All Accounts (DA)	G			3.8	3.8	117	-	117	-	-	-	-	-	-	-	-	
		L			38.6	62.2	10,433	-	10,433	25,000	21,000	50,000	-	50,000	75,000	75,000	-	

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE IV PROJECT BUDGET DATA

Country/Office PAKISTAN

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	ECONOMIC SUPPORT FUND																	
391-0296	Agricultural Research*	G	82	82	3.2	3.2	-	3,200	1,000	-	1,200	-	-	-	-	-	-	
391-0413	On-Farm Water Management*	G	82	83		10.0	-	7,000	5,000	3,000	3,000	-	-	-	-	-	-	
391-0467	Irrigation System Management	G	82	86**		62.0	-	7,800	1,000	16,200	10,000	19,000	9/85	5,000	14,000	-	-	
391-0467	Irrigation System Management*	L	85	85**		10.0	-	-	-	-	-	-	-	10,000	-	-	-	
391-0468	Agricultural Commodities and Equipment	G	82	86	26.0	76.0	-	26,000	10,000	-	16,000	40,000	4/85	-	10,000	-	-	
391-0468	Agricultural Commodities and Equipment*	L	82	86	34.0	166.0	-	34,000	34,000	50,000	40,000	20,000	4/85	34,000	28,000	-	-	
391-0469	Population Welfare Planning	G	82	86		25.6	-	4,300	900	4,600	3,900	5,000	9/85	6,700	5,000	-	-	
391-0470	Project Design Fund	G	82	84	10.0	10.0	-	3,000	2,500	4,500	4,500	2,500	9/85	-	-	-	-	
391-0471	Tribal Area Development	G	82	85**		15.0	-	3,000	1,000	5,000	5,000	5,000	9/85	2,000	-	-	-	
391-0472	Malaria Control II	G	82	86**	41.0	41.0	-	1,500	1,200	6,400	6,600	10,000	9/85	12,000	11,100	-	-	
391-0473	Rural Electrification	G	82	86**		22.0	-	5,000	-	6,000	8,000	-	4/85	5,000	6,000	-	-	
391-0473	Rural Electrification*	L	83	86**		101.0	-	-	-	47,000	40,000	-	-	15,000	39,000	-	-	
391-0474	Development Support Training	G	82	85**		8.0	-	1,000	800	3,000	2,800	3,000	12/85	1,000	-	-	-	
391-0475	Primary Health Care	G	82	85**		20.0	-	3,700	2,000	2,000	3,000	8,000	9/85	6,300	-	-	-	
391-0476	Agricultural Production, Distribution and Storage*	G	83	84**		13.0	-	-	-	5,000	2,000	8,000	9/86	-	-	-	-	

* Excludes Development Assistance

** Obligation date is different from FY 83. C.P.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE IV PROJECT BUDGET DATA

Country/Office PAKISTAN

PROJECT NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE INITIAL	OBLIGATION DATE FINAL	(Millions) LIFE OF PROJECT COST AUTH	LIFE OF PROJECT COST PLAN	CUM PIPELINE AS OF 9/30/81	FY 1982 OBL	FY 1982 EXP	FY 1983 OBL	FY 1983 EXP	1984 AAPL	FUNDED TO MO/YR	FY OBLIGATIONS 1985	1986	1987	FUTURE YEAR	ITEM #
391-0477	Agricultural Education, Research and Extension	G	83	86		75.0	-	-	-	10,000	6,000	27,500	3/86	22,500	15,000	-	-	
391-0478	Energy Planning and Development	G	83	85		20.0	-	-	-	5,000	2,000	3,000	4/85	12,000	-	-	-	
391-0479	Baluchistan Area Development	G	84	86		30.0	-	-	-	-	-	5,000	3/86	10,000	15,000	-	-	
391-0480	Farm to Market Roads*	G	84	86		20.0	-	-	-	-	-	3,000	4/85	5,000	12,000	-	-	
391-0481	Forestry Planning and Development	G	84	86		25.0	-	-	-	-	-	3,000	4/85	10,000	12,000	-	-	
391-0482	Private Sector Mobilization	G	83	86		42.0	-	-	-	5,000	4,000	3,000	9/85	12,000	22,000	-	-	
391-0482	Private Sector Mobilization	L	85	85		8.0	-	-	-	-	-	-	-	8,000	-	-	-	
391-0484	Social Marketing of Contra-ceptives (OPG/I/N)	G	82	85		20.0	-	500	500	2,300	1,500	7,000	9/85	10,200	-	-	-	
-	Project Reserve*	G				159.2	-	-	-	-	-	3,000	-	46,300	43,900	66,000	-	
-	Project Reserve*	L				68.0	-	-	-	-	-	-	-	17,000	17,000	34,000	-	
	Sub-Total (ESF)	G			80.2	697.0	-	66,000	25,900	78,000	79,500	155,000	-	166,000	166,000	66,000	-	
		L			34.0	353.0	-	34,000	34,000	97,000	80,000	20,000	-	84,000	84,000	34,000	-	
	Total All DA and ESF				206.6	1416.0	(10,550)	(100,000)	(70,450)	(200,000)	(180,500)	(225,000)	-	(300,000)	(325.000)	175,000	-	
		G			84.0	700.8	117	66,000	26,017	78,000	79,500	155,000		166,000	166,000	66,000	-	
		L			122.6	715.2	10,433	34,000	44,433	122,000	101,000	70,000		134,000	159,000	109,000	-	

* Excludes Development Assistance.

** Final obligation date is different from FY 83 C.P.

BALUCHISTAN AREA DEVELOPMENT PROJECT, 391-0479

Proposed Funding: FY 1983: -0-
FY 1984: $5.0 Million (ESF Grant)

Life of Project Funding: FY 1984-FY 1988: $30 Million (ESF Grant)

I. Project Purpose

To accelerate Baluchistan's development by financing activities which promote rural development, strengthen human and institutional resources, stimulate the private sector, and reduce the development gap between Baluchistan and the rest of Pakistan.

II. Description of the Problem

For virtually every development indicator, Baluchistan is Pakistan's most backward province. It accounts for 44 percent of the country's land area and 5.1 percent of its population. Baluchistan's climate is arid, water resources are scarce, and the terrain is largely mountainous and barren. It has minimal infrastructure, weak institutions, and a grave scarcity of trained human resources. Its borders with Afghanistan and Iran, and its location close to the sea lanes leading to the Persian Gulf, give it high geo-political and strategic importance.

Between 1947, when Pakistan came into being, and 1970, when Baluchistan was given the status of a full-fledged province, no significant development occurred. Public investment was insubstantial and private investment meagre. Since 1970, development efforts in many sectors have intensified. Nevertheless, infrastructure is still deficient, and there is little economic activity outside of mining and agriculture, which are also quite backward. Its per capita income is probably between one-half and two-thirds the national average.

Future development will depend upon public and private investment to overcome the province's physical, financial, institutional, and human infrastructural deficiencies and upon activities which efficiently exploit what appear to be promising economic potentials in agriculture, livestock, fisheries, minerals, and fossil fuels. In addition to improving the quality of life of its economically depressed population, development would hasten the involvement of Baluchistan in the socio-political-economic mainstream of the country and enhance Pakistan's national unity and coherence.

III. Summary Project Description

The Baluchistan Area Development Project will have a number of focuses. These include: the rural areas and the rural poor of Baluchistan; various provincial "nation-building" agencies and programs, especially in agriculture; infrastructure; and training. The direct beneficiaries of the project will be: (a) the individuals in the provincial government and the private sector who will benefit from the training and technical assistance which is likely to be provided under this project; and (b) the rural poor who will be the direct recipients of assistance under specific rural development sub-projects and who will benefit indirectly from a strengthened provincial government and private sector.

Criteria for selection of project activities will include but will not be limited to the following: (a) those which are broad in nature and can have a province-wide impact, such as training at the provincial government level and institution-building; (b) those with more geographically defined impact, such as integrated rural development programs; (c) those involving physical infrastructure such as farm-to-market roads, power generation, village electrification, renewable energy, schools, health facilities, water conservation structures, and irrigation systems; and (d) village level and union level (the next administrative level above a village) training.

The project will most likely be implemented through the Baluchistan Planning and Development (P&D) Department and/or the Baluchistan Local Government and Rural Development Department. A number of other provincial sector-specific departments will also be involved in the implementation of the project depending on the nature of the sub-projects. In addition, an effort will be made to involve officials of village and union councils as much as possible in the selection, planning, and development of the sub-projects which will comprise much of this project.

IV. Project Design Issues and A.I.D. Policy Concerns

Design issues and policy concerns which will be addressed during Project Paper development include the following:

A. To what extent and in what ways should the project advance GOP and USG objectives in the narcotics field?

B. To what extent and in what ways should the project deal with the presence of several hundred thousand Afghan refugees in Baluchistan?

C. How can this project take into account and harmonize its activities with other projects in the USAID portfolio which are nationwide in scope and which will also support Baluchistan's development? In this context, how can this project best respond to the GOP's "Special Development Plan for Baluchistan"?

D. How can this project optimize its support of the GOP and provincial efforts to give expression to the development priority they assign to Baluchistan?

E. What is the best balance between integrated development approaches to specific areas within the province and assistance activities which have province-wide impact? What is the best balance in responding to Baluchistan's many high priority needs -- e.g., infrastructure, institution-building, human resource strengthening, and private sector promotion? What is the best balance between activities which emphasize short and intermediate term results, and those which focus on the long run, e.g., resource exploration and development or technology transfer?

F. To what extent should the project examine and contribute to GOP and provincial development policy and development management and administration?

G. How can project design assure project effectiveness and maximize project results, given USAID/Pakistan's staffing constraints?

H. To what extent will the project be able to effectively involve women in this province, the most traditional of all four provinces?

FARM TO MARKET ROADS PROJECT, 391-0480

Proposed Funding: FY 1983: -0-
FY 1984: $3.0 Million (ESF Grant)

Life of Project Funding: FY 1984-FY 1988: $50.0 Million
($20.0 Million ESF Grant,
$30.0 Million DA Loan)
Rs 120 Million (US-owned)

I. Project Purpose

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

II. Description of the Problem

Approximately 60 million of Pakistan's 84 million citizens (March 1981) live in its 45,000 rural villages scattered over 307,000 square miles. Most of the villages are not serviced by all-weather roads and many are not serviced by any roads at all. The resultant limited access of a large percentage of Pakistan's small farmers to markets to sell their produce and purchase essential inputs such as fertilizer and improved seeds is becoming an increasingly important and critical problem because of the key role small farmers must play in the government's efforts to increase agricultural production. At the same time, the lack of adequate rural roads is a serious physical constraint to social and economic integration of the country and impedes efforts to provide equitable access to schools, health facilities and other essential social services, as well as off farm rural employment opportunities.

The country's rural roads problems have two important aspects. One aspect is the scarcity of roads, and the other is the poor design, construction and maintenance of existing roads. Both aspects of the problem can be traced to the same basic causes. These include failure of planners in the past to recognize the importance of rural roads, institutional weaknesses, lack of trained staff, inability to generate local taxes to support new road construction and maintenance, and lack of foreign exchange resources needed to procure construction equipment.

The result of these and other deficiencies is that most of the funds that are made available for rural roads are being used to rebuild and maintain existing roads and very few new rural roads are being built. During the last three years only about 4,400 miles were built, or an average annual rate of less than 1,500 miles. Aside from the quantitative shortfall, these deficiencies also mean that resources are not being optimally used.

Assuming that the country requires an average of at least 2 miles of rural roads for each of its existing 45,000 villages, it requires at a minimum 90,000 miles of rural roads. Inasmuch as only about 25,000 miles have been built, it is evident that it is essential, if rural and national development is to be encouraged, that the rate and quality of rural road construction needs to be substantially increased. Based on today's average cost of $75,000 per mile of new rural road (not counting rights-of-way), an investment of approximately $5 billion is required. Given the importance of rural roads and the magnitude of the investment involved, it is critical that efforts be made to increase the effectiveness and efficiency of whatever resources, Pakistani or external, are applied to these roads.

III. Summary Project Description

With a focus on the needs of the agricultural sector, this project will provide dollar grant funds to finance technical assistance, training and selected commodities needed to improve rural transportation research and planning; new farm-to-market road design and construction; and existing and new farm-to-market road maintenance.

Given the poor maintenance record to date, special emphasis will be placed on road maintenance problems. Special attention will also be paid to institutional improvements required to create working environments that permit and encourage trainees to apply knowledge gained. Commodities procured are likely to include such items as farm type tractors, graders, vibratory compactors and towed sprayers.

To reduce the adverse impact of severe budget constraints, dollar loan funds will be made available to cover part of the costs of farm-to-market road construction using the fixed amount reimbursement method. All construction financed will be of the low-cost type, although specific designs will vary according to local soil and climatic conditions and the type and intensity of traffic expected. In some areas of the Punjab, it is expected that rain and other water related problems will dictate the use of low grade asphalt finishes. In most other project areas, it is expected that dirt and gravel finishes will be adequate. The use of self-help labor will be encouraged, especially for maintenance.

The Ministry of Local Government and Rural Development, Ministry of Communications, National Transportation Research Center, provincial highway departments, and union councils are likely to be the main Pakistani entities involved in implementation of the project. Since rural roads are a provincial responsibility, the provincial highway departments and union councils will probably have primary responsibility.

The primary beneficiaries of the project will be the farmers and rural families, transporters, agricultural laborers and rural entrepreneurs of all types who will have easier access to markets and production inputs. The nation will also benefit in many ways, including reduced off-farm losses and increased supply of agricultural products, lower product prices and greater integration of rural areas into national life.

IV. Project Design Issues and A.I.D. Policy Concerns

Design issues and policy concerns which will be addressed during Project Paper development include the following.

A. How can the project support the USG's and GOP's anti-narcotics efforts?

B. To what extent should the project emphasize institutional improvement and training? Can incentives be developed to encourage innovations in methods, procedures and design criteria and the application of knowledge gained through project supported training?

C. How can general and specific farm-to-market transportation needs be identified, quantified, and priorities established?

D. What is the optimum balance between initial capital costs and subsequent recurrent maintenance costs?

E. Should a few villages be provided high quality, low maintenance roads or a larger number of villages be provided bare minimum quality roads? What should be the balance between reconstruction and new construction?

F. To what extent should the project encourage and rely on local self-help labor? Should the self-help labor be used for initial construction, for maintenance or for both? How can the self interest of villagers be drawn upon to assure adequate road maintenance?

G. How can the project contribute to efforts to stimulate and encourage private sector participation in development?

H. What should be the mix of labor and capital intensive technologies in construction and maintenance?

I. How can this project maximally complement other USAID projects?

J. Should the project deal with the presence of several million Afghan refugees in Pakistan? If so, how?

K. How can project design assure project effectiveness and maximize project results, given USAID/Pakistan's staffing constraints?

L. How should the project respond to the priority assigned by the GOP and A.I.D. to Pakistan's two least developed provinces?

FORESTRY PLANNING AND DEVELOPMENT PROJECT, 391-0481

Proposed Funding: FY 1983: -0-
FY 1984: $3.0 Million (ESF Grant)

Life of Project Funding: FY 1984-FY 1988: $25.0 Million (ESF Grant)

Rs 80.0 Million (US-owned)

I. Project Purpose

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

II. Description of the Problem

Deforestation brought about by the cutting of trees mainly for firewood is one of the most serious energy and social problems facing Pakistan. In 1974, when the last comprehensive study was undertaken, it was estimated that firewood satisfied 54 percent of the country's residential energy demand and 22 percent of its total energy demand. Taking into account such factors as increases in the cost of petroleum based energy sources, the estimated national population growth rate of 3.0 percent (March 1981), the influx (since 1979) of almost 2 million Afghan refugees (who contribute significantly to the firewood demand), and the lack of effective and a sufficient number of reforestation programs, it is likely that the demand for firewood will continue to grow and that widespread deforestation will continue unabated.

Assuming that per capita firewood consumption and population growth rates remain constant over the next eighteen years, national annual firewood requirements will almost double by the year 2000 from the estimated 17 million cubic meters currently consumed to almost 30 million cubic meters. Given this and current and projected price and availability trends of petroleum based energy sources, plus the far reaching negative environmental and social effects of deforestation (mainly erosion of mountains and range lands, siltation of the country's hydroelectric reservoirs and extensive irrigation canal system, and community conflicts arising from competition for firewood), it is clear that deforestation must be halted and many already deforestated areas replanted.

Only 1.3 percent of Pakistan's total land area supports productive forests. This is one of the lowest forest to land ratios in the world and could become a major constraint to national development. It is generally agreed that a minimum 10 percent of a country should be forested in order to maintain an economic and climatic balance. The World Bank's August 1980 "Energy in the Developing Countries" report recommends a five fold increase over current planting numbers in Pakistan to satisfy the cooking and heating demands projected for the year 2000.

The basic problem is that many more trees have been and continue to be cut each day than are being planted and cared for. While this is generally recognized at most levels of the government and throughout the country, it is not being dealt with effectively due to lack of institutional focus and capacity, basic information, technical know-how, and financial resources. This project will address all four of these constraints in the forestry sector.

III. Summary Project Description

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

Host country entities likely to be involved in this project include the National Planning Commission in the Ministry of Finance; the Ministry of Petroleum and Natural Resources; the Ministry of Agriculture, Food and Cooperatives; the Provincial Forests Departments; agriculture and forestry research institutions including the Forest Research Institute at Peshawar; and agricultural universities.

The principal beneficiaries of this project will be Pakistan's rural poor, especially women and children who are responsible for collecting firewood and must walk increasingly greater distances in carrying out the task. Eventually the entire country will benefit from increased fuelwood supply to the national energy market and the positive environmental impact of the project through reforestation of watersheds and marginal lands. Balance of payments pressure caused by increasing demand for petroleum based fuel should also be eased as the availability of traditional cooking fuel is stabilized and increased.

IV. Project Design Issues and A.I.D. Policy Concerns

Design issues and policy concerns which will be addressed during Project Paper development include the following:

A. To what extent and in what ways can the project advance GOP and USG objectives in the narcotics field?

B. How can the role and responsibility of the federal government for forestry planning, policy formulation, and coordination be strengthened without undermining the problem solving and management roles and responsibilities of the provinces?

C. How can the energy aspect of forestry be developed and integrated into national energy policy formulation and planning?

D. How can the project contribute to efforts to stimulate and encourage private sector participation in development? Who should own and operate nurseries and energy forests? Should the project encourage the commercialization of fuelwood, promote subsistence forestry, or both?

E. How should the project relate to other federal and provincial activities which bear on problems connected with deforestation, e.g., watershed management?

F. Should the project include activities which promote energy conservation by introducing and promoting, for example, energy efficient wood burning stoves and the use of pressure cookers?

G. How can this project take into account and complement the activities of other projects in the Mission's portfolio, especially the Energy Planning and Development, Tribal Area Development and Baluchistan Area Development projects?

H. How can this project most effectively complement and reinforce the forestry activities of other donors?

I. To what extent should the project focus on institutional improvement, policy formulation and technology transfer?

J. How can project design assure project effectiveness and maximize project results, given USAID/Pakistan's staffing constraints?

K. What can be done to assure that project benefits will accrue to women?

TABLE V - FY 1984 PROPOSED PROGRAM RANKING

Country/Office PAKISTAN

RANK	PROGRAM ACTIVITY DESCRIPTION		ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING ($000) INCR	CUM
	New and Continuing Projects						
1.	391-0469	Population Welfare Planning*	O	G	ESF	5,000	5,000
2.	391-0484	Social Marketing of Contraceptives*	O	G	ESF	7,000	12,000
3.	391-0477	Agricultural Education, Research and Extension	O	G	ESF	27,500	39,500
4.	391-0478	Energy Planning and Development	O	G	ESF	3,000	42,500
5.	391-0482	Private Sector Mobilization	O	G	ESF	3,000	45,500
6.	391-0472	Malaria Control II	O	G	ESF	10,000	55,500
7.	391-0475	Primary Health Care	O	G	ESF	8,000	63,500
8.	391-0473	Rural Electrification	O	L	DA	25,000	88,500
9.	391-0467	Irrigation System Management	O	G	ESF	19,000	107,500
			O	L	DA	3,000	110,500
10.	391-0468	Agricultural Commodities and Equipment	O	L	ESF	20,000	130,500
			O	G	ESF	40,000	170,500
11.	-	PL 480 Title I				(50,000)	170,500
12.	391-0474	Development Support Training	O	G	ESF	3,000	173,500
13.	391-0476	Agricultural Production, Distribution and Storage	O	G	ESF	3,000	176,500
			O	L	DA	22,000	198,500

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE V - FY 1984 PROPOSED PROGRAM RANKING

Country/Office PAKISTAN

RANK	PROGRAM ACTIVITY		ONGOING/NEW	LOAN/GRANT	APPROP. ACCT.	PROGRAM FUNDING ($000)	
	DESCRIPTION					INCR	CUM
14.	391-0471	Tribal Area Development	O	G	ESF	5,000	203,500
15.	-	(L/C projects, funded with excess rupees: number of projects - 3; $ value 10,000)				-	203,500
16.	391-0470	Project Design Fund	O	G	ESF	2,500	206,000
17.	391-0479	Baluchistan Area Development	N	G	ESF	5,000	211,000
18.	391-0481	Forestry Planning and Development	N	G	ESF	3,000	214,000
19.	391-0480	Farm to Market Roads	N	G	ESF	3,000	217,000
20.	391-0476	Agricultural Production, Distribution and Storage	O	G	ESF	5,000	222,000
21.	-	Project Reserve**		G	ESF	3,000	225,000

* Please see the Table V Narrative which discusses the ranking of the Population Welfare Planning Project and the Social Marketing of Contraceptives Project.

** To be programed before FY 1984.

TABLE V NARRATIVE

PROPOSED PROJECT RANKING

Total proposed funding for FY 1984 is $275 million, comprised of $175 million ESF, $50 million DA, and $50 million PL 480 Title I. This is the minimum level of funding required to comply with the agreements reached during the USG-GOP negotiations in August 1981 on economic assistance to Pakistan. The program composition at this level includes DA and ESF funded projects, a commodity import program, and PL 480 Title I, plus local currency financing for dollar funded projects funded with U.S.-owned excess rupees under the "Mondale" provision. We believe this mix of activities can help to effectively address Pakistan's key economic problems and provide balance of payments support to help ameliorate short and medium-term foreign exchange shortages.

The Mission understands the need for expressing its views and describing its rationale on the issue of project ranking. It believes, however, that a project ranking exercise has less relevance to the Pakistan program than to most other bilateral assistance programs where the U.S. Government has greater options and flexibility as to funding levels. FY 1984 is part of a six-year program, which in turn is part of a total commitment by the USG to a new USG-GOP relationship. It is inappropriate, basically, to look at each year or each project in the program as a discrete activity about which priority judgements can be made. The total program and its elements, negotiated with the GOP and presented to the U.S. Congress as a whole package, including the military assistance component, should be the focus for judgements concerning priorities, rather than discrete elements of the program.

In any case, in responding to the request for FY 1984 priority ranking, the criteria employed were to: minimize disruption of initiated activities; sustain a major balance of payments impact; reflect the importance of projects to the rest of the portfolio and the overall strategy; maximize the long run development impact of the program; and reflect the need to apply the program as effectively as possible to the USG and GOP private sector and anti-narcotics objectives.

In ranking projects and activities, the Mission has listed first most of the ongoing development projects, followed by the commodity assistance program, PL 480 Title I, the remainder of the ongoing development projects, local currency activities funded with excess rupees, the Project Design Fund, new development projects, and the "Project Reserve" (discussed in the Table I narrative). Ongoing development projects are the Mission's highest priority. This is not meant to exclude balance of payments and political considerations, but rather underscores the Mission's view that: (1) long term development is the key to political and economic stability, and in the long run, to a more satisfactory balance of payments situation; and (2) development projects, as designed by the Mission, have a very high percentage of funding which directly and immediately assists the GOP's balance of payments situation.

The USAID Mission ranks the two population projects -- Population Welfare Planning and Social Marketing of Contraceptives -- as the highest ranked projects in terms of individual project funding priorities. The relatively modest funding provided for the population program is a critical input that directly addresses Pakistan's grave population growth problem. This problem, if not ameliorated, starkly diminishes the prospects for political and social stability, as well as growth and development. In addition, A.I.D.'s past outlays and programed investment in most of the other projects would be substantially undermined or offset unless demographic trends are reversed. The Mission's work in population, therefore, could be the key to the overall success of our total program, as well as having a direct favorable effect on Pakistan's single most important development constraint.

It should be noted that the above ranking reflects USAID/Pakistan's perception of priorities and that some elements of the Country Team do not share the view that the Mission should accord the highest priority to the Population Welfare Planning and Social Marketing projects. They believe these projects, in their initial stages, are basically pilot projects which will establish the viability of commercial marketing concepts and the impact of increased availability of contraceptives on reducing the crude birth rate in Pakistan. Should these projects prove effective, they should be accorded higher priority. For the time being, however, these officers hold the view that the USG should place its emphasis on projects which can achieve a more immediate macro-economic impact, i.e., agriculture, energy, and health services--areas to which the bulk of our resources are directed and sectors identified by the IMF and World Bank as requiring priority attention. Accordingly, they would rank the Population Welfare Planning Project sixth and the Social Marketing of Contraceptive Project seventh, with the rest of the ranking remaining as shown in Table V.

The Agricultural Education, Research and Extension Project is ranked next, reflecting the importance which the Mission and the GOP place on the need to invest in human capital to enhance the indigenous problem solving capacity required to resolve the problems of its primary and most important sector, i.e., agriculture. The Energy Planning and Development Project is ranked fourth, an indication of the concern for the foreign exchange drain caused by oil imports and the importance the Mission attaches to the necessity of Pakistan beginning to broaden and rationalize its approach to energy generation.

The Private Sector Mobilization Project is ranked fifth among the ongoing projects, reflecting the Mission's belief that this project has considerable potential for impacting on the contribution of Pakistan's private sector to economic development. The Mission's private sector thrust, it should be remembered, is also reflected by the fact that wherever possible, every project is designed to maximize its favorable impact on private sector growth.

Funding for the ongoing Malaria Control II Project is ranked next, reflecting the importance of continuing this program once it has been initiated by the Mission -- untimely curtailment of funding for the GOP's malaria efforts could cost literally thousands of lives. The Primary Health Care Project is ranked next, reflecting critical rural health care needs. There are also very direct linkages between reducing infant mortality and the population growth rate and the Mission views the Primary Health Care Project as being highly supportive of and complementary to the two population projects.

The Rural Electrification and Irrigation System Management projects are ranked eight and ninth respectively. Both of these activities are important activities which can directly and effectively raise rural productivity, incomes and standards of living.

The two commodity activities -- the Agricultural Commodities and Equipment Project and PL 480 Title I -- are ranked next. The Mission views these as essential activities in terms of providing foreign exchange for commodities -- edible oil, fertilizer and agricultural equipment. The Mission is placing increasing importance on the development role of PL 480 and is increasing the linkages between necessary agricultural policy actions and our project assistance. For example, the Agricultural Commodities and Equipment Program, besides providing commodities, has important policy components.

The Development Support Training Project is ranked next. The training in management, planning and administration to be provided under this project can have a positive effect on implementation of many of the Mission's (and other donor and GOP) projects. The Mission views this type of training as some of the most important training being provided through its assistance program. It is not ranked higher because of the fact that most of the projects contain training components.

The Agricultural Production, Distribution and Storage and Tribal Area Development projects are ranked thirteenth and fourteenth respectively. Both of these are important and impact on productivity, income and standards of living in the rural areas. The Agricultural Production Project is only partially funded, since the funding provided at the thirteenth ranked position provides sufficient forward funding. (The residual of the FY 1984 request appears at the twentieth ranked position.)

Local currency projects are ranked after ongoing development projects. The Mission considers the local currency projects as necessary complements to several of our dollar-funded projects.

The Project Design Fund and the three new FY 1984 projects -- Baluchistan Area Development, Forestry Planning and Development, and Farm to Market Roads -- are towards the end of the project ranking. The Mission views all of these as important and necessary if the USG commitment is to be sustained, but of less importance than funding for ongoing projects.

Last on the ranking is the Project Reserve. This reserve, $3 million for FY 1984, will be programed prior to the beginning of FY 1984.

<u>Staffing Implications</u>

The ABS describes the program agreed upon during the August 1981 USG-GOP negotiations. As one of the largest A.I.D. programs in the world, there are significant implications for Mission staffing. The Mission is coming out of what was essentially a "wind down mode" and a sizeable increase in Mission staffing is essential.

To minimize the requirement for increased staffing, the Mission has:

-- tried to emphasize, to the extent possible, large projects, rather than a large number of small projects;

-- where appropriate, sought to use outside, non-Mission resources (e.g., Title XII institutions, PVOs, private contractors, Pakistani firms, etc.) in the development, implementation and evaluation of projects;

-- where appropriate and consistent with our development strategy, built on existing programs or on previous USAID activities where impact and project design have been tested and found effective; and,

-- coordinated closely with other donors, relying as much as possible on their project development and implementation inputs to achieve the objectives of the program.

Despite these efforts, increases in Mission staffing will be necessary in order to properly design, develop, implement and manage this program. U.S. direct hire staffing (excluding RIG/A and RIG/II) is projected to increase from a level of 20 work years in FY 1982, to 27 work years in FY 1983, 30 work years in FY 1984, and 35 work years in the FY 1985-FY 1987 period. Foreign national direct hire staff is projected to increase only marginally from 35 work years in FY 1982 to 37 work years for the FY 1983-FY 1987 period. These increases will understandably be difficult to arrange at a time of renewed efforts to reduce overall U.S. and foreign national staffing in AID. However, given the foreign policy significance and the priority attached to the Pakistan program, USAID/Pakistan considers this to be the minimum level of U.S. direct hire personnel necessary to carry out USG policy and objectives in an effective and responsible manner. Qualified individuals to fill these positions should be assigned to Pakistan on a priority basis.

Country: PAKISTAN

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

(Mission, including RIG/A and RIG/II)
($ 000)

	FY 1982				FY 1983			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	2,888.6	191.2	1,990.2	27.0	3,045.2	250.7	2,185.0	38.0
F.N. DIRECT HIRE	254.4	244.0	-	37.0	311.7	299.9	-	39.0
CONTRACT PERSONNEL	434.2	434.2	-	XXXXX	706.8	706.8	-	XXXXX
HOUSING EXPENSES	738.3	333.6	-	32.0	1,279.2	608.7	-	47.0
OFFICE OPERATIONS	2,832.9	1,698.9	66.5	XXXXX	3,010.5	1,884.8	73.3	XXXXX
TOTAL	7,148.4	2,901.9	2,056.7	XXXXX	8,353.4	3,750.9	2,258.3	XXXXX
RECONCILIATION	(4,958.6)	(2,901.9)	(2,056.7)	XXXXX	(6,009.2)	(3,750.9)	(2,258.3)	XXXXX
MISSION ALLOWANCE	2,189.8	-	-	XXXXX	2,344.2	-	-	XXXXX

Notes: 1. Mission allowance of $2,344,200 for FY 1983 includes $329,900 of dollar funded local currency costs for RIG/A and RIG/II only.

2. The significant change in contract personnel costs in FY 1983 over FY 1982 is due to projected increases in the contract personnel strength.

3. The increase in housing expenses in FY 1983 over FY 1982 is due to projected increases in USDH strength, resulting in leasing of additional housing and procurement of houshold furniture and equipment.

Country: PAKISTAN

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

(Mission, including RIG/A and RIG/II)

($ 000)

	FY 1984 MINIMUM				FY 1984 CURRENT			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	3,420.0	271.3	2,440.5	43.0	3,420.0	271.3	2,440.5	43.0
F.N. DIRECT HIRE	285.8	273.7	-	39.0	285.8	273.7	-	39.0
CONTRACT PERSONNEL	727.4	727.4	-	XXXXX	727.4	727.4	-	XXXXX
HOUSING EXPENSES	938.5	650.7	-	54.5	938.5	650.7	-	54.5
OFFICE OPERATIONS	2,805.8	1,778.1	80.6	XXXXX	3,023.0	1,778.1	80.6	XXXXX
TOTAL	8,177.5	3,701.2	2,521.1	XXXXX	8,394.7	3,701.2	2,521.1	XXXXX
RECONCILIATION	(6,222.3)	(3,701.2)	(2,521.1)	XXXXX	(6,222.3)	(3,701.2)	(2,521.1)	XXXXX
MISSION ALLOWANCE	1,955.2	-	-	XXXXX	2,172.4	-	-	XXXXX

Country: PAKISTAN

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

(Mission, including RIG/A and RIG/II)

($ 000)

	FY 1984 PROPOSED			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	3,420.0	271.3	2,440.5	43.0
F.N. DIRECT HIRE	285.8	273.7	-	39.0
CONTRACT PERSONNEL	727.4	727.4	-	XXXXX
HOUSING EXPENSES	938.5	650.7	-	54.5
OFFICE OPERATIONS	3,023.0	1,778.1	80.6	XXXXX
TOTAL	8,394.7	3,701.2	2,521.1	XXXXX
RECONCILIATION	(6,222.3)	XXXXX	XXXXX	XXXXX
MISSION ALLOWANCE	2,172.4	XXXXX	XXXXX	XXXXX

Country: PAKISTAN

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

(RIG/A and RIG/II only)

($ 000)

	FY 1982				FY 1983			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	832.5	-	505.6	7	840.4	-	637.2	11
F.N. DIRECT HIRE	10.4	-	-	2	11.8	-	-	2
CONTRACT PERSONNEL	-	-	-	XXXXX	-	-	-	XXXXX
HOUSING EXPENSES	103.7	-	-	8	144.2	-	-	11
OFFICE OPERATIONS	123.8	-	-	XXXXX	155.0	-	-	XXXXX
TOTAL	1,070.4	-	505.6	XXXXX	1,151.4	-	637.2	XXXXX
RECONCILIATION	(505.6)	-	(505.6)	XXXXX	(637.2)	-	(637.2)	XXXXX
MISSION ALLOWANCE	564.8	-	-	XXXXX	514.2	-	-	XXXXX

Country: PAKISTAN

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

(RIG/A and RIG/II only)

($ 000)

	FY 1984 MINIMUM				FY 1984 CURRENT			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	1,002.9	-	760.9	13	1,002.9	-	760.9	13
F.N. DIRECT HIRE	12.1	-	-	2	12.1	-	-	2
CONTRACT PERSONNEL	-	-	-	XXXXX	-	-	-	XXXXX
HOUSING EXPENSES	184.1	-	-	13.5	184.1	-	-	13.5
OFFICE OPERATIONS	201.0	-	-	XXXXX	201.0	-	-	XXXXX
TOTAL	1,400.1	-	760.9	XXXXX	1,400.1	-	760.9	XXXXX
RECONCILIATION	(760.9)	-	(760.9)	XXXXX	(760.9)	-	(760.9)	XXXXX
MISSION ALLOWANCE	639.2	-	-	XXXXX	639.2	-	-	XXXXX

Country: PAKISTAN

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

(RIG/A and RIG/II only)

($ 000)

FY 1984 PROPOSED

	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	1,002.9	-	760.9	13
F.N. DIRECT HIRE	12.1	-	-	2
CONTRACT PERSONNEL	-	-	-	XXXXX
HOUSING EXPENSES	184.1	-	-	13.5
OFFICE OPERATIONS	201.0	-	-	XXXXX
TOTAL	1,400.1	-	760.9	XXXXX
RECONCILIATION	(760.9)	XXXXX	XXXXX	XXXXX
MISSION ALLOWANCE	639.2	XXXXX	XXXXX	XXXXX

TABLE VIII (a) NARRATIVE

DATA ON ACQUISITION, OPERATION AND USE OF AUTOMATIC DATA PROCESSING (ADP) SERVICES AND SYSTEMS

Background

Due to a rapid increase in the size of the Mission program and the related increase in paperwork, the USAID/Pakistan Mission has explored options for the use of word processing equipment and related automated office systems equipment. The Mission requested M/SER/DM to perform a feasibility study for use and installation of word processors. The study, conducted by an ADP expert from USAID/Egypt in February 1982, assessed current Mission needs, expansion possibilities, compatability with peripheral equipment and equipment of other USG agencies at post, local maintenance capabilities, and standardization.

Based upon recommendations in that study, and guidance received from M/SER/DM, the USAID/Pakistan Mission now plans to procure a Wang Office Information System (described in Islamabad 04539 dated March 26, 1982). The recommended configuration is a WANG OIS-140 Model I Central Processing Unit (CPU) with initial purchase of seven work stations and four printers. Purchase of redundant capacity is not anticipated because ICA/Pakistan is also procuring an OIS-140 system (with redundant capacity). However, two Wangwriters are being considered as independent units which will serve emergency needs during temporary office relocations, OIS system downtime and work overload at the OIS workstations.

The Mission intends to use the office information system for document production as well as for recordkeeping purposes and simple routine calculations. The transition to an automated office will be gradual. Mission clerical staff will be trained in small groups to operate the word processing equipment by the local Wang representative. With his assistance and the Mission's own programming expertise, additional applications will be added as previous applications become accepted as routine. Operational responsibility for the office information system will reside in the Mission's Executive Office. By FY 1984 it is anticipated that additional workstations would be required.

Procurement Options

USAID/Pakistan has reviewed a number of possible options for procurement of this equipment, and has narrowed those options down to three. In a cable to AID/W (Islamabad 07791 dated May 23, 1982) the Mission asked for AID/W to select one of the options and allow the Mission to proceed immediately with procurement. The three options are:

Option A: Cash purchase of equipment with GOP provided Trust Fund rupees, at a total price of \$174,000 (dollar equivalent, \$1.00 = Rs 11.53 as of May 20, 1982). There is an additional potential import duty of \$70,000 (dollar equivalent) for a total potential cost of \$244,000. In addition to this amount, there would be annual expenses for supplies, software and maintenance.

Option B: Purchase of equipment with dollar Operational Expense (OE) funds under the State/Wang contract, at a total price of \$119,000 (Equipment procured would be the standard Wang contract OIS-140 package. See State 100180, paragraph 9). This includes expenses for shipping and insurance. In addition, there would be annual expenses (payable in dollars) for supplies, software and maintenance. If this option is selected, an increase in the Mission's OE allotment would be necessary.

Option C: Lease/purchase of equipment with Trust Fund rupees, at a total price of \$415,000 (dollar equivalent), with the Mission owning the equipment at the end of a 33 month lease period. In addition, there would be expenses for supplies, software and maintenance. 1/

As cited in Islamabad 07791, the Mission's preferred option is Option A, cash purchase of the equipment with Trust Fund rupees. Rupee funds for this option are immediately available, whereas additional dollar OE funds would be necessary for Option B. Option C is least desirable, as the total costs for a 33 month lease/purchase arrangement are significantly above either of the other two options.

1/ Net present value of Option C is \$370,000 based on 7 percent interest on rupees.

Table VIII (a) gives estimates for both local currency purchase (dollar equivalent) and operating expense funds purchase of the OIS system. For the purpose of price comparability, both estimates are based on the following list of equipment:

1 OIS 140-1, 1 CPU

6 Archiving Work Stations

1 Cathode Ray Tube Work Station

6 35 CPS Daisy Printers

2 Wangwriters

5 Twin Sheet Feeders

Option C, the high cost lease/purchase arrangement, is not shown on Table VIII (a).

TABLE VIII(a)

OBLIGATIONS OF ADP SYSTEMS
($ 000)

	FY 1982[a/]		FY 1983	FY 1984
	Operating Expense Funds Purchase	Local Currency Purchase b/ (Dollar Equivalent)		
A. Capital Investments				
1. Purchase of ADP Equipment	119[c/]	244[d/]	0	40
2. Purchase of Software	0	0	0	0
Sub-Total	119	244	0	40
B. Personnel				
1. Compensation, Benefits, Travel	0	0	0	0
2. Workyears	0	0	0	0
Sub-Total	0	0	0	0
C. Equipment Rental and Other Operating Costs				
1. ADP Equipment (ADPE) Rentals	0	0	0	0
2. Supplies and Leased Software c/ e/	40	50	10	10
Sub-Total	40	50	10	10
D. Commercial Services				
1. ADP Service Bureau	0	0	0	0
2. Systems Analysis and Programming	0	0	0	0
3. ADPE Maintenance (15% of A.1) f/	16	23	16	22
Sub-Total	16	23	16	22
E. Total Obligations (A-D)	175	317	26	72
F. Interagency Services				
1. Payments	0	0	0	0
2. Offsetting Collections	0	0	0	0
Sub-Total	0	0	0	0
G. Grand Total (E+F)	175	317	26	72

Footnotes on next page.

a/ Shows both alternatives for purchase of an ADP system in FY 1982, only one of which will be selected.

b/ Figures quoted in dollars. However, purchase would be made using Pakistani Trust Fund rupees ($1 = Rs 11.53 as of May 20, 1982).

c/ Includes shipping and insurance (11% of total).

d/ Includes shipping and insurance (11% of base price of equipment) and $70,000 for import duties, since purchase in local currency may require payment (in local currency) of import duty.

e/ Includes furniture for equipment, cables, voltage stabilizers, ribbons, paper, software packes, etc.

f/ 15% maintenance was calculated on equipment price, exclusive of import duties and shipping and insurance costs.

PL 480 NARRATIVE

The PL 480 Title I Program is designed to provide an essential food commodity to Pakistan's populace and to alleviate balance of payments constraints in Pakistan by funding a basic imported staple, vegetable oil. The Government of Pakistan (GOP) has been encouraged to undertake measures to improve performance of the agriculture sector, including increased self reliance in producing edible oil. To this end, the PL 480 Title I negotiations provide a useful forum for a continuing dialogue with the government on all aspects of agriculture policy.

Agricultural Development Trends

Pakistan is a food deficit country with significant amounts of food imports. During Pakistan Fiscal Year 1980/81 (July 1 - June 30), food imports stood at about $620 million, or 12 percent of total commodity imports. Food production has increased only slowly during most of the 1970s, though recent production performance has been encouraging. Since 1977, the annual growth rate in agriculture averaged 4.4 percent with principal crops registering solid increases as shown in the table on the next page.

The outlook for FY 1982 is favorable: the annual overall growth rate for agricultural production is projected at around 5 percent with cotton, rice, and sugarcane production estimated at 4.2 million bales, 3.2 million metric tons and 34 million metric tons, respectively. The Government of Pakistan has fixed a target of 12.2 million metric tons for wheat but, because of adverse weather conditions, it is unlikely that this target will be met. However, production in excess of 11 million tons is expected. Production of vegetable oil has not kept pace with the production increases of other major crops although the final figures covering production for PFY 1980/81 show a significant increase.

PRODUCTION OF PRINCIPAL CROPS

(In Thousands; Pakistan Fiscal Years)

Crop	Unit	1970-1976[a/]	1977-1980[a/]	1981
Wheat	Metric Tons	7,441	9,567	11,475
Cotton	Bales	3,450	3,265	4,018
Rice	Metric Tons	2,368	3,043	3,120
Sugarcane	Metric Tons	22,876	28,606	32,360
Oilseeds (all sources)	Metric Tons	1,567	1,438	1,800

a/ Annual arithmetic average.

These production gains notwithstanding, crop yields remain significantly below the potential for the existing seed varieties. The World Bank's April 1981 situation report for Pakistan points out that the technology exists to double or triple the yields of most crops. Although wheat yields have increased significantly over the past few years, they are still among the lowest in the world.

While the positive shifts in agricultural policy in and since 1977 contributed to increased production, it became apparent that the heavy subsidization of inputs, absorbing increasing amounts of public funds, could not be continued. Accordingly,the GOP substantially reduced subsidies on fertilizer and insecticides while production incentives were maintained by increasing support prices.

In addition to progress on pricing and subsidy issues, the GOP has intensified agricultural research and extension efforts. The GOP's recognition of the importance of those investments to achieve long term production objectives is encouraging.

Title I Emphasis

The Mission's PL 480 strategy, up to the FY 1980 Agreement, focussed primarily on encouraging the GOP to encourage wheat production through changes in price policy and improved input distribution. Aided by good weather, GOP policies on inputs, input-output price relationships, and institutional arrangements for input delivery and output marketing, have favorably combined to stimulate record wheat output for three successive years. As Pakistan has reached the threshold of self-sufficiency in wheat, the emphasis of the PL 480 program has now been shifted to edible oil, which currently constitutes over 40 percent of the country's total food imports. Some self-help measures, however, will continue to address basic agricultural policy measures, which also impact on continued progress in wheat production.

Pakistan currently imports around 450 thousand metric tons of edible oil. Consumption requirements are rising rapidly. If domestic production remains stagnant, imports will have to provide needed commodities, further exacerbating the balance of payments problems. In fact, unless the problem is addressed, Pakistan faces a $500 million annual edible oil import bill in a few years.

The complexities of the edible oil industry do not permit easy and quick solutions to production shortfalls. Expanded production of cottonseed, the primary source of domestic oil production, is dependent upon the price of cotton fiber, not cottonseed oil. The technique used to process cottonseed, solvent extraction or extraction by crushing, depends upon the international price of cottonseed meal for livestock feed. The characteristics of the local varieties of rape and mustard seed constrain the use of these traditional crops for processing into vegetable ghee, the product sold to consumers. Yields are very low and the oil from the seeds has a high level of euclic acid which has several disadvantages, including limited shelf life. Imported low-acid varieties are under examination, but large, isolated fields are required to avoid cross breeding with traditional varieties. Given the small holdings of traditional producers of rape and mustard, this is difficult to accomplish. Although limited amounts of peanuts are grown, they are consumed as nuts and are not used to produce oil.

While improved efficiency in production and processing can reduce imports, expanded production is thought to be possible only with significant increases in non-traditional sunflower, safflower, and soybean crops. A major question in this regard, however, is whether or not increased domestic oilseed production in Pakistan is economically rational. The GOP has been supporting a small testing program of the Ghee Corporation of Pakistan for popularization of non-traditional oilseed crops. The comparative advantage of oilseed production in Pakistan will be assessed in definitive terms by a United States Department of Agriculture assisted study currently in progress.

Relationship With Other A.I.D. Projects

The PL 480 Title I Agreements serve as an effective mechanism for a continuing dialogue with the GOP on macro policies germane to a dynamic agriculture sector, as well as on issues of importance to successful development and implementation of A.I.D.-assisted projects. These macro policy issues, for the present, relate primarily to input-output pricing, reliance on market forces for wheat distribution, and storage. The Mission has also used the PL 480 Title I Program as a means of obtaining GOP support for A.I.D.-assisted activities. For instance, in the FY 1982 PL 480 Agreement, the GOP has committed itself to support an in-depth study of edible oil, being carried out with USDA assistance, which will set the stage for the Agriculture Production, Distribution, and Storage Project (391-0476) scheduled to commence in FY 1983. As the new $1.625 billion six year A.I.D. economic assistance program for Pakistan develops, the developmental aspects of PL 480 will be strengthened further, particularly through the mutual programing of sales proceeds.

These local currency generations will be used to support development projects designed to achieve more equitable growth, especially in rural areas. Generations will help to fund local currency requirements for projects in health, primary education and agricultural education, population programs, community supported social services, and energy, as well as GOP projects designed to improve services to and incomes of the rural poor.

FY 1982 PL 480 Title I Agreement

The PL 480 Title I Agreement signed on April 15, 1982 is the second consecutive year during which self-help measures in edible oil were emphasized. The self-help measures call for: incentive prices for non-traditional oilseed crops; support for a national program for purchase and processing of non-traditional oilseed crops; review, and, if necessary, revision of the controlled price of hydrogenated vegetable oil; provision of additional resources to finance a comprehensive oilseed research program; and a review of laws, regulations, and policies that constrain private entrepreneurs from participation in the edible oil sector. Continuation of the favorable policy framework for wheat production and storage were also supported.

FY 1983 and FY 1984 PL 480 Title I Agreement

Pakistan's edible oil import gap, as indicated earlier, is growing each year. Import requirements for FY 1982 and FY 1983 are estimated at 450 thousand metric tons and 500 thousand metric tons respectively. Given these large quantities of edible oil imports and the balance of payments difficulties, there is a strong justification for continuing with the Title I program in Pakistan. As is shown in Table XI, the Mission has programed edible oil imports under Title I at $50 million for both FY 1983 and FY 1984. This will assure the GOP continued support for short-term balance of payment shortfalls while supporting the development of a longer term strategy to meet the growing domestic requirements for edible oil.

FY 1985-FY 1987 PL 480 Title III Agreements

The Mission anticipates exploring the prospects for a Title III program for the period FY 1985-FY 1987. This projected Title III program is reflected in Table I at an annual level of $50 million.

Country/Office: PAKISTAN

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE XI

P.L. 480 TITLE I/III REQUIREMENTS
(Dollars in Millions, Tonnage in Thousands)

	FY 1982						Estimated FY 1983						Projected FY 1984					
	Agreement		Shipments		Carry into FY 1983		Agreement		Shipments		Carry into FY 1984		Agreement		Shipments		Carry into FY 1985	
COMMODITIES	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT
Title I																		
Edible Oil	50	105	50	105	-	-	50	73	50	73	-	-	50	72	50	72	-	-
Total	50	105	50	105	-	-	50	73	50	73	-	-	50	72	50	72	-	-
Of which Title III																		
Total																		

COMMENT: Quantities for FY 1983 and FY 1984 computed using USDA prices.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE XII

Country/Office: PAKISTAN

PL 480 TITLE I/III

Supply and Distribution
(000 Metric Ton)

STOCK SITUATION	FY 1983 1/	Estimated FY 1984 1/
Commodity - Edible Oil		
Beginning Stocks	60	50
Production	240	250
Imports	500	530
Concessional 2/	73	72
Non-Concessional	427	458
Consumption	750	780
Ending Stocks	50	50

Commodity -		
Beginning Stocks		
Production		
Imports		
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		

Commodity -		
Beginning Stocks		
Production		
Imports		
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		

Comment: 1/ Estimates relates to Pakistan Fiscal Year (July 1 - June 30).

2/ Imports under PL 480 Title I.