

AGENCY FOR INTERNATIONAL DEVELOPMENT



Congressional Presentation Fiscal Year 1985

ANNEX II

Asia

ASIA

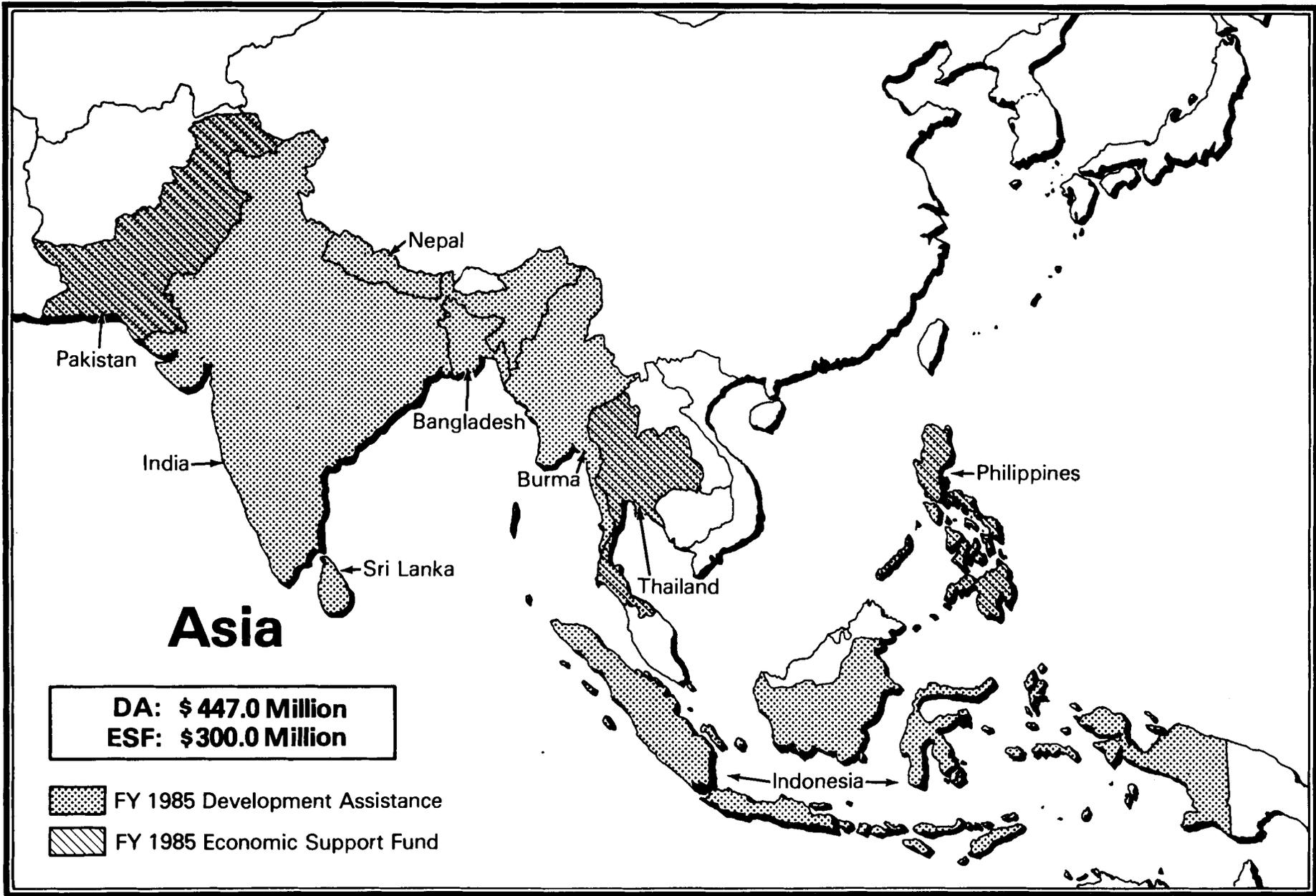
Responsible Officer:

Charles Greenleaf (by

CHARLES W. GREENLEAF, Jr.

*Assistant Administrator
Bureau for Asia*

288)



ANNEX II

Annex II presents to the Congress all Development Assistance (DA) and Economic Support Fund (ESF) programs proposed for Asia for which A.I.D. is requesting funds for FY 1985.

The annex begins with a summary table which provides a breakout by country and appropriation account of the Asia region's funding requirements from FY 1982 to FY 1985. There is also a regional summary table of economic and social data for countries in Asia that receive A.I.D. assistance. Following these tables is the Asia narrative which provides a summary overview of the Agency's programs in the Asia area. Immediately following the overview are country narratives, listed alphabetically, which describe the total A.I.D. program including those projects for which funds are being requested for FY 1985 in the nine recipient countries and two regional programs. These narratives are followed by planned project summary sheets which present in detail requests for proposed new projects in FY 1985. For the Philippines, Pakistan and Thailand the request for DA and ESF funds are shown together. The ESF budget request is shown under the heading "Other Programs, ESF" on both the planned project summary sheets and the summary tables of active and proposed projects.

Note that the regional projects presented in this annex are different from the centrally funded activities described in Annex V.

The annex concludes with a table for additional program requirements, also known as "shelf projects". These include projects and activities not detailed in the proposal to Congress but which represent valid development requirements. To the extent that additional funds become available, such projects are candidates for funding in FY 1985. A.I.D. recognizes that inclusion of a project or activity as a "shelf" item does not constitute justification to the Congress for purposes of notification of program changes as required under the current appropriations act.

ASIA - TABLE OF CONTENTS

	<u>Page</u>
Summary of Programs by Country and Appropriations	1
Economic and Social Data	5
Overview of Asia	9
Bangladesh	19
Burma	37
India	51
Indonesia	69
Nepal	93
*Pakistan	109
*Philippines	127
South Pacific Regional Program	145
Sri Lanka	159
*Thailand	179
Asia Regional Program	199

*Receives both Development Assistance Funds and Economic Support Funds.

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

CP-85

REGION: BUREAU FOR ASIA

C O U N T R Y	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
<hr style="border-top: 1px dashed black;"/>								
BANGLADESH								
1982	74,421	49,860	22,931	1,630	---	---	---	---
1983	78,900	54,100	24,800	---	---	---	---	---
1984	76,895	51,000	25,895	---	---	---	---	---
1985	82,000	54,750	27,000	---	250	---	---	---
BURMA								
1982	7,600	7,550	---	---	50	---	---	---
1983	13,799	8,649	---	5,100	50	---	---	---
1984	12,500	9,300	---	3,000	500	---	---	---
1985	15,000	13,100	---	1,900	---	---	---	---
INDIA								
1982	98,450	90,600	---	4,350	---	3,500	---	---
1983	89,300	68,400	16,600	2,900	1,100	---	---	---
1984	86,000	70,800	10,400	2,200	2,600	---	---	---
1985	87,000	65,000	15,500	6,500	---	---	---	---
INDONESIA								
1982	67,403	27,560	21,250	5,750	6,250	6,593	---	---
1983	71,750	33,740	9,900	5,450	15,900	6,760	---	---
1984	64,107	37,860	9,600	2,850	8,650	5,147	---	---
1985	65,000	37,250	4,500	14,000	3,250	6,000	---	---
NEPAL								
1982	15,513	8,230	3,139	4,144	---	---	---	---
1983	13,780	3,500	2,400	2,500	100	280	---	---
1984	13,500	8,200	2,400	1,950	950	---	---	---
1985	15,000	9,957	2,200	1,600	1,243	---	---	---
PAKISTAN								
1982	100,000	---	---	---	---	---	100,000	---
1983	200,000	---	---	---	---	---	200,000	---
1984	225,000	---	---	---	---	---	225,000	---
1985	250,000	37,800	12,200	---	---	---	200,000	---
PHILIPPINES								
1982	89,395	16,520	16,685	4,850	590	650	50,000	---
1983	86,793	21,045	2,753	11,800	1,100	100	50,000	---
1984	88,500	23,250	5,300	2,300	3,500	4,150	50,000	---
1985	134,000	24,900	8,100	5,300	300	400	95,000	---

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

CP-35

REGION: BUREAU FOR ASIA

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

SRI LANKA								
1982	43,500	46,000	---	2,300	100	100	---	---
1983	50,695	43,043	---	5,052	100	2,500	---	---
1984	40,500	32,909	---	6,748	143	500	---	---
1985	41,500	32,600	1,000	7,200	200	500	---	---
THAILAND								
1982	31,164	21,663	4,000	437	---	---	5,000	64
1983	21,800	7,900	8,400	---	---	500	5,000	---
1984	34,300	13,500	3,600	8,000	3,000	1,200	5,000	---
1985	32,000	1,000	2,400	---	10,600	13,000	5,000	---
SO PACIFIC REGIONAL								
1982	5,073	2,160	---	760	1,915	200	---	38
1983	5,048	2,500	---	243	1,680	625	---	---
1984	5,300	2,900	---	155	1,945	300	---	---
1985	6,000	3,100	---	100	2,000	800	---	---
ASIA REGIONAL								
1982	17,885	7,344	134	2,863	5,346	2,498	---	---
1983	15,625	8,147	147	1,017	5,127	1,187	---	---
1984	13,100	7,200	150	1,600	4,900	4,250	---	---
1985	19,500	7,545	200	1,300	4,400	6,055	---	---
TOTAL								
1982	555,404	277,287	68,139	27,034	14,251	13,541	155,000	102
1983	647,195	256,024	65,000	34,062	25,157	11,952	255,000	---
1984	664,502	256,619	57,345	28,803	26,188	15,547	230,000	---
1985	747,000	287,002	73,100	37,900	22,243	26,755	300,000	---

* The above total for FY 1984 excludes \$2.7 million; which has not yet been notified for reobligation.

ECONOMIC AND SOCIAL DATA
REGIONAL SUMMARY

REGION: ASIA

COUNTRY	ECONOMY	EDUCATION		POPULATION				HEALTH			
	GNP PER CAPITA (DOLLARS)	LITERACY RATE (PERCENT)	TOTAL (THOUSANDS)	ANNUAL GROWTH RATE (PERCENT)	DENSITY (PERSONS / SQUARE MILE)		% IN URBAN AREAS	LABOR FORCE IN AGRICULTURE (PERCENT)	PEOPLE PER DOCTOR	LIFE EXPECTANCY (YEARS)	INFANT DEATHS PER 1,000 BIRTHS
DEVELOPMENT ASSISTANCE RECIPIENTS											
BANGLADESH	140	26	96,539	3.1	2,302	1,556	12	74	12,692	47.1	144
BURMA	190	66	35,300	2.0	847	130	24	63	5,261	54.6	93
INDIA	260	34	730,572	2.1	940	520	23	69	3,640	52.6	118
INDONESIA	530	68	158,210	2.1	509	193	21	58	9,875	54.0	93
NEPAL	150	19	16,169	2.5	919	262	5	93	35,897	44.9	110
PAKISTAN	350	21	94,140	2.6	821	257	29	57	3,775	50.6	126
PHILIPPINES	790	87	53,162	2.5	1,135	412	37	46	2,809	64.3	52
SRI LANKA	300	78	15,647	1.8	1,533	570	28	54	6,700	66.3	32
THAILAND	770	79	50,731	1.9	651	231	15	76	8,222	63.5	60
DA SUMMARY	337	42	1,250,470	2.2	898	284	23	67	5,753	53.3	110

ECONOMIC AND SOCIAL DATA
REGIONAL SUMMARY

REGION: ASIA

COUNTRY	ECONOMY	EDUCATION	POPULATION					HEALTH			
	GNP PER CAPITA (DOLLARS)	LITERACY RATE (PERCENT)	TOTAL (THOUSANDS)	ANNUAL GROWTH RATE (PERCENT)	DENSITY (PERSONS / SQUARE MILE)		% IN URBAN AREAS	LABOR FORCE IN AGRICULTURE (PERCENT)	PEOPLE PER DOCTOR	LIFE EXPECTANCY (YEARS)	INFANT DEATHS PER 1,000 BIRTHS
ECONOMIC SUPPORT FUND RECIPIENTS											
PAKISTAN	350	21	94,140	2.6	821	257	29	57	3,775	50.6	126
PHILIPPINES	790	87	53,162	2.5	1,135	412	37	46	2,809	64.3	52
THAILAND	770	79	50,731	1.9	651	231	15	76	8,222	63.5	60
ESF SUMMARY	576	53	198,033	2.4	825	282	28	59	4,041	57.6	90
REGION SUMMARY	332	42	1,250,470	2.2	898	284	23	67	5,753	53.3	110

ASIA

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1983								
Loans	261,945	134,543	23,900	16,602	14,900	5,000	67,000	-
Grants	385,250	121,481	41,100	17,460	10,257	6,952	188,000	-
Total	647,995	256,024	65,000	34,062	25,157	11,952	255,800	-
1984								
Loans	273,924	149,319	16,600	15,148	12,200	5,657	75,000	-
Grants	390,578	107,300	40,745	13,655	13,988	9,890	205,000	-
Total	664,502*	256,619	57,345	28,803	26,188	15,547	280,000	-
1985								
Loans	268,148	155,548	25,200	20,100	12,600	15,000	39,700	-
Grants	478,852	131,454	47,900	17,800	9,643	11,755	260,300	-
Total	747,000	287,002	73,100	37,900	22,243	26,755	300,000	-

* The above total for FY 1984 excludes \$2.7 million, which has not yet been notified for reobligation.

FY 1985 PROGRAM HIGHLIGHTS	
-	Development Assistance funds totaling \$447 million are requested, two-thirds for programs to increase agricultural productivity, rural employment and incomes, nutrition, and the roles that the private sector and science and technology play in the development process.
-	Economic Support funds in the amount of \$300 million are requested for development-oriented programs and activities in Pakistan, Philippines, and Thailand.
-	P.L. 480 assistance totaling \$368 million will be integrated with other programs to help achieve agricultural policy changes and productivity increases, balance of payments stability, and employment and nutritional

ASIA

The post-World War II history of U.S. relations with Asia is one of deepening political, social, and economic ties. U.S. trade and investment in Asia have grown to very large proportions. The recent economic performance of South Korea and Taiwan as A.I.D. graduates has been impressive, and non-communist Southeast Asia generally has displayed great economic vitality. On the other hand, the huge poor populations of the Indian subcontinent continue to pose the greatest challenge in terms of economic development. Since the 1979 Soviet invasion of Afghanistan, the subcontinent is also a source of increased political concern. A major social concern is the significance of Asia as a source for illicit narcotics sold in this country.

Because of the huge concentration of very poor people in South Asia, the Asia region contains 75-80 percent of the world's poor, falling below bare minimum food and other basic consumption standards. The average per capita GNP for the region is only \$224 compared to \$278 for Africa, \$769 for Latin America and \$970 for the Near East. The South Asian countries are worse off than comparable low income countries in other regions: crude birth rates are 38 per 1,000 versus 33 per 1,000 for the less developed countries as a whole; life expectancy at birth is 53 years compared to 58 years; and the daily per capita calorie deficit among the Asian undernourished (200 calories) is seven times the average for the rest of the developing world.

Progress in Meeting Goals

Overall, the A.I.D.-assisted countries of Asia have done well in recent years, due to prudent economic management on the part of responsible governments and to the availability of foreign assistance. Policy reforms providing for increased reliance on market forces, an enlarged role for the private sector, and a growing export sector, have permitted the major South Asian economies to adjust successfully to adverse economic and other circumstances (e.g. weather, oil prices) and the Southeast Asian economies to maintain high growth rates over extended periods.

In agriculture, while food supplies remain inadequate, the Asia region has done particularly well in generating increases in cereal grain production. With concerted A.I.D. and other donor assistance, agricultural research, extension, and educational institutions have been strengthened, and policy and institutional constraints on agricultural growth have been analyzed and addressed. Efforts to increase cereal yields have been most dramatic in the case of wheat, mainly in the temperate winter regions of South Asia. Production of wheat is growing faster than population in some Asian countries. The increased profitability of wheat as a result of high-yielding varieties (HYVs) has led to an increase in area sown. The new varieties have been adopted in many parts of South Asia. Bangladesh, where

ASIA

wheat was once almost unknown, produced more than 1.5 million metric tons (MT) in 1982-83.

Considerable success has also been achieved with rice in all agro-climatic sub-regions of Asia. Rice yields and production have accelerated since 1970, especially in the Philippines, Indonesia, Thailand and Sri Lanka. About a third of the total rice area in Asia is planted with modern HYVs in irrigated or rainfed paddy areas where semi-dwarf varieties can be grown.

In many areas irrigation, in conjunction with HYV's and fertilizer, is doubling and even tripling yields during the main growing season, and is making a second or even third crop possible. A.I.D.'s bilateral programs aim to increase the efficiency of irrigation schemes through better water management.

Since the early 1970's, the annual rate of population growth for the Asia region (excluding China) has declined approximately 25 percent. Asian countries realized that the 1970 average growth rate of 3.0 percent would double the population of the region in less than 25 years, constituting a major obstacle to economic and social development. Most countries have adopted policies and programs to reduce rapid population growth. Prevalence of contraceptive use, while still at low levels in countries such as Pakistan, Bangladesh, and Nepal, has now risen to over 40 percent of currently-married women in Indonesia, Philippines, and Thailand. A.I.D. has provided considerable bilateral assistance to all of these countries. As A.I.D. population programs in countries such as Thailand and Indonesia have matured, host governments have assumed increasing financial responsibility for recurring program costs.

A.I.D. support for health projects in Asia has contributed to a decline in infant mortality from 130 deaths per thousand live births in 1978 to the 1983 level of 110 per thousand. Our support also contributed to an increase in life expectancy from 49 years in 1973 to nearly 53 years in 1983.

New Program Emphases

The Asia Bureau continues to stress institution building, technology transfer, policy reform, and the private sector. These emphases have historically been present in the A.I.D. program, but the recent trend has been to intensify efforts along these lines.

Institution Building and Technology Transfer have long been hallmarks of A.I.D.'s Asian development programs. We intend, however, to give still greater attention to the basic institutions which constitute the most effective means of transferring development technologies. We see the task of institution building as inextricably interlinked with technology transfer, as our programming becomes increasingly technology-intensive as

ASIA

opposed to resource-intensive. For example, we have moved out of rural credit wherever we have perceived little impact on technology transfer, policy, or institutional development. We have concentrated on areas in which technology is highly relevant, such as irrigation, watershed management, agriculture research and training, and forestry. Finally, capital transfer is minimized and technical transfer emphasized. A good example is the multi-project energy program in the Philippines, which includes local and national institutional development, pilot projects for equipment adaptation, information dissemination, fuelwood research and production, and technical assistance and training for national and local entrepreneurs.

This twin focus on institution building and technology transfer is clearly exemplified in the FY 1985 program by the request for major new agricultural research projects for Indonesia, Nepal, and Burma, together with an institutionally-oriented Forestry Research, Education, and Training project in India. Two new health starts in Indonesia will strengthen the administrative and managerial capacity of local institutions to address diarrheal diseases and other health problems; a Science and Technology project in Thailand will strengthen private and public sector institutions involved in technologies relevant to its emerging middle-income status; a Nepal project will test means of expanding female participation in public educational institutions; and projects in irrigation operations and maintenance in Indonesia and Sri Lanka will make use of lessons learned to improve local institutional abilities to transfer the new irrigation technologies.

Policy Reform is another approach that underlies the Asia program. Some examples of how our development programs affect host country economic and development programs and priorities follow.

Under the Bangladesh Fertilizer project, the Government has instituted a number of reforms aimed at increasing fertilizer availability by removing restrictions on the private sector. Within the past year, the Government has introduced credit programs for private dealers, and eliminated fertilizer price controls. These reforms have resulted in record fertilizer sales in FY 1983 of nearly 1,000,000 MT, a 15 percent increase over the previous year.

The Thailand Renewable Non-Conventional Energy project has led to the inclusion of non-conventional energy planning (such as the small hydro sector) in the national energy plan.

The Pakistan P.L. 480 Title I program has supported a number of Government of Pakistan policy changes in the agriculture sector. Among these are wheat self-sufficiency, expansion of fertilizer use, and increased private sector involvement in the manufacturing and sale of fertilizer and other

ASIA

agricultural inputs. As a direct result of the negotiation of the FY 1983 PL 480 Title I agreement, the Government of Pakistan removed the duty on imports of soybean meal in order to stimulate the domestic poultry industry.

Indonesia's family planning program has become, with substantial A.I.D. assistance, one of the most successful in the developing world. Since 1979, the percentage of current users in Indonesia has increased from 25 percent of eligible couples to 48 percent. The Government's policy commitment to the program remains very strong. From 1979 to 1983, host government inputs rose from 49 percent to 72 percent of the program's total budget.

Private Sector emphases appear strongly in the conceptual and analytical development framework of all A.I.D. country programs. We look to the private sector for contributions to a number of complex development challenges, most particularly employment. Private enterprise projects are under way in the Philippines, Indonesia, Thailand, and Sri Lanka. New projects are scheduled to start in 1984 in Indonesia, Pakistan, the Association of Southeast Asian Nations (ASEAN) Regional program, and a project is proposed for FY 1985 in the South Pacific. For example, the Indonesia Private Sector Development Exploratory project will: provide consultant services for Indonesian entrepreneurs and facilitate joint ventures with U.S. businesses; fund special studies of constraints on the private sector; assist in the development of a major industrial enclave in Northern Sumatra; and provide senior and mid-career management training in the U.S. for Indonesian entrepreneurs. A related ongoing Indonesia project works directly on private sector development in two important labor-intensive industries. The private sector role is also growing in the family planning sector, with voluntary organizations and commercial firms involved in improving and expanding contraceptive delivery. Such projects are under way in Thailand, Nepal, and Bangladesh, with another about to start in India.

Accomplishments in Reaching Poor Majority

The A.I.D.-assisted countries of Asia have made significant economic progress over the past two decades. On the average, growth was slower during the 1970s than in the 1960s for South Asia, but more rapid for East Asia. Available evidence on income distribution and poverty in the Asian region suggests that where economic growth has been rapid, low-income groups have usually benefitted significantly. In general, data for individual countries on the income share of the lowest 40 percent of income recipients reveal a moderate rising trend in these shares over time.

Estimates of trends in absolute poverty (as defined by the World Bank) are available only for the rapidly growing East Asian economies. Overall, the evidence supports the hypothesis that rapid growth can have significant effects in alleviating absolute poverty. In Thailand, for example, the

ASIA

incidence of absolute poverty has dropped sharply and steadily from 57 percent in the early 1960s to a little over 30 percent in the mid 1970s, reflecting declines in both urban and rural areas. In Indonesia, the incidence of absolute poverty fell from above 50 percent in 1970 to less than 40 percent in 1976. Declines occurred in both urban and rural areas, in Java and in the other islands. In the Philippines, the incidence of poverty declined sharply between the mid-1950s and mid-1960s (from 72 to 43 percent), remained unchanged through 1970, and then rose to around 53 percent, at least in part because of poor weather and slow growth of manufacturing employment.

Lessons Learned: Watershed Management and Forestry

A.I.D.'s assistance program in Asia continues to rely heavily on evaluation as a critical management tool to guide project design and implementation. Lessons learned from both interim and final project evaluations are used regularly to make mid-course corrections and to design follow-on projects or similar projects in other countries. Major examples may be found in the region-wide approach to watershed management, where during 1983 the Asia Bureau completed evaluations of projects in Nepal, Indonesia, and Thailand. Several major lessons of these evaluations, and their application in project design or redesign, follow:

-- An interdisciplinary, multisectoral approach is essential for reversing environmental deterioration.

All three evaluations concluded that a strategy which emphasizes social and institutional constraints, as well as the entire farming system, must be pursued if environmental deterioration is to be addressed on a long-term basis. This lesson is being applied in Thailand's Mae Chaem project by studying the dynamics of migration between the hills and the lowlands and its effects on agricultural production and technology transfer in the project area. The Upland Agriculture and Conservation project in Indonesia, following an evaluation recommendation, will now include an agricultural research component using a farming systems approach. The Pakistan Forestry Planning and Development project will conduct systematic household and community level surveys during the initial implementation stage, and monitoring of selected communities throughout the project, based on evaluation findings of a project by another donor. In Nepal, in response to a recommendation in the Resource Conservation and Utilization project evaluation, a social scientist has been added to the advisory team to mobilize community support. Faculty advisors are now modifying the curriculum to reflect the project's multi-sectoral objectives.

-- Decentralized institutional and management structures facilitate technology transfer in watershed projects.

In the past, decision-making authority has been overly centralized and the emphasis on project design has been on technical activities, to the neglect

ASIA

of local institutional and managerial development. Under the Thailand Mae Chaem project, management was substantially redesigned to increase local decision-making authority. Consonant with an earlier Indonesia evaluation, the new Upland Agriculture and Conservation project proposes an organizational strategy which focuses on the roles of the provincial and sub-provincial levels of government. Community management of local resources, particularly as they relate to technology diffusion, will be a second major element of the organizational framework for this project.

-- Private ownership of land and resources encourages protection of the watershed; farmers are more likely to invest in long-term improvements in their land if they own it.

These concepts are built into the design of the Thailand Mae Chaem and the Pakistan Forestry Planning and Development projects.

Lesson Learned: PL 480 Title II India School Feeding Program

A 1983 evaluation of the India Title II School Feeding effort found that it has had a statistically significant impact on female enrollment and female retention rates in school. This strong, positive impact was unexpected, and may have important implications for A.I.D.'s efforts in family planning because of the link between women's fertility and educational levels. (The study did not address nutritional questions.) The decision to continue phasing down this program is being reviewed in light of the evaluation findings. Further studies are planned to guide program direction.

Lesson Learned: Thailand Family Planning

The conclusions of a recent study of the impact of A.I.D.'s investment in family planning in Thailand have important implications for A.I.D.'s and host countries' investments in population elsewhere in Asia. Based on statistical analyses, the study found that: (1) roughly two-thirds of the recent fertility decline in Thailand is attributable to the family planning program, for which A.I.D. was the major source of international support in its early years; (2) the effect of fertility reduction on future government savings is impressive, amounting to 18 percent of projected expenditures on education, health, housing, and other social services by the year 2010; and (3) the internal rate of return on this investment in family planning is 110 percent, which, the study notes, makes public spending on the Thai family planning program "an investment opportunity that few others can match in terms of yields." Government budgeting for contraceptives has been replacing external donor financing, rising from 20 percent of the total in 1981 to 80 percent in 1983.

ASIA

DA/ESF Integration

Development Assistance (DA) funds are being requested for each of the recipient countries, and Economic Support Funds (ESF) as well for Thailand, the Philippines and Pakistan. The Philippine and Pakistan programs are representative of an integrated approach.

In the Philippines, the DA program aims at equity and alleviation of poverty in the rural areas, with emphasis on agricultural and rural development, employment creation, health, population, and education. The ESF program supports these goals with programs aimed at rural energy and infrastructure needs (schools, roads, markets). In a major expansion programmed in FY 1985 as a result of the second U.S.-Philippines Bases Agreement, ESF local currency generations will be provided as counterpart assistance for multilateral donor-supported projects which increase rural productivity.

The Pakistan program has been entirely ESF-funded since its resumption, but is characterized by a strongly developmental strategic approach in the agriculture and rural development, health, and population sectors, with additional activity in the narcotics, energy, and private sector areas. The introduction of DA in FY 1985 will fund agricultural development project commodities and the rural electrification program. Despite the two funding sources the program will be a unified one.

The small ESF program in Thailand, while not integrated with the DA program as such, supports Government efforts to stabilize economic and social conditions of Thai villagers living near Kampuchean and Laotian borders, whose lives have been disrupted by military activity and the associated influx of refugees.

Deobligation-Reobligation Authority

In addition to the FY 1984 obligations shown in this budget submission, previously deobligated funds in the amount of \$2,698,036 are scheduled for reobligation during FY 1984 in the Asia Region as follows:

<u>Program</u>	<u>Title, Number</u>	<u>Appropriation, L/G</u>	<u>FY 84 Reob</u>
Indonesia	Upland Agr. & Conservation 497-0311	ARDN (G)	\$945,000
Philippines	Rainfed Resources Development 492-0366	ARDN (L)	1,638,461
Philippines	Undetermined	SDA (G)	11,375
Thailand	PVO Co-Financing 493-0296	EHR (G)	103,200

FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (388) BANGLADESH

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 96,539
 PER CAPITA GNP..... (DOLLARS,1981) 140
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 0.4%
 ANNUAL RATE OF INFLATION (1970-81) 15.7%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1974) 6.9%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 47.1 MALE 45.7 FEMALE 48.6
 (1970) TOTAL 41.6 MALE 42.1 FEMALE 41.1
 ADULT LITERACY RATE (1974) TOTAL 26% MALE 37% FEMALE 13%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) -0.0%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 54%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 2,302
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: RICE ,WHEAT , 88% (1982)
 CASH: JUTE , , 6% (1982)

MAJOR AGRICULTURAL EXPORTS:(1982) JUTE , ,
 MAJOR AGRICULTURAL IMPORTS:(1982) WHEAT ,RICE ,
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 74%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1976) 708 (77) 1,036 (78) 1,445
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1976) 954 (77) 1,022 (78) 1,160
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1976) -245 (77) 14 (78) 285
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1976) 7.7% (77) 10.7% (78) 9.9%
 AS % OF GNP..... (1976) 1.0% (77) 1.6% (78) 1.3%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 321 (81) 155 (82) 207
 EQUIVALENT TO 0.8 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1982) JUTE ,LEATHER ,TEA
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 81 (1981) 78 (1982) 78
 AS % OF TOTAL EXPORTS (1979) 15% (1980) 11% (1981) 10%
 MAJOR IMPORTS....(1982) FOODSTUFFS ,FUELS ,COTTON
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980) 312 (1981) 243 (1982) 206
 AS % OF TOTAL IMPORTS (1979) 13% (1980) 13% (1981) 9%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1979) -1,069(80) -1,559(81)-1,650
 TRADING PARTNERS: UNITED STATES ,JAPAN ,UNITED KINGDOM
 EXTERNAL PUBLIC DEBT AS % OF GNP (1982) 35.8%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 98
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981) 12.4%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.7% (1978) 3.0% (1983) 3.1%
 POPULATION IN URBAN AREAS.....(1970) 8% (1982) 12%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 48 (1983) 49
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1981) 18.6%
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 42.8% (15-64YRS) 54.6% (65+ YRS) 2.6%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 144
 PEOPLE PER PHYSICIAN..... (1977) 12,692
 MAJOR CAUSES OF
 DISEASE (1981) LEPROSY ,INTESTINAL INFEC ,TUBERCULOSIS
 DEATH.. (1975) TUBERCULOSIS ,ENTERIC DISEASE ,CHOLERA
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1970) 85%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 53%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1979) TOTAL 65.0% MALE 79.0% FEMALE 49.0%
 SECONDARY..... (1979) TOTAL 25.0% MALE 38.0% FEMALE 11.0%
 POST SECONDARY.. (1977) TOTAL 1.9% MALE 3.2% FEMALE 0.5%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 46.9%

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-82	REPAY- MENTS AND INTEREST 1946-82	TOTAL LESS REPAY- MENTS AND INTEREST 1946-82
	BANGLADESH							
	PROGRAM	1978	1979	1980	1981			
I. ECONOMIC ASSISTANCE - TOTAL	193.9	207.5	157.3	152.1	172.5	1731.9	104.7	1527.2
Loans	102.4	96.6	124.4	50.5	64.0	758.1	104.7	553.4
Grants	91.4	110.9	32.9	101.6	108.5	973.8	-	973.8
a. A.I.D. and Prodemur Agencies	95.3	90.4	30.3	80.0	74.4	934.4	29.5	874.9
Loans	24.4	9.5	50.0	-	-	213.9	29.5	184.4
Grants	70.9	31.9	30.3	80.0	74.4	690.5	-	590.5
(Economic Support Fund)	-	-	-	-	-	-	-	-
b. Food for Peace (PL 480)	98.5	117.1	77.0	72.1	93.1	827.5	75.2	752.3
Loans	73.0	38.1	74.4	50.5	64.0	544.2	75.2	469.0
Grants	20.5	29.0	2.6	21.6	34.1	283.3	-	233.3
Title I - Total Sales Agreements	78.0	89.1	74.4	50.5	64.0	544.2	75.2	459.0
Payable in U.S. Dollars - Loans	73.0	33.1	74.4	50.5	64.0	544.2	74.1	470.1
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	1.1	1.1
Title II - Total Grants	20.5	29.0	2.6	21.6	34.1	283.3	-	233.3
Emerg. Relief, Econ. Develop. & World Food Program	8.5	6.6	0.7	1.2	16.4	199.2	-	199.2
Voluntary Relief Agencies	12.0	22.4	1.9	20.4	17.7	84.1	-	34.1
c. Other Economic Assistance	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE - TOTAL	0.2	0.2	0.1	0.1	0.2	0.9	-	0.9
Credits or Loans	-	-	-	-	-	-	-	-
Grants	0.2	0.2	0.1	0.1	0.2	0.9	-	0.9
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	0.2	0.2	0.1	0.1	0.2	0.9	-	0.9
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	194.0	207.7	157.4	152.2	172.7	1732.8	104.7	1528.1
Loans	102.4	96.6	124.4	50.5	64.0	758.1	104.7	553.4
Grants	91.6	111.1	33.0	101.7	108.7	974.7	-	974.7
Other U.S. Government Loans and Grants	-	-	-	74.3	-	74.3	75.5	2.3
a. Export-Import Bank Loans	-	-	-	-	-	4.0	5.7	1.7
b. All Other Loans	-	-	-	74.3	-	74.3	69.8	4.5

* LESS THAN \$50,000.

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				
	FY 1981	FY 1982	FY 1983	FY 1946-83
TOTAL	508.8	598.5	579.3	4033.1
IBRD	0.0	0.0	0.0	54.9
IFC	2.3	0.0	3.9	3.8
IDA	336.0	391.0	367.3	2548.6
IDB	0.0	0.0	0.0	0.0
ADB	153.2	147.4	303.1	1193.4
AFDB	0.0	0.0	0.0	0.0
UNDP	14.3	10.1	0.0	73.2
CFEER-UN	0.0	50.0	0.0	142.2
ESC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

BANGLADESH	CY 1981	CY 1982	CY 1978-82
United States	128.0	193.0	818.0
Japan	145.0	215.8	901.8
Germany Fed. Rep.	95.8	82.7	818.2
United Kingdom	68.4	40.2	419.1
Canada	58.0	88.2	355.7
Other	197.7	212.9	1,035.1
Total	692.9	832.8	4,347.9

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

	CY 1981	CY 1982	CY 1978-81
	48.5	N.A.	139.8

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1981	CY 1982	CY 1954-82
USSR	70	-	375
Eastern Europe	250	280	740
China	-	-	105
Total	320	280	1,220

BANGLADESH

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1983								
Loans	-	-	-	-	-	-	-	-
Grants	78,900	54,100	24,800	-	-	-	-	-
Total	78,900	54,100	24,800	-	-	-	-	-
1984								
Loans	13,000	13,000	-	-	-	-	-	-
Grants	63,895	38,000	25,895	-	-	-	-	-
Total	76,895	51,000	25,895	-	-	-	-	-
1985								
Loans	-	-	-	-	-	-	-	-
Grants	82,000	54,750	27,000	-	250	-	-	-
Total	82,000	54,750	27,000	-	250	-	-	-

FY 1985 PROGRAM HIGHLIGHTS	
-	activities to reduce human fertility through the improved delivery of family planning services, \$27 million.
-	support for increased agricultural production through reform of interest rate structures and banking practices and the provision of rural credit, \$25 million.
-	support to private sector marketing of agricultural inputs, \$20 million.
-	improved food grain management policies through a P.L. 480 Title III program, \$75 million.
-	development of rural roads and promotion of off-farm employment through a P.L. 480 Title II program, \$19.6 million.

BANGLADESH

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans	14,870	15,601	7,000
Grants	100,652	108,343	129,360
Total AID	115,522	123,944	136,360
P.L. 480**			
Title I (of which Title III is)	60,000 (60,000)	65,000 (65,000)	75,000 (75,000)
Title II	33,426	22,287	22,873
Total P.L. 480	93,426	87,287	97,873
Total AID and P.L. 480	208,948	211,231	234,233

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
AID Personnel ^a			
Direct Hire ^b	39	37	35
PASA ^c	1	1	1
Contract	3	4	3
Total	43	42	39
Participants ^d			
Noncontract	435	330	342
Contract	57	220	111
Total	492	550	453

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1984 and 1985 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

P.L. 480
(In thousands of dollars)

Program	FY 1983 (Actual)		FY 1984 (Estimated)		FY 1985 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat	228	28,900	197	31,000	224	35,000
Rice	35	10,000	50	15,000	53	20,000
Feedgrains	-	-	-	-	-	-
Vegoil	24	10,900	12	9,000	14	10,000
Non-food	28	10,200	26	10,000	28	10,000
Title I Total (of which Title III is)		60,000 (60,000)		65,000 (65,000)		75,000 (75,000)
Title II						
Voluntary Agencies		14,683		18,968		19,630
World Food Programs		4,060		3,319		3,243
Gov't-to-Gov't		14,683		-		-
Title II Total		33,426		22,287		22,873
Total P.L. 480		93,426		87,287		97,873

BANGLADESH

Development Overview

With GNP per capita estimated at \$142, Bangladesh is one of the poorest countries in the world. It is also the most densely populated, with over 1,600 people per square mile. A population growing at 3.1 percent per year (doubling every 29 years) vitiates recent gains in agricultural production and postpones the advent of self-sufficiency in food production. Intense population pressure on the country's fertile but finite land base is necessarily driving many Bangladeshis off the farm. But non-agricultural employment opportunities are vastly inadequate, and an unskilled human resource base, limited physical infrastructure, and inadequate investable capital combine to retard the growth of rural industries.

The physical quality of life of the average Bangladeshi ranks among the lowest in the world. Nearly 15 percent of infants die before the age of one, life expectancy at birth is 47 years, and literacy is estimated at only 26 percent. Malnutrition is endemic, especially in chronic food deficit districts.

Still, there have been some encouraging signs in recent years. A rapid expansion in irrigation has led to increased cropping intensity and adoption of higher yielding crop varieties and improved agricultural technology packages. The superior performance of non-governmental organizations in delivering family planning services is setting a good example for Bangladesh Government (BDG) population control programs. And the recent willingness of the government to make tough, sound macro-economic policy decisions has increased the country's capability to utilize both domestic and external financial resources. However, given the low base from which the country is starting, Bangladesh will continue to be heavily aid-dependent for the foreseeable future.

U.S. Interests and Objectives

Economic assistance to Bangladesh is the U.S. Government's principal means of supporting the inter-related objectives of orderly economic growth and stability. Stability is a necessary condition for continuing reasonably equitable development. A stable Bangladesh contributes to the important U.S. goal of regional stability in South and Southeast Asia. Conversely, political turmoil and economic distress could once again, as in 1971, introduce severe strains into South Asian regional relationships, with unpredictable consequences for

broader U.S. interests. The present martial law government is well disposed toward the United States and is implementing a far-reaching economic reform program including realistic budgets, reduced subsidies, and encouragement of the private sector with greater reliance on market mechanisms. The government is making significant reforms in administration and local government, looking toward a return to representative political institutions. Sustained U.S. assistance is a critical element in supporting the government's pragmatic development policies and its efforts to move in an orderly fashion toward representative democracy.

The U.S. Government values its cooperative relations with Bangladesh on international questions. Bangladesh has played a moderate and pragmatic role in Islamic and Non-Aligned Movements and in the Group of 77. The moderate Bangladesh Government continues its opposition to the Soviet invasion of Afghanistan and the Vietnamese invasion of Kampuchea, and maintains its pragmatic positions on North-South issues. It appeared before the U.N. Security Council in September 1983 to voice its protest of the Korean Airline tragedy.

America's historic humanitarian concern requires our engagement in meeting the most basic needs of this nation. But beyond the humanitarian aspect the United States has an interest in demonstrating that it is prepared to work effectively with those poor countries that are adopting sound economic policies in pursuit of development.

A.I.D. Development Strategy

Recognizing that rapid population growth compounds the difficulties in meeting agricultural production and employment needs, A.I.D. gives highest priority in Bangladesh to the goal of reducing human fertility. The goal will be addressed by increasing the use of modern family planning methods delivered by governmental and non-governmental programs. Secondly, agricultural productivity must be increased to raise rural incomes and reduce the need for imported foodgrains. A.I.D. approaches this goal through the development and dissemination of improved agricultural technologies, by improving the supply and distribution of inputs, through development of key infrastructure, and through development of human resources. An additional objective is the expansion of rural employment, through development of rural industries, dissemination of appropriately labor-intensive agricultural technologies, a Food For Work public works program, and development of selected infrastructure.

Overlaying the basic strategy is a multi-faceted policy dialogue with particular emphasis on strengthening the role of markets and increasing the scope of private sector participation in the economy. Significant levels of assistance, combined with policy analysis and quality technical assistance, have created an atmosphere of mutual confidence that permits A.I.D. to advise and consult with the government on many of the most critical economic policy issues it faces.

A.I.D. Program (FYs 1983-1984)

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

A. Reducing Fertility

The Family Planning Services project (388-0050) addresses the Mission's top program priority through grants to governmental and non-governmental population sector activities. A.I.D. financing for the government program includes commodities (contraceptives, surgical supplies and equipment), demographic research, maternal and child health training materials, contraceptive prevalence surveys, community-based family planning projects, participant training, and the local cost financing of the voluntary sterilization program. A.I.D.'s participation helps meet an urgent need for these services. Equally important, A.I.D.'s active monitoring provides insurance that the completely voluntary nature of the government's program is based on fully informed consent and a high quality of services.

A.I.D. financing of non-governmental organizations enables them to develop family planning projects. These include voluntary sterilization clinics and community-based distribution programs, maternal and child health/family planning clinics, and subsidized private sector marketing of contraceptives. The project recognizes that higher contraceptive prevalence rates will eventually be contingent on measures to stimulate and sustain demand for fertility reduction. The project explores new social measures to enhance acceptance of the small family norm, as well as ways to broaden the market for family planning services. Recent evaluations have found that while growth in contraceptive distribution through the government program has been marginal, recent growth of the non-governmental organization programs has been good. Sales through the retail sales program, which are, by definition, voluntary and based on consumer demand, are growing at a remarkable 25 percent annually. Consequently, increased A.I.D. funding will go to the non-governmental organization and retail sales programs,

while A.I.D., in concert with other donors, will focus close attention on increasing the management effectiveness of the government program.

B. Increasing Agricultural Productivity

The Agricultural Research II project (388-0051) develops more productive crop varieties and cultivation practices by strengthening the institutional capacity necessary for technological advances and by decentralizing research to regional substations and to farmers' fields. By devoting resources to other crops, as well as to the dominant rice crop, the project aims to diversify agricultural production and improve nutrition. Recent production advances have been recorded in wheat, rice, mustard, summer pulses, and fertilizer use efficiency. A water management component was added to the project in 1982 to increase the efficiency of rapidly spreading irrigation technologies. This project is part of A.I.D.'s long term commitment to developing agricultural research capabilities in Bangladesh. A recent study by the Agricultural Development Council estimated the returns to agricultural research in Bangladesh during the 1970's at 30-50 percent per annum, comparable to the rates experienced in Mexico, Brazil, and Japan.

The Fertilizer Distribution Improvement project (388-0024) increases fertilizer use through improvements in the marketing system, provision of adequate fertilizer supplies, and increased national storage capacity. The leverage of this large project has been used effectively to institute policies which removed government constraints on the operations of fertilizer retailers, eliminated officially administered retail prices, closed 249 government fertilizer sales centers in order to leave local marketing to private dealers, and began a training program for private dealers. Project studies and evaluations have shown that small farmers use fertilizer slightly more intensively than larger farmers and that in some accessible areas competition among retailers has resulted in fertilizer prices below the former officially administered prices. A phase two project, to be initiated in 1984, continues the process of transferring fertilizer distribution and marketing from public to private sector. Where the phase one project accomplished that transfer at the local level, the successor project will extend the private sector's role to the national level. As a result of a current BDG-A.I.D. policy dialogue, private distributors will for the first time be allowed to procure fertilizer from the ports and factories at wholesale prices and compete with the government for national distribution. A.I.D. will support the new distribution system by financing fertilizer imports, credit

for private distributors, technical assistance in distribution and marketing, and minor infrastructural improvements to increase access to ports, factories, and warehouses.

Starting in FY 1984, the Irrigation Equipment Policy and Support project (388-0058) will improve the supply and reliability of irrigation equipment in Bangladesh through policy initiatives and support for private sector manufacture, sales and service arrangements. To achieve long term stability of foodgrain and other crop production, it is essential that irrigation equipment is appropriate to local hydrologic conditions and is supported by adequate distribution networks for spare parts and operating inputs. A.I.D. and the BDG will address the policy framework necessary to encourage further privatization of the manufacturing, sales and services subsectors.

Growth in use of physical inputs is supported by growth in use of institutional credit. The predecessor to the Rural Finance project (388-0037) experimented with nine credit models at differing interest rates using commercial banks. An FY 1982 evaluation of the experimental project revealed high demand among rural people for institutional credit, inhibited primarily by the procedural difficulties of obtaining it. Interest rates set by the project were far higher than institutional rates, thus giving banks an incentive, yet far lower than those found in non-institutional lending markets, and were therefore seen as desirable by borrowers. Another factor which appears important to potential borrowers is the assurance that subsequent loans will be available if initial loans are repaid. Following this experience, the Rural Finance project emphasizes policy reforms aimed at savings mobilization, changes in the interest rate structure, loan administration reform including an effective system to encourage prompt repayment of loans, and institutional strengthening of participating banks. The project will thereby increase the availability of credit to poor farmers.

Expansion and improvement of electricity and transport systems are needed to facilitate the dissemination of new technologies and services and to link farms with markets. Rural Electrification II (388-0054), described more fully below, allows the spread of low-cost irrigation pumps to areas now lying fallow in the winter season. The Zilla Roads Maintenance project (388-0056) provides technical assistance to develop the local (district) capacity to maintain feeder roads and provides some maintenance equipment. Of equal importance, this project seeks new ways of increasing government revenue generating capability, thereby strengthening the institutional capacity of district governments to finance the construction and maintenance of

rural roads without the help of the central government. The PL 480 Title II program continues to upgrade local footpaths and seasonal roads into year-round farm-to-market roads. A recent audit of the Food For Work (FFW) project (388-0052) recommended that it emphasize development, rather than relief, objectives. Accordingly, the sales proceeds of supplemental shipments of Title II wheat have financed a pilot program of bridge and culvert construction on FFW roads, increasing their usefulness and their development impact. A preliminary evaluation of the first construction, completed in 1983, found that the structures were technically sound. They were also built more quickly than most other government-financed bridges and culverts.

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

C. Expanding Rural Employment

The project likely to impact most broadly on the proliferation of rural industries is the Rural Finance project (388-0037), described above. This project will improve the availability of loans to rural entrepreneurs on acceptable terms.

The Rural Industries project (388-0042) provides technical assistance, credit, and training to local agencies promoting the development of private sector rural industries. A pilot program situated in the Bangladesh Small and Cottage Industries Corporation focuses on women's entrepreneurship. The Micro Industries Development and Assistance Society, a non-governmental organization, assists in the establishment of businesses engaged in production of non-traditional export goods, introducing new products or processes to Bangladesh, or forming joint ventures with foreign firms.

The Food For Work project (388-0052) provides seasonal employment to the landless and near-landless rural poor, including women, through earthwork infrastructural projects, mostly roads. Each year about 800,000 laborers find employment through this project.

The Rural Electrification II project (388-0054) speeds the expansion of irrigation and provides power for new private sector rural industries. The project requires the BDG to adopt a viable power tariff structure to account for the real cost of power. It also requires the rehabilitation and improved maintenance of electrical transmission facilities that feed rural electric cooperatives. Technical assistance is concentrating on developing financially viable, self-managing rural electrification cooperatives and on expanding the productive use of electricity to more farms and small rural businesses.

Requested Year Program (FY 1985)

With the exception of a new Food for Work project (388-0061), the requested year program consists of incremental funding for ongoing projects described under the current year program.

A. Reducing Fertility, (\$27 million)

Incremental funding for the Family Planning Services project (388-0050) continues support for governmental and non-governmental programs providing contraceptive services. In FY 1985, the final year of funding for the project, a comprehensive evaluation of the family planning program will be undertaken, and appropriate follow-on activities will be designed.

B. Increasing Agricultural Productivity, (\$51.4 million)

Ongoing activities in Rural Finance, Fertilizer Distribution Improvement II, Agricultural Research II, Irrigation Equipment Policy and Support, and Technical Resources will receive FY 1985 funding to support continuing growth in the agriculture sector.

A two-year extension of the existing Title III agreement is planned for 1985. In addition to a continuation of the current policy thrusts, A.I.D. will sharpen its focus on the broader issues of market operations in the foodgrain sector. This will probably involve further reductions in the size of the public food ration system, encouragement of private sector activity in the grain trade, and BDG support of floor prices in times of excessive price decline.

C. Expanding Rural Employment, (\$3.3 million)

Ongoing projects in Rural Industries and Rural Electrification II will receive continued funding in FY 1985. A Food for Work III project will begin in that year, expanding the rural roads system begun under its predecessor projects. The project will fund the administrative costs of CARE in monitoring the construction program financed with PL 480 Title II wheat.

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

PROGRAM: BANGLADESH

CP 65

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY33- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY84- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY35- OBLIG ATIONS	EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
RURAL ELECTRIFICATION	G 388-0021	78	80	35,300	35,300	34,529	---	771	---	---	
RURAL ELECTRIFICATION	L 388-0021	78	80	34,000	34,000	29,174	---	4,826	---	---	
FERTILIZER DISTRIBUTION IMPROVEMENT	G 388-0024	78	83	203,000	193,210	156,265	---	20,000	---	30,351	
FERTILIZER DISTRIBUTION IMPROVEMENT	L 388-0024	78	83	32,000	32,000	7,819	---	10,775	---	---	
TECHNICAL RESOURCES	G 388-0027	79	86	9,650	6,150	2,134	---	800	1,400	1,000	
RURAL FINANCE	G 388-0037	83	85	75,000	25,000	24,000	25,000	25,200	25,000	25,000	
RURAL INDUSTRIES	G 388-0042	81	85	5,000	3,300	2,450	936	300	1,000	550	
PVO CO-FINANCING II	G 388-0045	80	84	2,050	1,975	---	---	151	300	101	
AGRO-CLIMATIC ENVIRONMENT MONITOR	G 388-0046	81	81	5,900	5,900	5,178	---	400	---	322	
AGRICULTURAL RESEARCH II	G 388-0051	81	86	25,500	12,900	4,980	4,700	5,000	5,000	5,000	
FOOD FOR WORK II	G 388-0052	81	84	2,650	1,800	577	849	950	---	1,122	
RURAL ELECTRIFICATION II	G 388-0054	81	86	50,000	45,000	33,000	773	---	13,000	2,000	
RURAL ELECTRIFICATION II	L 388-0054	81	86	---	5,000	---	---	5,000	---	2,000	
ZILLA ROADS MAINTENANCE AND IMPROVEMENT	G 388-0056	81	83	9,200	9,200	1,219	---	4,000	---	2,100	
IRRIGATION EQUIPMENT POLICY AND SUPPORT	G 388-0058	84	88	---	14,000	---	---	2,000	1,200	5,000	
FERTILIZER DISTRIBUTION IMPROVEMENT II	G 388-0060	84	88	---	65,000	---	---	5,000	4,000	15,000	
FERTILIZER DISTRIBUTION IMPROVEMENT II	L 388-0060	84	88	---	8,000	---	---	3,000	---	5,000	
FOOD FOR WORK III	* G 388-0061	85	89	---	4,000	---	---	---	---	800	

* Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PROGRAM: BANGLADESH

CP 85

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-ESTIMATED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	FY85- EXPENDI TURES
TOTAL FOR ACCOUNT GRANTS				489,250	390,910	267,589	51,000	97,222	54,750	105,160
LOANS				423,250	324,910	230,596	38,000	81,621	54,750	98,160
				66,000	66,000	36,993	13,000	15,601	---	7,000
POPULATION PLANNING										
FAMILY PLANNING SERVICES	G 388-0050	31	85	63,336	57,865	31,143	25,895	25,500	27,000	31,000
TOTAL FOR ACCOUNT GRANTS				63,336	57,865	31,143	25,895	25,500	27,000	31,000
LOANS				63,336	57,365	31,143	25,895	25,500	27,000	31,000
				---	---	---	---	---	---	---
HEALTH										
PVO CO-FINANCING II	G 388-0045	30	84	950	499	358	---	194	---	---
FAMILY PLANNING SERVICES	G 388-0050	81	85	1,530	1,530	980	---	550	---	---
TOTAL FOR ACCOUNT GRANTS				2,480	2,029	1,338	---	744	---	---
LOANS				2,480	2,029	1,338	---	744	---	---
				---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES										
TECHNICAL RESOURCES	G 388-0027	79	86	1,350	---	---	---	200	250	200
TOTAL FOR ACCOUNT GRANTS				1,350	---	---	---	200	250	200
LOANS				1,350	---	---	---	200	250	200
				---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES										
KARNAPHULI THIRD UNIT	G 388-0018	76	81	700	700	502	---	198	---	---
PVO CO-FINANCING II	G 388-0045	30	84	2,000	871	529	---	39	---	---
TOTAL FOR ACCOUNT GRANTS				2,700	1,571	1,031	---	237	---	---
LOANS				2,700	1,571	1,031	---	237	---	---
				---	---	---	---	---	---	---

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized data. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PROGRAM: BANGLADESH

C# 85

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY83-		-ESTIMATED FYS4-		-PROPOSED FY85-	
					OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES
TOTAL FOR COUNTRY			559,116	685,365	452,375	301,106	76,895	123,903	82,000	136,360
GRANTS			493,116	606,365	386,375	264,113	63,895	106,302	32,000	129,360
LOANS			66,000	79,000	66,000	36,993	13,000	15,601	---	7,000

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
FOOD FOR WORK III			800		FY 85	Life of Project Funding	
					800	4,000	
Number	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
388-0061					FY 85	FY 89	FY 90
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	<input type="checkbox"/> CONTINUING						

Purpose: To upgrade and maintain rural roads and construct small bridges and culverts in selected areas. A secondary objective is to provide employment and food to the rural poor during annual periods of food scarcity.

Project Description: Bangladesh is a low-lying country with an extensive, dispersed network of inadequate rural roads cut by numerous waterways. Since 1976 the Food for Work (FFW) program has supported the upgrading of these roads to permit supply of agricultural inputs, marketing of farm surpluses, and introduction of public services and new ideas to formerly isolated areas.

Bangladesh suffers from chronically high levels of unemployment and underemployment, with an estimated unemployment equivalency of 23 percent of the work force. The rural labor force is growing at a rate of 2.6 percent annually, and the agricultural sector is unable to absorb the additional labor. This project will provide off-farm, seasonal employment and will benefit an estimated 5 million laborers and their families. Since most wages are paid in wheat, the project will also provide a much-needed nutritional supplement during the food-scarce season.

The project provides DA funds to cover CARE dollar costs in support of the much larger resources provided under Title II in the form of wheat and local currency (generated under Title II Sales Programs) for the FFW earthworks and structures programs.

When the second phase project (FFW-II) began in 1980, the project's objectives were reoriented from relief to development as widespread distress lessened. The local currency generated from sale of wheat from a Section 202 commodity agreement in 1982 was used to build bridges and culverts on FFW roads. For the first time, local currency resources are being combined with food to complete rural road segments. The Mission expects to continue and expand monetization of Title II commodities and use of locally-generated currencies to fund activities on a wider scale in the third phase (FFW III) of the project.

In FY 1984, the Mission is conducting an assessment of existing FFW II project activities to evaluate the economic effects of the road projects. The important variables influencing successful road projects are being identified, and the FFW III project will be designed to maximize replication of those elements which generate long-range economic benefits for local communities.

Relation of Project to A.I.D. Country Strategy: Improved farm-to-market roads is the primary project output. A.I.D.'s strategy stresses the importance of developing the agricultural sector by disseminating agricultural technologies and increasing access to institutional credit and agricultural inputs. This project implements that strategy. It also contributes toward A.I.D.'s objective of expanding rural employment.

Host Country and Other Donors: The Bangladesh Government contributes a significant portion of the project's administrative costs, including transport costs and losses involved in the movement of foodgrains from the port to individual project sites and the in-country administrative costs of CARE in monitoring and supervising project activities. The Government also finances that portion of the grain distributed under the program which does not qualify for A.I.D. reimbursement (about thirty percent in recent years).

Other donors support FFW-related activities in Bangladesh. The World Food Program supports a program which constructs flood-control embankments and rural road networks. Canadian aid provides wheat which is monetized with proceeds utilized to support women's maintenance crews on FFW roads. The Australians, British, the European Economic Community, and Dutch aid programs also contribute food resources which are used to support FFW-related activities in Bangladesh.

Beneficiaries: The project's ultimate beneficiaries are landless laborers and small farmers. The latter group will benefit by increased access to markets and to agricultural and social services. Direct beneficiaries are the 800,000 laborers employed by FFW each year.



FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (482) BURMA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 35,300
 PER CAPITA GNP..... (DOLLARS,1981) 190
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 2.3%
 ANNUAL RATE OF INFLATION (1970-81) 10.7%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1972) 8.0%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 54.6 MALE 53.0 FEMALE 56.2
 (1970) TOTAL 48.8 MALE 47.3 FEMALE 50.2
 ADULT LITERACY RATE (1980) TOTAL 66% MALE 76% FEMALE 56%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) 1.9%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 47%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 847
 MAJOR CROP(S) ARABLE LAND YEAR
 SURSISTENCE: RICE , , 60% (1982)
 CASH: PEANUTS , , 9% (1982)
 MAJOR AGRICULTURAL EXPORTS:(1982) RICE ,PULSES ,OILCAKE
 MAJOR AGRICULTURAL IMPORTS:(1982) EDIBLE OIL , ,
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1983) 63%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1978) 729 (79) 905 (80) 998
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1978) 701 (79) 777 (80) 926
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1978) 29 (79) 128 (80) 72
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1978) 23.1% (79) 24.4% (80) 21.9%
 AS % OF GNP..... (1978) 3.5% (79) 3.5% (80) 3.4%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 272 (81) 239 (82) 114
 EQUIVALENT TO 3.3 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1982) RICE ,TIMBER ,ANIMAL PRODS
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 8 (1981) 15 (1982) 16
 AS % OF TOTAL EXPORTS (1980) 3% (1981) 3% (1982) 4%
 MAJOR IMPORTS....(1982) EDIBLE OILS ,BUILDING MTRLS ,MACHINERY
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980) 32 (1981) 37 (1982) 37
 AS % OF TOTAL IMPORTS (1980) 4% (1981) 4% (1982) 4%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1980) -206(81) -293(82) -473
 TRADING PARTNERS: JAPAN ,SINGAPORE ,WEST GERMANY
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 54.6%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 165
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981) 31.4%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.3% (1978) 2.4% (1983) 2.0%
 POPULATION IN URBAN AREAS.....(1970) 23% (1983) 24%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 40 (1983) 37
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1980) 10.0%
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 41.2% (15-64YRS) 55.1% (65+ YRS) 3.7%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 93
 PEOPLE PER PHYSICIAN..... (1977) 5,261
 MAJOR CAUSES OF
 DISEASE (1981) MALARIA ,INTESTINAL INFEC ,TUBERCULOSIS
 DEATH.. (1982) MALARIA ,TUBERCULOSIS ,HEART DISEASE
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 103%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 17%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1977) TOTAL 84.0% MALE 87.0% FEMALE 81.0%
 SECONDARY..... (1977) TOTAL 20.0% MALE 22.0% FEMALE 18.0%
 POST SECONDARY.. (1976) TOTAL 1.8% MALE 1.9% FEMALE 1.8%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 133%

U.S. OVERSEAS LOANS AND GRANTS — OBLIGATIONS AND LOAN AUTHORIZATIONS (U.S. Fiscal Years — Millions of Dollars)									ECONOMIC PROGRAMS OF ALL COUNTRIES (Millions of Dollars)				
COUNTRY BURMA									A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS				
PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-82	REPAY- MENTS AND INTEREST 1946-82	TOTAL LESS REPAY- MENTS AND INTEREST 1946-82	FY 1981	FY 1982	FY 1983	FY 1946-82	
	1978	1979	1980	1981	1982				TOTAL.....	141.2	219.4	100.1	1213.2
I. ECONOMIC ASSISTANCE — TOTAL	4.8	4.8	6.3	7.6	13.7	134.7	64.5	70.2					
Loans	-	-	-	-	-	40.4	64.5	24.1					
Grants	4.8	4.8	6.3	7.6	13.7	94.3	-	94.3					
a. A.I.D. and Prodecessor Agencies	-	-	2.0	3.0	7.6	72.0	31.9	40.7					
Loans	-	-	-	-	-	33.5	31.9	1.6					
Grants	-	-	2.0	3.0	7.6	39.1	-	39.1					
(Economic Support Fund)	-	-	-	-	-	9.0	-	-					
b. Food for Peace (PL 480)	-	0.1	0.2	-	-	22.6	26.3	3.7					
Loans	-	-	-	-	-	1.9	26.3	24.4					
Grants	-	0.1	0.2	-	-	20.7	-	20.7					
Title I - Total Sales Agreements	-	-	-	-	-	14.7	26.3	11.6					
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-					
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-					
Title II - Total Grants	-	-	-	-	-	14.7	26.3	11.6					
Emerg. Relief, Econ. Develop. & World Food Program	-	0.1	0.2	-	-	7.9	-	7.9					
Voluntary Relief Agencies	-	0.1	0.2	-	-	0.3	-	0.3					
	-	-	-	-	-	7.6	-	7.6					
c. Other Economic Assistance	4.3	4.7	4.5	4.6	5.1	39.5	6.3	33.2					
Loans	-	-	-	-	-	5.0	6.3	1.3					
Grants	4.3	4.7	4.5	4.6	5.1	34.5	-	34.5					
Peace Corps	-	-	-	-	-	-	-	-					
Narcotics	-	-	-	-	-	-	-	-					
Other	4.3	4.7	4.5	4.6	5.1	34.5	-	34.5					
	-	-	-	-	-	-	-	-					
II. MILITARY ASSISTANCE — TOTAL	-	-	*	*	0.2	83.9	-	38.9					
Credits or Loans	-	-	-	-	-	-	-	-					
Grants	-	-	*	*	0.2	83.9	-	38.9					
a. MAP Grants	-	-	-	-	-	72.1	-	72.1					
b. Credit Financing - FMS	-	-	-	-	-	-	-	-					
c. Military Assistance Service-Funded (MASF) Grants	-	-	*	*	0.2	4.5	-	4.5					
d. Transfers from Excess Stocks	-	-	-	-	-	12.3	-	12.3					
e. Other Grants	-	-	-	-	-	-	-	-					
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	4.8	4.8	6.3	7.6	13.9	223.6	64.5	159.1					
Loans	-	-	-	-	-	40.4	64.5	24.1					
Grants	4.8	4.8	6.3	7.6	13.9	183.2	-	135.0					
Other U.S. Government Loans and Grants	-	-	-	-	-	3.4	4.3	0.9					
a. Export-Import Bank Loans	-	-	-	-	-	3.4	4.3	0.9					
b. All Other Loans	-	-	-	-	-	-	-	-					
	-	-	-	-	-	-	-	-					

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. D.A.C. COUNTRIES (Gross Disbursements)				
BURMA	CY 1981	CY 1982	CY 1978-82	
United States	1.0	6.0	9.0	
Japan	133.4	111.0	694.6	
Germany Fed. Rep.	33.9	62.5	201.4	
Australia	6.3	17.2	52.0	
United Kingdom	10.8	6.0	40.5	
Other	29.8	11.9	107.3	
Total	215.2	214.6	1,104.8	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
	CY 1981	CY 1982	CY 1954-82	
USSR	-	-	15	
Eastern Europe	-	-	215	
China	-	-	170	
Total	-	-	400	

* LESS THAN \$50,000.

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1983	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	13,799	8,649	-	5,100	50	-	-	-
Total	13,799	8,649	-	5,100	50	-	-	-
1984	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	12,500	9,000	-	3,000	500	-	-	-
Total	12,500	9,000	-	3,000	500	-	-	-
1985	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	15,000	13,100	-	1,900	-	-	-	-
Total	15,000	13,100	-	1,900	-	-	-	-

**FY 1985
PROGRAM HIGHLIGHTS**

Continued assistance to a long-term effort to increase production of maize and oilseeds, \$6.9 million;

Additional funding to transfer oilseeds extraction, refining and distribution technology, \$5.0 million;

Continued support to expand the coverage of primary health care services, \$1.9 million; and

Initial funding for a new project, Agricultural Research and Development, \$1.2 million.

BURMA

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans	-	-	-
Grants	1,895	16,410	18,350
Total AID	1,895	16,410	18,350
P.L. 480**			
Title I (of which Title III is)	()	()	()
Title II			
Total P.L. 480			
Total AID and P.L. 480	1,895	16,410	18,350

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
AID Personnel ^a			
Direct Hire ^b	5	5	5
PASA ^c	-	-	-
Contract	2	5	6
Total	7	10	11
Participants ^d			
Noncontract	22	25	40
Contract	9	15	20
Total	31	40	60

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

Program	FY 1983 (Actual)		FY 1984 (Estimated)		FY 1985 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total (of which Title III is)		0		0		0
Title II						
Voluntary Agencies						
World Food Programs						
Gov't-to-Gov't						
Title II Total		0		0		0
Total P.L. 480		0		0		0

BURMA

Development Overview

Burma remains one of the world's poorest countries, with a per capita income of only \$183. Yet Burma, the largest and least densely populated country in mainland Southeast Asia, contains substantial physical resources. It remains a nation with large but relatively unexploited minerals, marine, forest, land and hydro-energy resources, including undetermined amounts of petroleum and natural gas and an estimated 80% of the world's teak. Only one-half of Burma's arable land is presently cultivated, of which less than 6% is actually irrigated. As Burma has only recently begun programs which make use of high-yielding seed varieties, fertilizer and irrigation, its potential for agricultural production increases in the medium term is extremely high and perhaps the highest in East Asia.

While the country is very poor, its national income is equitably distributed. The gap between rich and poor and between urban and rural standards of living is unusually small. Since Burma is largely self-sufficient in both food and energy, it has been relatively untouched by international inflation. A consumer-oriented price policy also keeps domestic prices low and stable. However, the social and physical infrastructure of the country and delivery of services to rural areas is inadequate. Only 6.6% of the population has access to electricity, only 17% has access to safe water, and there is only one doctor for every 5,165 people. Malaria, diarrheal diseases, tuberculosis, and many other ailments are widespread, and the infant mortality rate is high. Population has been growing at just over 2% since 1973. While 67% of Burma's citizens are considered literate, only two of every 100 elementary school entrants advance to the university level.

In the 1950s, Burma tended to emphasize social service programs at the expense of economic growth. During the 1970s, however, the government began to place increased priority on economic growth and performance. A tax reform program expanded government revenues and slowed the rate of monetary expansion. In addition, interest rates were raised and government enterprises were placed on a commercial basis. As a result, the Burmese economy passed its low point in 1975 and achieved an enviable annual growth rate of 6.8% through 1981. However, as Burma has moved into the international economic arena, the growth of external debt and of imports has outstripped export earnings, posing an increasingly difficult problem.

BURMA

The agricultural sector, which accounts for 47% of Gross Domestic Production and most of export earnings, receives special emphasis. Burma's rice productivity, using high-yielding varieties, improved cultivation practices, and fertilizer, has increased by 80% since 1975, from 1.65 MT/Hectare to almost 3 MT/Hectare in 1983. Burma's 13 million ton rice crop in 1982 was one of the largest in its history. Production of maize and oilseeds such as groundnuts and sunflower has also increased dramatically. In the health sector, community health services, with assistance from the United Nations International Children's Emergency Fund, the World Health Organization and A.I.D., have been extended to one-half of the rural townships utilizing trained volunteer health workers with basic medical supplies and equipment. In support of both sectors, the university system now annually graduates about 500 doctors plus 300 agriculturists, of whom an estimated 50% and 66% respectively are women.

Despite these encouraging signs, many factors continue to restrict Burma's economic progress. These include high rates of rural and urban unemployment and underemployment, dual systems of administered and market prices for several commodities and services, shortages of goods and skilled personnel, centralized administration and distribution, and inadequate infrastructure in nearly every sector. While the quantity problem in training is being addressed, improvements are needed in the quality/appropriateness of higher level training as well as the effective utilization of trained personnel. Furthermore, foreign exchange reserves are rapidly dwindling at a time when they are needed to finance continued modernization and development efforts.

U.S. Interests And Objectives

Burma, the largest country in mainland Southeast Asia, borders India, China, Bangladesh, Thailand and Laos. The United States is interested in the stability and progress of Burma as an independent nation in Southeast Asia. U.S. development interests in Burma stem from a recognition of Burma's unusually high, long-term potential for economic growth, as well as for satisfying the development aspirations of its own people, and for contributing to the world's food supplies. U.S. economic interests are assuming significance; with increased growth, Burma has become a market for increasing quantities of U.S. exports.

The United States is also interested in helping Burma in its efforts to curtail the production and export of illicit narcotics and has an active program of cooperation in narcotics suppression, including limited assistance for crop substitution financed by STATE/INM. A.I.D.'s current and planned programs in Burma support all of these U.S. interests.

BURMA

A.I.D. Development Assistance Strategy

A.I.D. strategy in Burma is to select a few sound Burmese development efforts in key sectors that show significant potential of contributing to Burma's economic growth, and to concentrate A.I.D. support on these programs for a sufficient period of time in order to show measurable results. Efforts are principally directed toward demonstrating the need for policy changes, as well as technological and institutional improvements, as essential instruments for obtaining increased productivity and continuing growth. With appropriate changes, the absorptive capacity for donor aid remains high and the basic structure of the society and government facilitate the distribution of benefits in the rural areas of Burma.

The A.I.D. program concentrates on two key sectors: agriculture and health. Within the health and agriculture sectors, A.I.D. currently supports two high priority programs of national scope -- Primary Health Care and Maize and Oilseeds Production. The objective of A.I.D.'s health sector support is the reduction over time of morbidity and mortality, especially among infants and children. A.I.D.'s contribution to Burma's Primary Health Care program enables Burma to train and equip village volunteers as community health workers and as auxiliary midwives, in order to provide basic preventative and curative services in health and nutrition at the village level. A.I.D. also supports the Burmese Government's program to provide traditional birth attendants with their first scientific training.

Because of Burma's high potential for agricultural production increases, A.I.D. is engaging in a long-range strategy to raise Burma's production of selected food crops. A.I.D.'s provision of U.S. technology, research, and training assistance for oilseeds production and processing, will make Burma less dependent on edible oil imports and move it closer to meeting its domestic requirements. It will also increase rural incomes and support A.I.D.'s nutrition objectives in the health sector.

A.I.D. also supports the development of Burma's human resources through training programs in the United States and third countries. In 1982/83, A.I.D. sponsored 35 participants from Burmese development agencies for courses in agriculture, cooperatives and energy management.

A.I.D. Program (FYs 1983-1984)

A. Health Sector

The Mid-Term Evaluation of the Primary Health Care I project

BURMA

(482-0002) confirmed that A.I.D. financed resources and training are reaching Burma's rural poor in the form of improved health services and have resulted in a Burmese Government policy to give increased emphasis to preventative health care. The evaluation findings and recommendations, which indicated the need for greater focus on preventative instead of curative activities and for increased attention on the quality of training and performance of community health workers, have been carefully integrated into a second project, Primary Health Care II (482-0004). In FY 1983, A.I.D. contributed \$5.1 million to Primary Health Care II which, when combined with other donor and Burmese contributions, will enable Burma to provide some primary health care coverage in all of its 287 rural townships while also improving the quality of the services provided. Specifically, A.I.D. assistance will be directed toward bringing about improvements in volunteer health worker training/supply/deployment, health information systems and research, and project management and supervision.

In FY 1984 A.I.D. will obligate \$3.0 million for the Primary Health Care II project (482-0004). These funds will be used to support the extension of volunteer health worker services into all of Burma's rural townships to provide maternal and child health care, nutrition surveillance and education, treatment of diarrheal disease and environmental sanitation. In addition, in FY 1984 Burma's Ministry of Health and A.I.D. will conduct an end-of-project evaluation of the Primary Health Care I (482-0002) project to address such basic questions as the reduction of morbidity and mortality and the cost effectiveness of preventative aspects of community supported volunteer primary health care.

B. Agriculture Sector

A.I.D. obligated \$8.6 million in FY 1983 as the second year's contribution to the Maize and Oilseeds Production project (482-0005) which was initiated in FY 1982. A.I.D.'s contribution will finance technical assistance, participant training and agricultural commodities such as fertilizer and equipment.

In FY 1984, A.I.D. will provide \$7 million for the Maize and Oilseeds Production project (482-0005) to finance the continuation of the U.S. university technical assistance contract, to complete procurement of major agricultural equipment for project seed farms and high technology sites, and to finance training as well as other agricultural inputs. By the end of FY 1984, as many as 35 project funded agricultural specialists will be enrolled in graduate study programs in the United States. We plan to carry out an evaluation of this project in FY 1984 to assess progress towards objectives and to determine future efforts in this area.

BURMA

In addition, during FY 1984 A.I.D. plans to obligate \$2 million for a new project, Edible Oil Processing and Distribution (482-0006). The project will provide an important complement to the Maize and Oilseeds Production project (482-0005) by increasing the present low rates of oil recovery as well as improving the quality of edible oils through modern extraction and processing technologies.

Finally, in the area of human resources development, in FY 1983 A.I.D. obligated the final \$100,000 of \$200,000 authorized in FY 1982 for the Development Training Project (482-0003) to permit Burmese to obtain critically needed technical and management skills. Funding of \$500,000 is needed in FY 1984 for the second phase of the Development Training Project (482-0010) for U.S. and third country training of Burmese in the design and management of development programs. Since their inception in FY 1980, participant training programs have proven very successful in transferring U.S. managerial and technical skills to Burma and in providing a human resource base for future economic development.

Requested Year Program (FY 1985)

A. Health Sector

A.I.D. will obligate \$1.9 million as its final contribution to the Primary Health Care II project (482-0004). An end-of-project evaluation will determine the extent and nature of future A.I.D. assistance to Burma's health care services.

B. Agriculture Sector

A.I.D. will provide \$6.9 million for the Maize and Oilseeds Production project (482-0005) and \$5 million for the continuation of assistance to the Edible Oil Processing and Distribution project (482-0006). A.I.D. financed inputs to these two projects, which complement each other, will help Burma reduce its dependence on edible oil imports for use as cooking oil, increase rural incomes and improve nutrition. The Edible Oil Processing and Distribution project (482-0006), in addition to its technology transfer component, will introduce essential policy and management changes and move the cooperative sector toward a more realistic, market oriented operation. It will also benefit small, private sector entrepreneurs engaged in oil extraction through technology improvements and training.

In FY 1985 A.I.D. also expects to begin a new Agriculture Research and Development project (482-0012) based on initial lessons learned from the Maize and Oilseeds Production project

BURMA

(482-0005). These lessons have indicated that improved technology packages of quality seeds, fertilizer and other inputs developed and disseminated to farmers lead to increased production. Based on this experience, the project aims at strengthening research/extension linkage and making other improvements in order to continue present food production momentum into the future. The United States, particularly A.I.D. and the U.S. university system, has the technical expertise and experience to assist in this area. Initial funding from A.I.D. for the Agricultural Research and Development project (482-0012) will be \$1.2 million in FY 1985.

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

PAGE 4
01/23/84

PROGRAM: BURMA

CP 85

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY83- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY84- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
MAIZE AND DILSEEDS PRODUCTION	G 482-0005	82	85	30,000	30,000	16,100	5,137	7,000	11,840	6,900	9,600
EDIBLE OIL PROCESSING AND DISTRIBUTION	G 482-0006	84	86	---	10,000	---	---	2,000	500	5,000	5,000
AGRICULTURE RESEARCH AND DEVELOPMENT	G 482-0012	85	87	---	10,000	---	---	---	---	1,200	500
TOTAL FOR ACCOUNT GRANTS				30,000	50,000	16,100	5,137	9,000	12,340	13,100	15,100
LOANS				---	---	---	---	---	---	---	---
HEALTH											
PRIMARY HEALTH CARE	G 482-0002	80	81	5,000	5,000	5,000	4,222	---	778	---	---
PRIMARY HEALTH CARE II	G 482-0004	83	85	7,140	10,000	5,100	---	3,000	3,000	1,900	3,000
TOTAL FOR ACCOUNT GRANTS				12,140	15,000	10,100	4,222	3,000	3,778	1,900	3,000
LOANS				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
DEVELOPMENT TRAINING II	G 482-0010	84	86	---	1,500	---	---	500	250	---	250
TOTAL FOR ACCOUNT GRANTS				---	1,500	---	---	500	250	---	250
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				42,140	66,500	26,200	9,359	12,500	16,368	15,000	18,350
LOANS				---	---	---	---	---	---	---	---

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date.

For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

Title Agriculture Research & Development		Funding Source	AG, RD & N 1,200	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Number 482-0012		<input checked="" type="checkbox"/> NEW	ED. & HR	Set. Act.	FY 1985 1,200	Life of Project Funding 10,000	
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING		Population			Initial Obligation FY 1985	Estimated Final Obligation FY 1987	Estimated Completion Date of Project FY 1988

Purpose: To strengthen Burma's agriculture research and development capabilities through improved linkage of research with extension, manpower development, improved facilities and research targeted on priority problems.

Project Description: The Burmese Government has demonstrated that the results of agricultural research from international research institutions like the International Rice Research Institute are adaptable to local conditions resulting in immediate impact on national production and farmer incomes. The same selective approach is now being used for the A.I.D. funded Maize and Oilseeds Production project.

To support Burma's emphasis on increased agricultural production there are only 45 graduate degree holders in the Agriculture Corporation, of whom only 15 have PhD's in the agricultural sciences -- none more recently than 1980. They form the country's leadership in agriculture policy formulation, research, planning, program design and management. Approximately 35 graduate degree holders are on the staff at the three colleges of Agriculture situated in Yezin, Pyinmana, and Thaton. However, the number of graduate degree agricultural scientists actually working in adaptive research in Burma today is very limited, as many of them have been thrust into project management or administrative positions outside their particular field. In addition, Burma's agricultural support infrastructure needs modernization and a research program needs to be established to develop technologies that can address priority problems.

The project will address these needs and build on the experience gained from Maize and Oilseeds Production project's adaptive research and extension efforts to date. Essentially the project will assist Burma in establishing a functional agricultural research and development system through the following activities: moving agricultural research into farmers' fields through closely linked research extension efforts; training adequate numbers of personnel at both the technical and management levels; physically improving Burma's Agricultural Research Institute, College of Agriculture of Yezin and other research institutes; providing or improving upon certain research

related services such as data collection and analysis; and, finally, building strong responsive core discipline research programs such as soil and water management research for adapting new technologies to address priority production problems of farmers.

To accomplish the above, A.I.D. will provide technical assistance, commodities and training in the United States and third countries to complement the substantial resources which the Burmese Government is making to improve its agricultural research and development capabilities.

Relationship of Project to A.I.D. Development Strategy: Due to the potential of its agricultural sector, Burma places highest priority on increasing agricultural production to be self-sufficient, raise rural incomes and to generate foreign exchange. In recent years, the Government has directed additional resources towards the agricultural sector in an attempt to eliminate constraints and provide incentives for farmers to increase production in a variety of crops. A.I.D.'s strategy also concentrates on the agricultural sector and is encouraging Burma's efforts in agricultural diversification to meet the above goals. This project will further build on A.I.D.'s existing efforts to strengthen the country's capabilities to generate new agricultural technologies for Burmese farmers.

Host Country and Other Donors: Several donors, including Japan, the World Bank and the Asian Development Bank, are providing assistance to Burma's agriculture sector in irrigation, crop intensification and training. A.I.D. inputs to agricultural research will be coordinated with other donor assistance in agriculture as well as with Burma's own significant commitments.

Beneficiaries: This project will ultimately benefit the entire Burmese agricultural sector including the country's 4 million rural families. Increased agricultural production would also have an impact throughout the economy in terms of higher incomes, expanded exports and improved employment opportunities.



FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (386) INDIA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 730,572
 PER CAPITA GNP..... (DOLLARS,1981) 260
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 1.6%
 ANNUAL RATE OF INFLATION (1970-81) 8.1%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1975) 7.0%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 52.6 MALE 52.4 FEMALE 52.9
 (1970) TOTAL 48.1 MALE 48.5 FEMALE 47.6
 ADULT LITERACY RATE (1971) TOTAL 34% MALE 48% FEMALE 19%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) 0.3%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 34%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 940
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: RICE ,WHEAT ,MILLET 30% (1982)
 CASH: COTTON ,PEANUTS ,SUGAR CANE 7% (1982)
 MAJOR AGRICULTURAL EXPORTS:(1982) TEA ,COFFEE ,RICE
 MAJOR AGRICULTURAL IMPORTS:(1982) VEGETABLE OILS ,WHEAT ,DAIRY PRODS.
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 69%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1979) 18,193 (80) 23,038 (81) 25,667
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1979) 25,945 (80) 27,186 (81) 27,635
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1979) -7,752 (80) -4,148 (81) -1,968
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1978) 14.8% (79) 14.9% (80) 16.4%
 AS % OF GNP..... (1978) 2.8% (79) 3.0% (80) 2.8%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 7,228 (81) 4,941 (82) 4,549
 EQUIVALENT TO 9.4 MONTHS OF IMPORTS (1979)

FOREIGN TRADE

MAJOR EXPORTS... (1981) ENGINEERING EOPT ,GEMSTONES ,CLOTHING
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 950 (1981)1,204 (1982)1,384
 AS % OF TOTAL EXPORTS (1977) 11% (1978) 14% (1979) 13%
 MAJOR IMPORTS....(1981) MACHIN'Y/TRANSP ,PETROLEUM ,IRON & STEEL
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980)1,310 (1981)1,922 (1982)1,758
 AS % OF TOTAL IMPORTS (1977) 16% (1978) 13% (1979) 11%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1978) -1,541(79) -3,435(80)-7,615
 TRADING PARTNERS: UNITED STATES ,JAPAN ,USSR
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 16.3%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 943
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981) 10.8%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.2% (1976) 2.1% (1983) 2.1%
 POPULATION IN URBAN AREAS.....(1970) 20% (1982) 23%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 37 (1983) 35
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1981) 22.6%
 POPULATION (1981) IN AGE GROUP:
 (0-14YRS) 40.1% (15-64YRS) 55.0% (65+ YRS) 4.9%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 118
 PEOPLE PER PHYSICIAN..... (1980) 3,640
 MAJOR CAUSES OF
 DISEASE (1981) AMOEBIASIS ,INFLUENZA ,TUBERCULOSIS
 DEATH.. (1969) ENTERIC DISEASE ,ACUTE RESP. INFE ,DYSENTERY
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1980) 87%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 33%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1980) TOTAL 83.1% MALE 99.0% FEMALE 66.2%
 SECONDARY..... (1980) TOTAL 30.6% MALE 40.2% FEMALE 20.3%
 POST SECONDARY.. (1977) TOTAL 4.5% MALE 6.4% FEMALE 2.5%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 88.4%

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

COUNTRY INDIA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-82	REPAY-MENTS AND INTEREST 1946-82	TOTAL LESS REPAY-MENTS AND INTEREST 1946-82
	1978	1979	1980	1981	1982			
I. ECONOMIC ASSISTANCE - TOTAL	196.2	228.3	221.5	275.1	221.8	10683.4	5155.3	5528.4
Loans	84.4	90.0	79.0	93.6	79.0	7490.5	5155.3	2335.5
Grants	111.8	138.3	142.5	181.5	142.8	3192.9	-	3192.9
a. A.I.D. and Predecessor Agencies	60.0	90.7	103.2	104.5	98.5	4328.7	2257.3	2070.9
Loans	58.0	90.0	79.0	93.6	79.0	3806.8	2257.3	1549.0
Grants	2.0	0.7	24.2	10.9	19.5	521.9	-	521.9
(Economic Support Fund)	-	-	-	-	-	-	-	-
b. Food for Peace (PL 480)	136.2	137.6	118.3	170.6	123.3	6038.0	2590.0	3318.0
Loans	26.4	-	-	-	-	3382.8	2590.0	692.8
Grants	109.8	137.6	118.3	170.6	123.3	2655.2	-	2655.2
Title I - Total Sales Agreements	26.4	-	-	-	-	4174.5	2590.0	1484.5
Repayable in U.S. Dollars - Loans	26.4	-	-	-	-	657.7	169.9	487.8
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	3516.8	2520.1	995.7
Title II - Total Grants	109.8	137.6	118.3	170.6	123.3	1833.5	-	1833.5
Emerg. Relief, Econ. Develop. & World Food Program	15.8	37.3	44.3	14.6	13.6	363.3	-	363.3
Voluntary Relief Agencies	93.0	100.3	74.0	156.0	112.7	1470.2	-	1470.2
c. Other Economic Assistance	-	-	-	-	-	346.7	207.2	139.5
Loans	-	-	-	-	-	300.9	207.2	93.7
Grants	-	-	-	-	-	45.8	-	45.8
Peace Corps	-	-	-	-	-	45.2	-	45.2
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	3.6	-	0.6
II. MILITARY ASSISTANCE - TOTAL	0.3	0.5	0.3	*	0.1	146.4	58.5	37.9
Credits or Loans	-	-	-	-	-	27.3	58.5	31.2
Grants	0.3	0.5	0.3	*	0.1	119.1	-	119.1
a. MAP Grants	-	-	-	-	-	90.4	-	90.4
b. Credit Financing - FMS	-	-	-	-	-	27.3	58.5	31.2
c. Military Assistance Service-Funded (MASF) Grants	0.3	0.5	0.3	*	0.1	6.7	-	6.7
d. Transfers from Excess Stocks	-	-	-	-	-	22.0	-	22.0
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	196.5	228.8	221.8	275.1	221.9	10829.8	5213.5	5566.3
Loans	84.4	90.0	79.0	93.6	79.0	7517.8	5213.5	2304.3
Grants	112.1	138.8	142.8	181.5	142.9	3312.0	-	3312.0
Other U.S. Government Loans and Grants	-	50.0	35.0	79.5	29.6	701.9	752.4	50.5
a. Export-Import Bank Loans	-	50.0	35.0	79.5	29.1	696.2	746.5	50.3
b. All Other Loans	-	-	-	-	0.5	5.7	5.9	0.2

* LESS THAN \$50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1981	FY 1982	FY 1983	FY 1946-83
TOTAL	1929.1	2286.8	2166.1	17960.5
IBRD	430.0	1264.8	1387.9	5529.9
IFC	75.1	89.2	15.2	245.2
IDA	1231.0	900.0	1063.0	11654.5
ISB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	18.7	32.8	0.0	205.3
OTHER-UN	123.3	0.0	0.0	321.6
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

INDIA	CY 1981	CY 1982	CY 1978-82
United States	298.0	138.0	951.0
United Kingdom	341.8	94.9	1,190.4
Germany Fed. Rep.	205.9	184.3	914.0
Netherlands	158.9	69.6	562.8
Japan	58.7	86.0	446.4
Other	213.9	198.4	1,151.5
Total	1,277.2	771.2	5,216.1

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

	CY 1981	CY 1982	CY 1978-81
	43.7	N.A.	459.1

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1981	CY 1982	CY 1954-82
USSR	-	-	3,080
Eastern Europe	-	-	455
China	-	-	-
Total	-	-	3,535

INDIA

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1983								
Loans	64,400	54,400	10,000	---	---	---	---	---
Grants	24,600	14,000	6,600	2,900	1,100	---	---	---
Total	89,000	68,400	16,600	2,900	1,100	---	---	---
1984								
Loans	60,000	54,000	6,000	---	---	---	---	---
Grants	26,000	16,800	4,400	2,200	2,600	---	---	---
Total	86,000	70,800	10,400	2,200	2,600	---	---	---
1985								
Loans	59,500	42,500	12,500	4,500	---	---	---	---
Grants	27,500	22,500	3,000	2,000	---	---	---	---
Total	87,000	65,000	15,500	6,500	---	---	---	---

FY 1985 PROGRAM HIGHLIGHTS	
-	The FY 1985 program emphasizes:
-	improving management of irrigation systems, developing water management institutions, and agricultural research \$60.0 million.
-	expanding village-level fuelwood supplies and strengthening forestry institutions, \$4.0 million.
-	commercial production, marketing and dissemination of family planning supplies \$15.5 million.
-	reducing morbidity and mortality through biomedical research, \$6.5 million.
-	upgrading nutrition programs for mothers and children through health services and education, \$1.0 million and supplementary feeding, \$2.7 of PL 480 Title II commodity support.
-	increasing food supplies through U.S.PVO's using PL 480 Title II to feed children and other vulnerable groups, \$89.6 million and to develop oilseed cooperatives, \$12.7 million.

INDIA

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans	31,559	69,830	57,590
Grants	10,513	27,570	41,090
Total AID	42,072	97,400	98,680
P.L. 480**			
Title I (of which Title III is)	(---)	(---)	(---)
Title II	120,512	137,895	125,034
Total P.L. 480	120,512	137,895	125,034
Total AID and P.L. 480	162,584	235,295	223,714

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
AID Personnel ^a			
Direct Hire ^b	25	28	28
PASAC ^c	--	--	2
Contract	9	24	41
Total	34	52	71
Participants ^d			
Noncontract	38	221	267
Contract	--	11	5
Total	38	232	272

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1984 and 1985 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

P.L. 480
(In thousands of dollars)

Program	FY 1983 (Actual)		FY 1984 (Estimated)		FY 1985 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat	---	---	---	---	---	---
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total (of which Title III is)	///	---	///	---	///	---
Title II						
Voluntary Agencies	///	99,496	///	117,239	///	105,034
World Food Programs	///	21,016	///	20,656	///	20,000
Gov't-to-Gov't	///	---	///	---	///	---
Title II Total	///	120,512	///	137,895	///	125,034
Total P.L. 480	///	120,512	///	137,895	///	125,034

INDIA

Development Overview

India is the most populous low-income country assisted by A.I.D. It represents the most visible development experience in the world in its efforts to address the basic needs of a culturally diverse population of 730 million people through a relatively open political process.

India's economy is one of contrasts. Despite a per capita GNP of \$260 in 1981, India has made impressive progress in many areas in the past three decades. Domestic savings and investment have increased from 10% of GNP in 1950-51 to about 24% at present, and industry's share of GNP has risen from 16% to 25%. Manufactures now account for 59% of exports, compared to the low-income country average of 45%. Enrollment in grades 1-8 has jumped from 32% of the relevant age group in 1950-51 to about 74% at present. Life expectancy has increased from 32 years to 53 years. The national family planning program, created with A.I.D.'s help, has brought the birth rate down from 43 per 1000 in the mid 1960's to 36 per 1000 at present. But poverty is still widespread. The Government of India (GOI) estimates that over 40% of the population is below its nutrition-based poverty line as of end 1981-82. One reason is the intense pressure of population on resources -- India accounts for one-sixth of the world's population but has only one-fortieth of its land area. Another reason is poor access to basic services by the population, which is 76% rural, spread among 576,000 villages. The major factor, however, has been slow growth from a very low base. Since 1950-51, GNP has grown at only 3.6% per year, or 1.4% on a per-capita basis.

The GOI's Sixth Five Year Plan (for 1980-81 to 1984-85) sets growth targets of 5.2% for GNP, 3.8% for agriculture, 6.5% for industry and 3.1% for foodgrain production. A mid-term assessment of the Plan indicates these targets are still in reach, although erratic rainfall during 1982-83 and poor export performance have undercut growth of GNP and foodgrain production. India will likely import wheat again to maintain buffer stocks (2 million tons were purchased in 1983-84) and may make full use of the IMF \$5.6 billion extended fund facility to permit structural adjustment and economic liberalization following the 1979 oil-price shocks.

India's agricultural growth strategy aims to expand fertilizer consumption by 80%, increase the coverage of high-yielding varieties from 20% of total cropped area in 1979-80 to 30% in 1984-85, and extend the area under irrigation by almost 3 million hectares per

year. This strategy is complemented by programs to increase rural employment and incomes and to expand the access of the poor to family planning, health and nutrition services, water supply and sanitation, and education. During the Sixth Plan period, the GOI hopes to increase the percentage of couples using contraceptives to 35% (from less than 25% now), reduce infant mortality from 125 to 106 per 1,000, and increase primary school enrollments to 95%.

U.S. Interests and Objectives

U.S. interests in India reflect that country's importance as a major economic and political force in South Asia--a critical factor to peace and stability in the region, as a leader of the non-aligned movement and as a major spokesman on North-South issues. India can have a significant impact on the effectiveness of U.S. policies in the region, particularly as they relate to Pakistan. The United States, as India's major non-petroleum trading partner and second largest foreign private investor, has substantial and increasing interests in a growing Indian economy, already the world's twelfth largest. Our overall policy toward India is to conduct a cordial high-level dialogue on issues of regional and global concern, with a view to enhancing mutual understanding in areas where our views differ. Our objective in collaborating on development problems is to support India's pursuit of self-reliance, fully aware of the significance for the rest of the developing world of Indian advances in technology development, food production and fertility control.

A.I.D. Development Strategy

The most urgent requirement is to expand India's capacity to improve the balance between food, energy and population, bringing both capital and advanced scientific research and technology to bear on specific development problems. Taking into account the U.S. comparative advantage in certain scientific and technical fields, A.I.D. can have the greatest long-term impact by concentrating on expanding India's agricultural research capacities, improving the management of irrigation systems, developing institutions for local management of natural resources, and expanding and improving the quality of rural family planning, nutrition and health programs. These objectives require sustained technological innovation and long-term institution-building, drawing upon U.S. expertise in predominantly private American institutions and firms.

A.I.D. Program (FYs 1983-84)

The program consists of ten projects begun in FY 1978-1981, twelve projects started in FY 1982-1984, plus a large PL 480 Title II program and a Housing Investment Guarantee (HIG) program.

A. Food Production and Rural Employment

Development assistance focusses on four areas: agricultural research, irrigation efficiency, and with PL 480 Title-II support, rural works and development of oilseed growers' cooperatives. The Agricultural Research project (386-0470), begun in FY 1983, addresses specific research priorities and training needs identified by the Indo-U.S. Agricultural Subcommittee in 1980 and 1982. In irrigation A.I.D. works with national and state level irrigation institutions to develop improved approaches to system construction and management. The objective is more efficient water use and increased agricultural productivity. The means for transferring technology is actual construction and operation of irrigation systems under various agro-climatic and socio-cultural conditions. The centerpiece of this effort is the FY 1983 Irrigation Management and Training project (386-0484), which will establish several state-level land and water management institutes. These organizations will be the focus for research, demonstration and training aimed at improving water management at all levels of India's irrigation systems. This project is the direct outgrowth of the irrigation sector evaluation undertaken by the Asia Bureau in 1980, which drew heavily on lessons learned from earlier on-farm water management projects in Pakistan and Egypt. Those projects demonstrated, for example, the importance of farmer involvement and the value of a multidisciplinary approach. These lessons have been confirmed in the ongoing medium irrigation projects in Gujarat, Rajasthan, and Maharashtra, and applied to the design of three other irrigation projects beginning in FYs 1983-84. The Madhya Pradesh Minor Irrigation project (386-0483), started in FY 1983, will adapt technologies from previous activities in Gujarat and Rajasthan on smaller scale systems (less than 2,000 hectares each). The Hill Areas Land and Water Development project (386-0489) beginning in FY 1984 will work in a relatively hilly region where little has been done to develop effective water-use schemes or effectively manage upland watersheds. The Maharashtra Minor Irrigation project (386-0490), also beginning in FY 1984, will develop smaller scale systems in relatively remote areas in a state where considerable work is already being done on major and medium irrigation. All these activities contain significant training, research and institution-building aimed at the design and efficient operation of irrigation systems.

The centrally funded Water Management Synthesis II Project (936-4127) serves as an important resource for the entire irrigation program in India by providing university water management experts for project design, evaluation, training, sector analysis and action research.

To guide future irrigation and water management activities a major assessment of institutions involved in irrigation will be undertaken early in FY 1984.

The PL 480 Title II program also supports increased food production and rural employment through two distinct activities. The Oilseed Growers' Cooperative Project represents a vertically integrated approach to establishing a private cooperative structure for increasing production and marketing of oilseeds and edible oils. By FY 1984, almost 2100 villages will have been organized into cooperatives with 73,800 members. Oilseed processing plants have been put into operation, increasing seed crushing capacity by 150,000 tons annually. Funds for investment in production in technology, processing and marketing are raised by local sale of Title II vegetable oil. An A.I.D. Operational Program Grant (OPG) to the Cooperative League of the U.S.A (CLUSA) serves to disseminate U.S. technology in this sector through the National Dairy Development Board. An FY 1983 mid-term evaluation endorsed the basic project approach and made suggestions, which are now under consideration, for using more fully research results in farmers' fields and improving market research to more accurately determine fair procurement prices for farmers' production. The Food for Work program managed by Catholic Relief Services (CRS) provides employment to about 366,000 workers, mostly in very poor areas inadequately reached by other government services and infrastructure, for construction of simple roads, wells and land leveling. A comprehensive evaluation in FY 1983 has provided useful guidelines for revising the planning, management, monitoring and evaluation system in FY 1984.

A.I.D. is sponsoring under the NCAER Rural Household Survey project (386-0486) a unique study on rural households by India's National Council of Applied Economic Research to assess the impact of agricultural and rural development policies and programs. Data analysis begun in FY 1983 will be completed in FY 1984.

B. Energy and Forestry

A.I.D.'s support in the energy sector emphasizes conservation and development of more appropriate and economical ways to meet rural and urban consumer needs. The Technologies for the Rural Poor project (386-0465) will complete collaborative research and demonstration activities in FY 1984 including solar grain drying, solar process heat for rural industries, mini-hydro power for village electrification and solar thermal power for village use, such as for irrigation pumps. An evaluation of these activities in

FY 1984 will assess what follow-on research in these areas deserves A.I.D. support. The Alternative Energy Resources Development project (386-0474) emphasizes technical collaboration on larger-scale energy consumption in the areas of coal technology, transport efficiency and biomass conversion.

Two major forestry projects initiated in FYs 1981 and 1982 will continue. The Madhya Pradesh Social Forestry project (386-0475) addresses local needs for fuelwood and other forest products through village woodlot development. The approach of community-based forestry will increase employment, especially among women, producing both domestic and commercial fuelwood with income accruing to the village itself. Over the six-year life of the project approximately 3,200 community woodlots will be established covering an estimated 43,000 hectares of land. Drawing upon design and initial implementation experience in Madhya Pradesh, A.I.D. initiated the Maharashtra Social Forestry project (386-0478) to strengthen the state's social forestry extension services and offer a more systematic approach to village woodlot organization and management. U.S. expertise in forestry research, training and extension methods will be tapped through collaborative arrangements with U.S. forestry institutions. Over its eight-year life, the project will cover 4,300 villages and plant 81,000 hectares of trees. At the end of FY 1984, 1,350 village plantations will have been established.

C. Fertility and Mortality

A.I.D. recognizes the interaction between fertility and mortality reduction. To improve the effectiveness of health, nutrition and family planning services in India, A.I.D. focuses on biomedical research, village health center and staff development, targeting and monitoring of nutrition activities, and production and marketing of reversible methods of family planning. The Integrated Rural Health and Population project (386-0468) supports the GOI's model plan for low-cost delivery of health and family planning services. It is providing the GOI with its first system-wide assessments of local service management and logistics, training of field workers, and health communications. By the end of FY 1984, the project expects to complete 70% of construction of 2,339 village-level health and training centers serving two million people and an assessment of training and communication needs for para-medical and medical personnel. A mid-term evaluation of the project in FY 1984 will assess how this approach can be expanded beyond the project's initial 14 districts.

In FY 1984 A.I.D. will begin collaborating with the GOI to improve the capacity of regional laboratories to research and develop techniques for rapid diagnostic testing of major diseases prevalent

in rural areas. The Biomedical Services for Health project (386-0492) will finance training of laboratory technicians and costs associated with establishing links between State-level health departments and the regional epidemiological laboratories.

A.I.D. is supporting with U.S.-owned rupees (through a Special Foreign Currency Appropriation) an effort to strengthen the private and voluntary sector's capacity to deliver cost-effective rural health care. Under the Private Voluntary Organizations for Health project (386-0469), A.I.D. seeks to broaden access to basic preventive health, family planning and nutrition services. Fifteen subgrants to local voluntary agencies will be approved by the end of FY 1984.

To enhance private marketing and production of contraceptives, the Family Planning Communications and Marketing project (386-0485), begun in FY 1983, will improve marketing technologies for the GOI's condom program, and support tests and commercial sales of a wider range of contraceptives through private channels. Local private sector advertising and marketing firms will be involved in information and communication activities to disseminate knowledge among couples of reproductive age about the small family norm. FY 1984 will witness establishment of a new contraceptive marketing organization, with private sector membership on its board and a mandate to improve the availability of reversible contraceptive methods through commercial channels.

In FY 1983, A.I.D. and the GOI initiated the Integrated Child Development Services project (386-0476). This project is the outgrowth of an evaluation which recommended improved targeting of PL 480 Title II food under CARE's maternal/child health program, and the inclusion of nutrition education and health services. The program's objective is to test a comprehensive approach to alleviating young child malnutrition and mortality through delivery of supplementary feeding, nutrition education and health services to high-risk children and mothers, using CARE-managed PL 480 Title II food. As part of the GOI's Integrated Child Development Scheme launched in 1976, the project will improve the skills of female village workers and their supervisors in recruiting and monitoring the progress of severely malnourished children and expectant mothers. Operating with an ongoing UNICEF effort, A.I.D. will cover approximately 4,000 villages over a six-year period. As A.I.D. increases its involvement in improving the PL 480 Title II Maternal/Child Health Program, there will be a 10% reduction every year in support of school feeding through FY 1986. From FY 1983 to FY 1984, total school feeding recipients are decreasing from approximately 7.9 million children to 6.68 million, as the GOI

gradually assumes responsibility for a larger share of the program. A.I.D. is completing a study of the relationship between school feeding and enrollment and retention of primary school students. Preliminary results demonstrate a strong positive relationship.

D. Training and Private Sector Initiatives

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

During FY 1983 and FY 1984, A.I.D. is undertaking an assessment of the Indian private sector and outlining options for potential project development in FY 1986 which focus on mobilizing talent and resources outside the public sector, sustaining technological innovation in small to medium scale industry, and enhancing the contribution of the private sector to irrigation, forestry, and rural health.

During FY 1984, A.I.D. plans an additional \$20 million Housing Guarantee for the Housing Development Finance Corporation. This private entity is providing financing for low income housing, while building a national system of housing finance.

Requested Year Program (FY 1985)

While implementing development projects and the on-going PL 480 Title II and HIG activities, A.I.D. proposes one new start and a major project amendment in FY 1985. The new activity will focus on forestry, research, education and training. The amendment will introduce a new irrigation management approach in an irrigation project in Rajasthan.

A. Food Production and Rural Employment

Two-thirds or \$60 million of the FY 1985 program is for activities addressing food production and rural employment. The \$10 million additional funding proposed for Rajasthan Medium Irrigation project (386-0467) will finance a command area development irrigation scheme to test farmer participation in on-farm water delivery and drainage, extension and marketing. Funding will be completed for the Hill

Areas Land and Water Development and Maharashtra Minor Irrigation projects (386-0489 and 0490) as construction of systems proceeds, training of extension specialists expands and on-the-ground U.S. advisory services in water management increase. The Irrigation Management and Training project (386-0484) will receive third year funding of \$8.5 million as it continues to strengthen water management institutes at the state level and proceeds with demonstration and training programs. The Agricultural Research project (386-0470) will also receive third year funding of \$5.0 million to start additional research sub-projects and sustain an increased level of U.S. technical collaboration during that year.

B. Energy and Forestry

An initial grant of \$4.0 million is requested to broaden the technical and administrative capacity of India's national and state-level forestry institutions. The Forestry Research, Education and Training project (386-0488) will provide technical, financial and training assistance to India's major forestry research institutes and selected state-level colleges to develop long-term programs for forestry research and manpower development. Limited capacity for extension training emerged as a major constraint during the design of previous social forestry projects. These findings were reinforced by a joint donor (World Bank/U.S./U.K.) forestry sector assessment in FY 1983. The project will draw upon the recommendations of this study, which included establishment of an

Indian Council of Forestry Research and Education and alternative approaches to extension that mobilize the community. The project will include development of curriculum materials and collaborative research with U.S. institutions to adapt and demonstrate relevant technologies.

C. Fertility and Mortality Reduction

Third year funding of \$15.5 million is requested for the Family Planning, Communications and Marketing project (386-0485) to expand media campaigns in family planning and to develop advertising materials for promotion of new contraceptives. An additional \$6.5 million is requested for Biomedical Support for Health Services project (386-0492) to finance imports of specialized equipment for the regional epidemiology laboratories being assisted under the project, and to continue training of Indian laboratory technicians.

An additional \$1.0 million dollars is requested for the Integrated Child Development Services project (386-0476) to complete expansion to 4,000 centers in two states and to monitor and evaluate nutritional rehabilitation. Project research activity on the

determinants and effects of low weights in newborn children will be in its second year and development of training curricula for village workers will be completed. The project will continue to utilize PL 480 Title II foods through CARE, reaching approximately 307,800 mothers and children in FY 1984.

Under PL 480 Title II, additional vegetable oil will support continuation of the cooperative project with CLUSA. The Food for Work program will continue, implementing the recommendations for modifying its monitoring and evaluation systems developed out of FY 1983 workshops. The phase down of school feeding to 50% of the FY 1981 program will continue with a 10% cut in the CARE program. CRS completed its phasedown by the end of FY 1983.

An additional \$15 million Housing Guarantee is planned in FY 1985 for the Housing Development Finance Corporation (HDFC).

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

PROGRAM: INDIA

CP 85

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO PLANNED	-THROUGH FY83- OBLIG	EXPENDI TURES	-ESTIMATED FY84- OBLIG	EXPENDI TURES	-PROPOSED FY85- OBLIG	EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
RURAL ELECTRIFICATION	L 386-0462	79	79	58,000	58,000	29,580	---	5,000	---	6,000	
GUJARAT MEDIUM IRRIGATION	L 386-0464	78	78	30,000	30,000	23,893	---	6,107	---	---	
RAJASTHAN MEDIUM IRRIGATION	G 386-0467	80	85	1,250	1,250	313	---	350	---	500	
RAJASTHAN MEDIUM IRRIGATION	L 386-0467	80	85	35,000	45,000	1,632	---	7,000	10,000	9,250	
AGRICULTURAL RESEARCH	G 386-0470	83	87	20,000	20,000	6,500	---	3,500	5,000	5,800	
FERTILIZER PROMOTION	L 386-0471	79	81	101,000	101,000	66,611	---	34,389	---	---	
ALTERNATIVE ENERGY RESOURCE DEVELOPMENT	G 386-0474	82	82	1,500	1,500	1,500	---	500	---	500	
MAHARASHTRA SOCIAL FORESTRY	G 386-0475	81	81	1,000	1,000	796	---	210	---	175	
MAHARASHTRA SOCIAL FORESTRY	L 386-0475	81	83	24,000	24,000	3,367	---	3,900	---	4,270	
INTEGRATED CHILD DEVELOPMENT SERVICES	G 386-0476	83	87	6,000	3,000	---	---	3,950	1,500	1,000	
INTEGRATED CHILD DEVELOPMENT SERVICES	L 386-0476	83	87	7,000	7,000	2,000	---	5,000	---	1,000	
MAHARASHTRA SOCIAL FORESTRY	G 386-0478	82	82	5,000	5,000	400	---	911	---	989	
MAHARASHTRA SOCIAL FORESTRY	L 386-0478	82	82	25,000	25,000	1,124	---	2,359	---	3,370	
MAHARASHTRA IRRIGATION TECH AND MGT	G 386-0481	82	82	3,000	3,000	60	---	500	---	1,500	
MAHARASHTRA IRRIGATION TECH AND MGT	L 386-0481	82	82	44,000	44,000	1,300	---	6,200	---	10,000	
MAHARASHTRA IRRIGATION	G 386-0483	83	84	5,000	5,000	3,700	---	1,300	110	850	
MAHARASHTRA IRRIGATION	L 386-0483	83	84	41,000	41,000	31,400	---	9,600	770	2,800	
IRRIGATION MANAGEMENT AND TRAINING	G 386-0484	83	88	41,000	41,000	3,000	---	6,000	3,500	7,500	

* Refers to the planned project summary sheet

C Level of effort activity

65

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PROGRAM: INDIA

CP 25

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-ESTIMATED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	FY85- EXPENDI TURES
IRRIGATION MANAGEMENT AND TRAINING	L 386-0484	83	83	10,000	10,000	10,000	---	---	675	---	1,025
NCAER RURAL HOUSEHOLD SURVEY	G 386-0486	81	81	499	549	499	423	50	126	---	---
DEVELOPMENT AND MANAGEMENT TRAINING	G 386-0487	82	83	2,150	2,150	2,150	25	---	500	---	800
FORESTRY RESEARCH, TRAINING & EXTENSION	* G 386-0488	85	87	---	8,000	---	---	---	---	4,000	---
HILL AREAS LAND AND WATER DEVELOPMENT	G 386-0489	84	85	---	4,000	---	---	1,000	---	3,000	350
HILL AREAS LAND AND WATER DEVELOPMENT	L 386-0489	84	85	---	30,000	---	---	14,500	500	15,500	8,750
MAHARASHTRA MINOR IRRIGATION	G 386-0490	84	85	---	2,000	---	---	1,000	100	1,000	450
MAHARASHTRA MINOR IRRIGATION	L 386-0490	84	86	---	42,000	---	---	24,900	---	17,000	7,500
TOTAL FOR ACCOUNT				463,399	559,449	387,999	129,560	70,800	79,882	65,000	74,879
GRANTS				88,399	102,449	27,599	2,033	16,800	10,482	22,500	21,414
LOANS				375,000	457,000	360,400	127,527	54,000	69,400	42,500	53,465
POPULATION PLANNING											
INTEGRATED RURAL HEALTH AND POPULATION	G 386-0468	80	80	13,800	13,800	13,800	2,308	---	3,000	---	6,733
FAMILY PLANNING COMMUNICATIONS AND MKTG	G 386-0485	83	85	13,000	13,000	6,600	---	4,400	4,240	3,000	1,950
FAMILY PLANNING COMMUNICATIONS AND MKTG	L 386-0485	83	86	34,000	34,000	10,000	---	6,000	430	12,500	2,950
TOTAL FOR ACCOUNT				60,800	60,800	30,400	2,308	10,400	7,670	15,500	11,683
GRANTS				26,800	26,800	20,400	2,308	4,400	7,240	3,000	8,733
LOANS				34,000	34,000	10,000	---	6,000	430	12,500	2,950
HEALTH											
INTEGRATED RURAL HEALTH AND POPULATION	G 386-0468	80	83	26,200	26,200	26,200	1,709	---	8,000	---	8,200

* Refers to the planned project summary sheet

° Level of effort activity

66

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized data. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PROGRAM: INDIA

CP 25

PROJECT TITLE	* L / PROJECT NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL		-THROUGH FY83-		-ESTIMATED FY84-		-PROPOSED FY85-	
				PROJECT AUTHD	COST PLANNED	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES
DEVELOPMENT AND MANAGEMENT TRAINING	G 386-0487	82	83	350	350	350	26	---	50	---	250
BIOMEDICAL SUPPORT FOR HEALTH SERVICES	G 386-0492	84	86	---	5,300	---	---	2,200	---	2,000	1,035
BIOMEDICAL SUPPORT FOR HEALTH SERVICES	L 386-0492	84	86	---	4,500	---	---	---	---	4,500	1,175
TOTAL FOR ACCOUNT GRANTS				26,550	36,350	26,550	1,735	2,200	3,050	6,500	10,560
LOANS				26,550	31,350	26,550	1,735	2,200	8,050	2,000	9,485
				---	4,500	---	---	---	---	4,500	1,175
EDUCATION AND HUMAN RESOURCES											
DEVELOPMENT AND MANAGEMENT TRAINING	G 386-0487	82	84	3,700	3,700	1,100	---	2,600	400	---	400
TOTAL FOR ACCOUNT GRANTS				3,700	3,700	1,100	---	2,600	400	---	400
LOANS				3,700	3,700	1,100	---	2,600	400	---	400
				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
TECHNOLOGIES FOR THE RURAL POOR	G 336-0465	78	78	2,000	2,000	2,000	1,644	---	198	---	158
ALTERNATIVE ENERGY RESOURCE DEVELOPMENT	G 336-0474	82	82	3,500	3,500	3,500	197	---	1,200	---	900
TOTAL FOR ACCOUNT GRANTS				5,500	5,500	5,500	1,841	---	1,398	---	1,058
LOANS				5,500	5,500	5,500	1,841	---	1,398	---	1,058
				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				559,949	665,799	451,549	135,444	36,000	97,400	37,000	99,630
LOANS				150,949	170,299	81,149	7,917	26,000	27,570	27,500	41,090
				409,000	495,500	370,400	127,527	60,000	69,830	59,500	57,590

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

PROGRAM: INDIA

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Forestry Research, Education and Training		-	4,000 (Grant)	-	FY 1985 4,000	Life of Project Funding 16,000 (8,000G; 8,000L)	
Number 386-0488	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING			-	-	FY 1985	FY 87	FY 91

Purpose: To broaden India's institutional capacity to train forestry research and extension staff, generate appropriate technologies for use by field staff, prepare and implement forest development strategies.

Project Description: India's changing and rapidly expanding forestry programs are placing demands on national and state-level forestry institutions which exceed their current capacity. Inadequacies in manpower supply and training facilities are a pervasive constraint as India redirects its forestry program toward social forestry, erosion and flood control and other new priority areas. This shift in emphasis from state controlled production forestry to such concerns as the provision of fuel and fodder, farm forestry and watershed rehabilitation calls for new technologies and management practices and an expanded agenda for Indian forestry researchers.

The Government of India (GOI), with the assistance of the World Bank, A.I.D. and several other donors, is designing an overall program to cover training of personnel at all levels from the Forest Research Institute and India Forest Service College, to state colleges and training schools. The research program may include support for the proposed Indian Council of Forestry Research and Education, for an All-India Coordinated Research Program on agro-forestry, fuelwood and fodder species, and for the forest research programs of individual state forest departments, agricultural universities, and other public and private research institutes.

Relationship of Project to A.I.D. Country Strategy: A.I.D. is evolving a program in energy, forestry and conservation. Five current projects focus on the well-documented needs for energy development and reforestation. Further sector development requires additional assistance for forestry research and training to provide more trained personnel and to extend the capacity of various institutions to assimilate new technology more rapidly.

Host Country and Other Donors: This project will help develop the institutional and professional framework as well as the research base essential for conducting social forestry projects throughout India. During the Sixth Five-Year Plan Period (ending March 1985) programmed GOI social forestry resources are equivalent to \$200 million plus over \$250 million now committed by donors, primarily World Bank, U.S., and Sweden. Indicative figures for social forestry during the Seventh Five-Year Plan exceed \$700 million.

The GOI is basing its program in part on the recommendations of the joint World Bank/U.S./UK assessment conducted in 1983. Continued collaboration in the design of the program should lead to a determination by mid 1984 of the specific components of the program each donor will finance.

Beneficiaries: The ultimate beneficiaries will be the rural people, due to more effectively planned and administered programs, particularly in village-level social forestry. Students enrolled in forestry programs will benefit from improved course offerings. The participation of women and members of scheduled castes and tribes in these programs is fully endorsed by the GOI.

Indonesia

FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (497) INDONESIA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 158,210
 PER CAPITA GNP..... (DOLLARS,1981) 530
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 4.6%
 ANNUAL RATE OF INFLATION (1970-81) 20.5%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1976) 6.6%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 54.0 MALE 52.4 FEMALE 55.6
 (1970) TOTAL 47.3 MALE 46.1 FEMALE 48.5
 ADULT LITERACY RATE (1980) TOTAL 68% MALE 77% FEMALE 59%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1987) 2.2%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 24%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1980) 509
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: RICE ,CORN ,CASSAVA 67% (1982)
 CASH: RUBBER ,COFFEE ,TEA 25% (1982)

MAJOR AGRICULTURAL EXPDRTS:(1982) RUBBER ,COFFEE ,TEA
 MAJOR AGRICULTURAL IMPORTS:(1982) RAW SUGAR ,RICE ,COTTON
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 58%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1978) 10,095 (79) 11,271 (80) 16,596
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1978) 11,833 (79) 12,493 (80) 18,354
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1978) -1,738 (79) -1,222 (80) -1,758
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1978) 15.0% (79) 13.7% (80) 12.7%
 AS % OF GNP..... (1978) 3.5% (79) 3.5% (80) 3.4%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 6,500 (81) 6,076 (82) 4,196
 EQUIVALENT TO 4.4 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1982) PETROLEUM ,TIMBER ,RUBBER
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980)4,303 (1981)4,852 (1982)3,546
 AS % OF TOTAL EXPORTS (1980) 20% (1981) 19% (1982) 16%
 MAJOR IMPORTS....(1982) RICE ,WHEAT ,TEXTILES
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980)1,409 (1981)1,795 (1982)2,417
 AS % OF TOTAL IMPORTS (1980) 11% (1981) 11% (1982) 14%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1980) 11,075(81) 11,892(82) 5,435
 TRADING PARTNERS: JAPAN ,UNITED STATES ,SINGAPORE
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 32.9%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 1,974
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981) 8.4%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.2% (1978) 2.0% (1983) 2.1%
 POPULATION IN URBAN AREAS.....(1970) 17% (1982) 21%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 43 (1983) 34
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1981) 36.2%
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 40.1% (15-64YRS) 56.9% (65+ YRS) 3.1%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 93
 PEOPLE PER PHYSICIAN..... (1983) 9,875
 MAJOR CAUSES OF
 DISEASE (1979) MALARIA ,ENTERIC DISEASE ,FLU & PNEUMONIA
 DEATH.. (1973) GASTROINTESTINAL ,ENTERIC DISEASE ,ACUTE RESP. INFE
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 102%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 12%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1978) TOTAL 94.0% MALE 100% FEMALE 89.0%
 SECONDARY..... (1978) TOTAL 22.0% MALE 27.0% FEMALE 18.0%
 POST SECONDARY.. (1976) TOTAL 2.0% MALE 2.9% FEMALE 1.1%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 378%

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

COUNTRY	INDONESIA	PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-82	REPAY- MENTS AND INTEREST 1946-82	TOTAL LESS REPAY- MENTS AND INTEREST 1946-82		
			1978	1979	1980	1981	1982					
			I. ECONOMIC ASSISTANCE — TOTAL								196.6	191.3
Loans					173.2	150.4	150.7	78.9	59.1	2395.0	533.3	1761.2
Grants					23.4	30.9	45.5	51.1	32.0	648.3	-	648.3
a. A.I.D. and Predecessor Agencies					73.9	95.0	82.7	58.8	67.5	1425.6	215.1	1210.7
Loans					57.5	71.7	54.5	35.9	43.3	1031.1	215.1	736.0
Grants					15.1	23.3	28.1	34.9	24.2	424.7	-	424.7
<i>(Economic Support Fund)</i>					-	-	-	-	-	53.0	-	53.0
b. Food for Peace (PL 480)					122.7	96.2	113.7	61.2	23.6	1546.0	352.5	1193.5
Loans					115.4	83.7	96.3	45.0	15.5	1327.7	352.5	955.2
Grants					7.3	7.5	17.4	16.2	7.2	218.3	-	218.3
Title I - Total Sales Agreements					115.4	89.7	96.3	45.0	15.8	1372.7	352.5	1010.2
Repayable in U.S. Dollars - Loans					115.4	83.7	96.3	45.0	15.8	1276.5	343.5	933.1
Payable in Foreign Currency - Planned for Country Use					-	-	-	-	-	95.1	19.0	77.1
Title II - Total Grants					7.3	7.5	17.4	16.2	7.8	173.3	-	173.3
Emerg. Relief, Econ. Develop. & World Food Program					3.0	2.4	6.0	7.7	3.1	91.7	-	91.7
Voluntary Relief Agencies					4.3	5.1	11.4	8.5	4.7	81.6	-	81.6
c. Other Economic Assistance					-	0.1	-	-	-	71.5	50.2	15.3
Loans					-	-	-	-	-	56.2	55.2	10.0
Grants					-	0.1	-	-	-	5.3	-	5.3
Peace Corps					-	-	-	-	-	0.7	-	0.7
Narcotics					-	0.1	-	-	-	0.5	-	0.5
Other					-	-	-	-	-	4.1	-	4.1
II. MILITARY ASSISTANCE — TOTAL					58.1	34.8	33.1	32.2	42.2	510.8	105.0	405.3
Credits or Loans					40.0	32.0	30.0	30.0	40.0	226.7	105.0	121.7
Grants					18.1	2.3	3.1	2.2	2.2	234.1	-	234.1
a. MAP Grants					15.0	0.8	1.5	0.4	-	196.5	-	196.5
b. Credit Financing - FMS					40.0	32.0	30.0	30.0	40.0	226.7	105.0	121.7
c. Military Assistance Service-Funded (MASF) Grants					3.1	2.0	1.5	1.8	2.2	33.6	-	33.6
d. Transfers from Excess Stocks					-	-	-	-	-	33.9	-	33.9
e. Other Grants					-	-	-	-	-	20.1	-	20.1
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE					254.7	226.1	229.5	162.2	133.3	3554.1	738.3	2315.3
Loans					213.2	192.4	180.7	103.9	99.1	2521.7	738.3	1882.9
Grants					41.5	33.7	48.6	53.3	34.2	932.4	-	932.4
Other U.S. Government Loans and Grants					4.5	10.9	97.5	-	395.0	1025.4	557.5	457.9
a. Export-Import Bank Loans					4.5	8.7	97.5	-	395.0	961.2	495.4	465.5
b. All Other Loans					-	2.2	-	-	-	64.2	72.1	7.9

* LESS THAN \$50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS	FY 1981	FY 1982	FY 1983	FY 1946-83
	TOTAL	1019.2	1394.2	1518.9
IBRD	573.0	926.1	1329.9	6000.0
IFC	0.0	4.3	25.0	160.0
IDA	0.0	0.0	0.0	931.4
IDB	0.0	0.0	0.0	0.0
ADB	334.7	451.8	264.0	2071.0
AFDB	0.0	0.0	0.0	0.0
UNDP	11.5	12.0	0.0	104.4
OTASER-UN	0.0	0.0	0.0	95.5
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

INDONESIA	CY 1981			CY 1982			CY 1978-82		
United States	141.0	114.0	768.0						
Japan	381.8	389.3	1,759.9						
Germany Fed. Rep.	180.5	156.8	518.1						
Netherlands	75.5	113.4	409.1						
Australia	44.8	45.9	219.0						
Other	123.3	105.0	583.1						
Total	946.9	924.4	4,257.2						

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

	CY 1981	CY 1982	CY 1978-81
	23.9	N.A.	72.3

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1981	CY 1982	CY 1954-82
USSR	-	-	215
Eastern Europe	-	-	365
China	-	-	45
Total	-	-	625

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1983								
Loans	53,750	25,000	6,900	3,950	13,900	4,000	-	-
Grants	18,000	8,740	3,000	1,500	2,000	2,760	-	-
Total	71,750	33,740	9,900	5,450	15,900	6,760	-	-
1984								
Loans	45,557	28,650	6,600	-	6,900	3,407	-	-
Grants	18,550	9,210	3,000	2,850	1,750	1,740	-	-
Total	64,107*	37,860	9,600	2,850	8,650	5,147	-	-
1985								
Loans	44,200	26,200	3,000	8,000	2,000	5,000	-	-
Grants	20,800	11,050	1,500	6,000	1,250	1,000	-	-
Total	65,000	37,250	4,500	14,000	3,250	6,000	-	-

*The above total for FY 1984 excludes \$945,000, which has not yet been notified for reobligation.

FY PROGRAM HIGHLIGHTS	
-	A.I.D.'s program will support:
-	increasing food production and strengthening resource management: \$29.5 million.
-	expansion of off-farm employment and related private enterprise development: \$15.75 million.
-	improving primary health care: \$14 million.
-	strengthening family planning: \$4.5 million.
-	accelerating human resources development: \$3.25 million.

INDONESIA

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans	59,339	64,082	85,657
Grants	26,715	26,308	27,699
Total AID	86,054	90,390	113,356
P.L. 480**			
Title I (of which Title III is)	35,000 (-)	30,000 (-)	40,000 (-)
Title II	8,153	7,612	7,741
Total P.L. 480	43,153	37,612	47,741
Total AID and P.L. 480	129,207	128,002	161,097

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
AID Personnel ^a			
Direct Hire ^b	56	52	49
PASA ^c	9	9	9
Contract	109	109	109
Total	174	170	167
Participants ^d			
Noncontract	124	175	185
Contract	239	250	265
Total	363	425	450

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

P.L. 480
(In thousands of dollars)

Program	FY 1983 (Actual)		FY 1984 (Estimated)		FY 1985 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat	87,800	15,000	88,000	15,000	128,000	20,000
Rice	65,400	20,000	45,000	15,000	53,000	20,000
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total (of which Title III is)		35,000 (0)		30,000 (0)		40,000 (0)
Title II						
Voluntary Agencies		4,506		4,600		5,390
World Food Programs		3,647		3,012		2,351
Gov't-to-Gov't		-		-		-
Title II Total		8,153		7,612		7,741
Total P.L. 480		43,153		37,612		47,741

INDONESIA

Development Overview:

Though Indonesia has made considerable progress in the last 15 years, it remains a poor country. Over 40% of the 160 million population still have a per capita income of less than \$150 (national average is \$519). Social indicators are considerably below those of its neighbors. Though improved, public health services reach only 20-30% of the population, and the country still suffers from high infant mortality (93 per 1,000 live births) and low life expectancy (54). Only 12% of the population has access to potable water. Family planning efforts have been more successful, with population growth rates decreasing to 2.1% in 1983.

The basic education system has significantly improved, with 94% enrollment in primary schools and literacy increasing from 57% to 62% over the past decade. Secondary school enrollment is, however, only 22%, and only 2% of eligible students attend a university. Recognizing that these levels remain insufficient to meet the growing need for skilled workers, the Government of Indonesia (GOI) has allocated the largest portion of its development budget to education.

Years of agricultural research and extension have allowed Indonesia to approach self-sufficiency in rice, the staple of the Indonesian diet. Now emphasis has turned to crop diversification with the goal of food self-sufficiency. At the same time the GOI is seeking to stimulate private enterprise to create off-farm jobs, and extending and decentralizing services to promote regional development.

The Indonesian population is badly distributed with 80% of the people living on 7% of the land. This overcrowding leads to endlessly subdivided farms -- 43% of the farmers own less than 1/2 hectare -- and increased landlessness. The unemployment rate is approximately 30% in urban areas; underemployment is reported to be increasing in rural areas. The capacity of agriculture to absorb labor is limited, thus off-farm employment must expand by nearly 2 million jobs annually just to keep pace with new entrants into the labor force.

Development, reflected by Gross Domestic Product growth as high as 11.3% during the 70's and 9.9% in 1980, is now endangered by the world recession as both the volume and prices of Indonesia's export commodities fall. The balance of payments plunged from a \$2.5 billion surplus in 1980/81 to a deficit of \$6.7 billion in 1982/83. GDP growth slowed to about 2%.

INDONESIA

U.S. Interests and Objectives

Indonesia stretches across the strategic region between Southeast Asia and Australia. It supplies essential raw materials to both Japan and the United States, furnishing us with 52% of rubber, 16% of tin and 7% of petroleum imports in 1981. The large population and growing economy provide an attractive market for imported goods and services (over \$2 billion in U.S. goods in 1982) and offer good opportunities for private U.S. investment. Indonesia is also a major importer of U.S. agricultural commodities.

As a leading member of the Association of Southeast Asian Nations (ASEAN), Indonesia actively supports regional cooperation in commercial, economic and cultural fields. Indonesia exerts a moderating influence in both the Islamic world and Oil Production Export Countries (OPEC), and has been a leader in seeking reasonable North-South accommodation.

A.I.D. Development Strategy

The Strategy focuses on four development goals: 1) expanding productive off-farm employment; 2) increasing and diversifying food production and strengthening resource management; 3) improving primary health care and the results of family planning; and 4) accelerating human resources development. To achieve these goals the Mission is, as its top priority, strengthening selected institutions by developing the management and technical skills of their personnel. Special attention is being devoted to decentralization and the role of the private sector. Policy analysis relevant to the stated goals will be supported through research and demonstration projects and an expanded policy dialogue with the government. Technology transfer will come about through training, technical assistance and demonstration activities. Assistance in developing the private sector will include both commercial enterprises and Private Voluntary Organizations (PVOs).

1. Agriculture

A.I.D.'s involvement in agricultural research has played a major role in Indonesia's effort to attain self-sufficiency in rice. The next steps involve: 1) development of agricultural research networks, including capacity for more research on secondary crops; 2) development of a stronger and more coordinated agricultural planning system; and 3) water resource management, including operations and maintenance of irrigation systems and the development of upland watershed areas.

INDONESIA

2. Health/Population: Improving Primary Health Care and Family Planning

Health and population activities will stress: 1) reducing morbidity and mortality for infants, children under five, and women of reproductive age, and 2) contributing to the national goal of lowering the crude birth rate from 32 to 22 per thousand by the end of the decade. Health priorities are: 1) designing cost-effective systems to a) reduce diarrheal disease morbidity and mortality, and b) immunize children against prevailing diseases; 2) improving health care management; and 3) improving nutrition. Reflecting the relative maturity of family planning programs in Indonesia, A.I.D. will be concentrating on the recalcitrant remaining problems: 1) helping to design and implement an effective urban family planning strategy; 2) developing closer ties between health and family planning programs; and 3) addressing implementation constraints in certain densely populated provinces.

3. Education/Human Resources: Accelerating Human Resources Development

A.I.D.'s goal here is to develop in-country training capacity while utilizing both overseas and in-country training programs to meet immediate and specialized requirements. Specifically, A.I.D. will: 1) assist the Ministry of Education to develop further its capacity for policy research and planning for the national education and training system; 2) support a core of educational institutions that provide training in skill areas related to the Mission's program; and 3) supply graduate-level and short-term training for managers and technicians implementing development activities.

4. Selected Development Activities (SDA): Productive Off-Farm Employment

A.I.D.'s initial support to increased off-farm employment will explore the expansion of opportunities for the private sector, including: 1) financing studies of constraints to enterprise development; 2) developing self-supporting rural financial institutions; 3) expanding in-country management training capacity; and 4) facilitating foreign private-sector investment and improving the quality of non-oil exports.

INDONESIA

A.I.D. Program (FY's 1983-1984)

A. Agriculture, Rural Development and Nutrition (ARD&N)

These projects strive to develop the institutional capacity of key agencies to increase overall agricultural productivity. Planning, research and training activities continued in FY 1983. The Secondary Food Crops Development Project (497-0304) aims at expanding production, marketing and consumption of major non-rice food crops to complement ongoing GOI efforts to diversify the food resource base.

Four new projects are scheduled to begin during FY 1984. Reflecting the evaluation of the Agriculture Development Planning Project, Agriculture Planning II (497-0342) will concentrate on field activities in two provinces and will broaden assistance at the national planning level to include those agencies involved in agricultural planning and policy development.

Upland Agriculture and Conservation (497-0311), a major new initiative in FY 1984, responds to a 1983 assessment of upland rainfed agriculture which identified technologies that increase yields while minimizing environmental degradation. Jointly financed with the World Bank, this project will adapt these technologies to two watershed areas in Central and East Java. Together with the ongoing Citanduy II Project, it should provide an institutional strategy to manage upland watershed areas throughout Java and form the basis for a continued policy dialogue with the GOI on issues of resource allocation.

Financial Institutions Development (497-0341) and Central Java Enterprises (497-0331) began in FY 1984 and support A.I.D.'s efforts to increase off-farm employment. The former will develop a replicable and self-financing rural credit and savings program by addressing issues of domestic fiscal policy. The project arose from an evolution of rural financial institutions supported under Provincial Area Development I (497-0264). It will institutionalize a credit system stimulating small-enterprise development as an outlet for surplus labor that cannot be absorbed in the agricultural sector. The latter will focus on Central Java to examine and relieve specific constraints to enterprise development there.

Assistance to both indigenous and U.S. PVO endeavors in support of the Mission program has continued and is funded from Education, Health and SDA appropriations as well as ARD&N.

INDONESIA

B. Population

A.I.D.'s long, intense efforts in family planning have proven successful. This success itself necessitates a change in the character of our involvement. AID's major initiatives in FY's 1983-1984 focus on family planning in urban and selected densely populated rural provinces as well as on human resource development at the GOI national family planning agency. These represent remaining problem areas where valuable contributions can be made.

C. Health

Health activities are aimed at elevating the Ministry of Health's capacity to plan, train, and manage, as well as the capabilities of provincial offices in a number of the outer islands. As a result of an extensive evaluation in 1983, an experimental diarrheal disease component based on oral rehydration therapy has been included in the Health Training, Research and Development Project (497-0273). Also, simple health/nutrition and income-generating activities are being integrated into the village family planning network. The Catholic Relief Services (CRS) Title II program expects to strengthen its targeting and service delivery capacity during the upcoming year.

D. Education and Human Resources

A major component of our human resource development program continues to be overseas training under General Participant Training II (497-0328), but emphasis is also being directed toward policy and institution building. The FY 1984 Education Policy and Planning Project (497-0344) will support the research and planning unit of the Ministry of Education, to enhance development of education and training policy options. Institution building will also take place under the Private Sector Management Development Project (497-0345), which will work with an existing private management training institute to develop its outreach program for rural entrepreneurs.

E. Selected Development Activities

Funds under this account in FY 1983 and 1984 have been used in the fields of energy and policy development. The PUSPIPI TEK Energy Resources Laboratory Project (497-0333) will develop a professional capacity to conduct applied research supporting energy-related industries and undertaking feasibility studies of

INDONESIA

potential energy programs. The FY 1983 Development Studies Project (497-0340) provides technical and financial support to Indonesian organizations to undertake policy studies to assist the GOI's decision-making process.

P.L. 480

In FY 1983 the United States provided \$35 million under Title I for the purchase of 88,000 MT of wheat and 65,000 MT of rice. During FY 1984 A.I.D. expects to contribute \$30 million for a prospective mix of 88,000 MT of wheat and 45,000 MT of rice. Traditionally, proceeds have accrued to the GOI development budget for self-help measures designed to increase food production. During FY 1983 10% of the funds were allocated for use by PVOs. A.I.D. is now negotiating the use of another portion of funds in support of its ongoing development activities.

The Title II program, operated by Catholic Relief Services and Church World Service, totalled \$4.5 million in FY 1983 and will likely total \$4.6 million in FY 1984. The programs are in accord with GOI and A.I.D. development efforts to increase crop production, provide employment and address maternal and child health problems through infant feeding programs. A major evaluation in early FY 1984 will focus on increasing the development orientation of the CRS program.

Requested Year Program (FY 1985)

The program requested for FY 1985 requires \$65 million to finance four new and eight ongoing projects; \$44.2 million in loan and \$20.8 in grant funds.

A. Agriculture, Rural Development and Nutrition

ARD&N funds in the amount of \$37.25 million are requested to support A.I.D.'s development strategy. Two new activities will require \$14.45 million of FY 1985 funds:

In response to problems identified by A.I.D.-financed evaluations of irrigation systems in the Sederhana II Project, Small Scale Irrigation Operations and Maintenance (497-0347) will develop a greater capacity at provincial and local levels to plan and manage the construction, operation and maintenance of small-scale irrigation systems. Agricultural Sector Research (497-0349) will build on A.I.D.'s past ten years of experience in agricultural research in Indonesia, addressing second generation problems such

INDONESIA

as research management, farming systems research, research support services, scientific collaboration and research/extension coordination. Five ongoing projects will receive incremental funding totalling \$22.8 million during the budget year. Upland Agriculture and Conservation (497-0311) and PVO Co-Financing II (497-0336) endeavor to increase productivity through the introduction of new technologies in two heavily populated areas of Java. Agriculture Planning II (497-0342) will continue to work to improve the policy analysis and planning capabilities of the Ministry of Agriculture. Central Java Enterprise (497-0331) and Financial Institutions Development (497-0341) will attempt to increase off-farm employment through rural entrepreneurship.

B. Population

Family Planning Development and Services II (497-0327) will absorb \$4.5 million in FY 1985. A.I.D. will fund family planning programs in both urban and heavily populated rural areas, as well as training, research and voluntary sterilization activities.

C. Health

The Mission requests a major increase in the health sector budget in FY 1985 (\$14 million) for two new projects.

Diarrhea Mortality/Morbidity Reduction (497-0346) will build on the pilot efforts of the experimental diarrheal disease component of the ongoing Health Training Research and Development Project, helping the Ministry of Health to intensify its efforts to reduce deaths and severe morbidity from diarrheal disease. Special attention will be paid to utilizing low-cost oral rehydration therapy, particularly in children.

The Faculties of Public Health Project (497-0348) will help to develop post-graduate training centers for Indonesian public health and population officials. The project will encourage collaboration of the faculties with their regional organizations to increase the curriculum's relevance.

D. Education and Human Resources

Continuation of ongoing projects will require \$3.25 million in FY 1985. General Participant Training II (497-0328) will provide specialized graduate and short-term training in the U.S. and third countries for key managers and technicians involved in development. During FY 1985, 325 short-term and 75 long-term participants are expected to receive training.

INDONESIA

Longer term development of human resources will be addressed through the Education Policy and Planning Project (497-0344). PVO endeavors in education will be financed from the PVO Co-Financing II Project (497-0336).

E. Selected Development Activities

Six million dollars is requested to continue incremental funding of PVO Co-Financing II and to increase funding to the Private Sector Development Project (497-0329).

P.L. 480

The Mission will request between \$30 and \$50 million in Title I support to help Indonesia meet its FY 1985 food import requirements. The exact amount will be determined when Indonesian production becomes clearer. The self-help funds generated will be directly supportive of A.I.D.'s development strategy. We request \$5.4 million of Title II in FY 1985 to allow Catholic Relief Services and Church World Service to continue their programs in Maternal and Child Health and Food-for-Work.

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

PROGRAM: INDONESIA

CP 85

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH OBLIG ATIONS	FY83- EXPENDI TURES	-ESTIMATED FY84- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
PVO CO-FINANCING	G 497-0225	74	81	2,172	2,151	2,145	2,088	---	63	---	---
LUWU AREA AND TRANSMIGRATION DEV I	G 497-0244	76	82	2,090	2,090	2,090	1,810	---	280	---	---
LUWU AREA AND TRANSMIGRATION DEV I	L 497-0244	76	82	16,610	16,610	16,610	14,308	---	1,302	---	---
CITANDUY RIVER BASIN DEVELOPMENT I	L 497-0245	77	77	12,500	12,500	12,500	11,329	---	1,000	---	171
SEDERHANA IRRIGATION AND LAND DEV II	G 497-0252	78	81	11,300	11,300	11,300	9,247	---	1,053	---	1,000
SEDERHANA IRRIGATION AND LAND DEV II	L 497-0252	78	81	25,000	25,000	25,000	17,700	---	3,300	---	4,000
SUMATRA AGRICULTURAL RESEARCH	G 497-0263	77	78	2,500	2,500	2,500	1,497	---	1,003	---	---
SUMATRA AGRICULTURAL RESEARCH	L 497-0263	77	78	7,000	7,000	7,000	1,717	---	2,000	---	3,283
PROVINCIAL AREA DEVELOPMENT PROGRAM I	G 497-0264	77	83	5,100	5,100	5,100	3,474	---	400	---	400
PROVINCIAL AREA DEVELOPMENT PROGRAM I	L 497-0264	77	83	12,500	12,500	12,500	5,007	---	1,500	---	1,500
AG DEVELOPMENT PLANNING AND ADMIN	G 497-0265	77	83	1,300	1,300	2,025	1,446	---	580	---	---
AG DEVELOPMENT PLANNING AND ADMIN	L 497-0265	77	83	5,000	5,000	5,000	2,979	---	2,021	---	---
RURAL ELECTRIFICATION I	G 497-0267	78	82	11,000	11,000	11,000	10,161	---	639	---	200
RURAL ELECTRIFICATION I	L 497-0267	78	82	30,000	30,000	30,000	24,410	---	1,000	---	4,590
PROVINCIAL AREA DEVELOPMENT PROGRAM II	G 497-0276	79	84	10,000	10,000	8,000	5,789	2,000	340	---	340
PROVINCIAL AREA DEVELOPMENT PROGRAM II	L 497-0276	79	84	31,500	31,500	30,650	11,168	350	4,000	---	4,000

* Refers to the planned project summary sheet

C Level of effort activity

82

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PROGRAM: INDONESIA

CP 85

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY83- OBLIG EXPENDI ATIONS	-ESTIMATED FY84- OBLIG EXPENDI TURES	-PROPOSED FY85- OBLIG EXPENDI TURES
CITANDUY RIVER BASIN DEVELOPMENT II	G 497-0281	80	83	4,250	4,250	1,611	1,000
CITANDUY RIVER BASIN DEVELOPMENT II	L 497-0281	80	83	22,750	18,600	1,419	3,000
RURAL WORKS II	G 497-0285	79	81	3,000	3,000	2,352	148
RURAL WORKS II	L 497-0285	79	81	25,000	25,000	14,288	3,000
SMALL SCALE FISHERIES DEVELOPMENT	G 497-0286	80	82	3,000	3,000	968	1,000
GRADUATE AGRICULTURAL SCHOOL TITLE XII	G 497-0290	79	80	2,170	2,170	1,479	691
GRADUATE AGRICULTURAL SCHOOL TITLE XII	L 497-0290	79	80	5,330	5,330	673	2,657
EASTERN ISLANDS AGRICULTURAL EDUCATION	G 497-0293	79	80	2,500	2,500	1,598	902
EASTERN ISLANDS AGRICULTURAL EDUCATION	L 497-0293	79	80	5,000	5,000	1,982	2,018
WESTERN UNIV AGRICULTURE EDUCATION	G 497-0297	81	83	3,900	3,900	994	950
WESTERN UNIV AGRICULTURE EDUCATION	L 497-0297	81	83	5,950	5,950	1,348	1,500
APPLIED AGRICULTURE RESEARCH	G 497-0302	80	84	7,000	7,000	1,098	2,000
APPLIED AGRICULTURE RESEARCH	L 497-0302	80	84	18,900	18,900	1,182	3,000
SECONDARY FOOD CROPS DEVELOPMENT	L 497-0304	83	83	6,400	6,400	---	400
UPLAND AGRICULTURE AND CONSERVATION	G 497-0311	84	86	---	5,000	---	2,300
UPLAND AGRICULTURE AND CONSERVATION	L 497-0311	84	86	---	15,000	---	8,000
LAND MAPPING, TITLING AND REGISTRATION	G 497-0312	80	82	2,000	1,055	660	395

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PROGRAM: INDONESIA

CP 85

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	PLANNED	-THROUGH FY83- OBLIG ACTIONS	EXPENDI TURES	-ESTIMATED FY84- OBLIG ACTIONS	EXPENDI TURES	-PROPOSED FY85- OBLIG ACTIONS	EXPENDI TURES
PRIVATE SECTOR DEVELOPMENT	G 497-0329	82	82	500	500	500	7	---	150	---	150
PRIVATE SECTOR DEVELOPMENT	L 497-0329	82	82	1,500	1,500	1,500	---	---	500	---	500
EAST TIMOR DEVELOPMENT	G 497-0330	81	84	5,000	5,000	4,000	3,000	1,000	1,000	---	1,000
CENTRAL JAVA ENTERPRISE	G 497-0331	84	85	---	2,000	---	---	1,000	100	1,000	300
CENTRAL JAVA ENTERPRISE	L 497-0331	84	85	---	6,500	---	---	4,500	---	2,000	1,500
PVO CO-FINANCING II	G 497-0336	82	86	2,400	4,000	1,750	939	1,250	1,000	750	1,000
FINANCIAL INSTITUTIONS DEVELOPMENT	G 497-0341	84	85	---	3,000	---	---	1,000	100	1,500	300
FINANCIAL INSTITUTIONS DEVELOPMENT	L 497-0341	84	85	---	17,800	---	---	12,550	---	5,250	3,000
AGRICULTURE PLANNING II	G 497-0342	84	85	---	2,000	---	---	1,000	100	1,000	500
AGRICULTURE PLANNING II	L 497-0342	84	85	---	6,000	---	---	5,750	200	1,000	1,500
SMALL SCALE IRRIGATION O & M * G	497-0347	85	87	---	5,000	---	---	---	---	2,000	100
SMALL SCALE IRRIGATION O & M * L	497-0347	85	87	---	20,000	---	---	---	---	6,450	200
AGRICULTURAL SECTOR RESEARCH * G	497-0349	85	86	---	7,000	---	---	---	---	2,500	100
AGRICULTURAL SECTOR RESEARCH * L	497-0349	85	86	---	13,000	---	---	---	---	3,500	200
TOTAL FOR ACCOUNT GRANTS				312,622	411,406	301,265	161,228	37,860	45,792	37,250	72,648
LOANS				81,682	106,316	75,325	50,718	9,210	14,394	11,050	13,774
				230,940	305,090	225,940	110,510	28,650	31,398	26,200	58,874

POPULATION PLANNING

FAMILY PLANNING DEVELOPMENT AND SERVICES	G 497-0270	78	82	25,920	25,920	25,920	17,705	---	2,000	---	3,000
FAMILY PLANNING DEVELOPMENT AND SERVICES	L 497-0270	78	82	2,000	2,000	2,000	209	---	600	---	600
ORAL CONTRACEPTIVES	L 497-0271	78	82	60,000	56,100	55,962	35,852	---	16,248	---	4,000
FAMILY PLANNING DEV AND SERVICES II	G 497-0327	83	85	7,500	7,500	3,000	---	3,000	500	1,500	1,000

* Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PROGRAM: INDONESIA

CP 85

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	PLANNED	-THROUGH OBLIG ATIONS	FY83- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY85- EXPENDI TURES
FAMILY PLANNING DEV AND SERVICES II	L 497-0327	83	85	13,400	13,400	6,900	---	6,600	500	3,000	1,000
TOTAL FOR ACCOUNT GRANTS LOANS				108,820	104,920	93,782	53,766	9,600	19,848	4,500	9,600
				33,420	33,420	28,920	17,705	3,000	2,500	1,500	4,000
				75,400	71,500	64,862	36,061	6,600	17,348	3,000	5,600
HEALTH											
EXPANDED PROGRAM IN IMMUNIZATION	G 497-0253	79	81	3,200	3,200	3,200	1,358	---	1,000	---	942
EXPANDED PROGRAM IN IMMUNIZATION	L 497-0253	79	81	10,000	10,000	10,000	2,720	---	2,280	---	5,000
HEALTH TRAINING, RESEARCH AND DEVELOPMENT	G 497-0273	78	84	8,300	9,450	6,000	3,133	2,350	1,000	---	1,500
HEALTH TRAINING, RESEARCH AND DEVELOPMENT	L 497-0273	78	84	2,600	1,450	1,450	---	---	---	---	500
VILLAGE FP/MOTHER-CHILD WELFARE	G 497-0305	80	82	10,000	7,400	7,400	2,502	---	2,000	---	2,898
COMPREHENSIVE HEALTH IMPROVEMENT PROGRAM	G 497-0325	81	82	3,000	3,000	3,000	106	---	500	---	1,200
COMPREHENSIVE HEALTH IMPROVEMENT PROGRAM	L 497-0325	81	82	6,000	6,000	6,000	166	---	1,000	---	2,000
TINOR MALARIA CONTROL	L 497-0326	80	80	3,600	3,600	3,600	1,576	---	1,000	---	1,000
FAMILY PLANNING DEV AND SERVICES II	L 497-0327	83	83	2,500	2,500	2,500	---	---	200	---	500
PVD CO-FINANCING II	G 497-0336	82	86	3,550	2,000	750	665	500	500	500	500
DIARRHEA MORTALITY/MORBIDITY REDUCTION	* G 497-0346	85	85	---	4,000	---	---	---	---	4,000	100
DIARRHEA MORTALITY/MORBIDITY REDUCTION	* L 497-0346	85	85	---	3,000	---	---	---	---	3,000	100
FACULTIES OF PUBLIC HEALTH	* G 497-0348	85	85	---	1,500	---	---	---	---	1,500	100
FACULTIES OF PUBLIC HEALTH	* L 497-0348	85	85	---	5,000	---	---	---	---	5,000	200

* Refers to the planned project summary sheet

C Level of effort activity

85

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized data. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PROGRAM: INDONESIA

CP 35

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-ESTIMATED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	FY85- EXPENDI TURES
TOTAL FOR ACCOUNT GRANTS			52,750	62,100	43,900	12,226	2,850	9,480	14,000	16,440
LOANS			28,050	30,550	20,350	7,764	2,850	5,000	6,000	7,140
			24,700	31,550	23,550	4,462	---	4,480	8,000	9,300
EDUCATION AND HUMAN RESOURCES										
PVO CO-FINANCING	G 497-0225	74	81	1,125	1,125	1,125	1,045	---	30	---
HIGHER EDUCATION DEVELOPMENT TRAINING I	L 497-0248	77	81	5,700	5,700	5,700	4,778	---	922	---
PROFESSIONAL RESOURCES DEVELOPMENT I	L 497-0261	78	83	6,900	6,900	6,900	4,517	---	1,000	1,383
PROFESSIONAL RESOURCES DEVELOPMENT II	L 497-0275	78	78	5,000	5,000	5,000	1,360	---	3,640	---
SELF INSTRUCTIONAL LEARNING	G 497-0280	79	81	3,000	3,000	3,000	1,903	---	1,092	---
EDUCATION COMMUNICATION DEVELOPMENT	G 497-0296	79	81	2,000	2,000	2,000	1,622	---	378	---
EDUCATION COMMUNICATION DEVELOPMENT	L 497-0296	79	81	4,000	4,000	4,000	2,775	---	1,225	---
ENERGY MANPOWER AND TRAINING	G 497-0300	80	81	1,000	1,000	1,000	646	---	354	---
LOCAL GOVERNMENT TRAINING II	G 497-0308	80	83	2,500	2,500	2,500	1,438	---	265	265
LOCAL GOVERNMENT TRAINING II	L 497-0308	80	83	7,000	7,000	7,000	574	---	600	2,000
IN-COUNTRY MANAGEMENT TRAINING	L 497-0317	82	82	4,000	4,000	4,000	97	---	500	1,000
GENERAL PARTICIPANT TRAINING II	G 497-0328	83	84	1,500	1,500	1,000	---	500	100	220
GENERAL PARTICIPANT TRAINING II	L 497-0328	83	84	11,250	13,250	9,150	---	2,100	200	2,000
PVO CO-FINANCING II	G 497-0336	82	86	2,400	1,250	500	223	250	200	250
EDUCATION POLICY AND PLANNING	G 497-0344	84	85	---	1,000	---	---	---	---	1,000

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PROGRAM: INDONESIA

CP 35

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY83-		-ESTIMATED FY84-		-PROPOSED FY85-	
				AUTHD	PLANNED	OBLIG	EXPENDI	OBLIG	EXPENDI	OBLIG	EXPENDI
						ATIONS	TURES	ATIONS	TURES	ATIONS	TURES
EDUCATION POLICY AND PLANNING	L 497-0344	84	85	---	4,800	---	---	4,800	100	---	1,000
PRIVATE SECTOR MANAGEMENT DEVELOPMENT	G 497-0345	84	84	---	1,000	---	---	1,000	---	---	100
TOTAL FOR ACCOUNT GRANTS				57,375	65,025	52,875	20,983	8,650	10,656	3,250	8,263
LOANS				13,525	14,375	11,125	6,882	1,750	2,469	1,250	885
				43,850	50,650	41,750	14,101	6,900	3,187	2,000	7,383
SELECTED DEVELOPMENT ACTIVITIES											
SCIENCE AND TECHNOLOGY	G 497-0266	78	80	1,500	1,500	1,500	1,106	---	394	---	---
SCIENCE AND TECHNOLOGY	L 497-0266	78	80	5,000	5,000	5,000	4,331	---	669	---	---
ASSISTANCE TO ENVIRONMENTAL CENTERS	G 497-0314	79	80	500	500	500	349	---	151	---	---
ENERGY PLANNING FOR DEVELOPMENT	L 497-0318	32	82	750	750	750	---	---	250	---	500
PRIVATE SECTOR DEVELOPMENT	L 497-0329	82	85	1,500	6,500	1,500	5	---	1,000	5,000	2,000
PUSPIPTEK ENERGY RESEARCH LAB	G 497-0333	82	84	500	500	500	30	---	150	---	150
PUSPIPTEK ENERGY RESEARCH LAB	L 497-0333	82	84	11,250	11,250	7,843	---	3,407	750	---	2,000
PVO CO-FINANCING II	G 497-0336	82	86	2,900	4,000	1,000	238	500	750	1,000	1,000
DEVELOPMENT STUDIES	G 497-0340	83	84	3,000	3,000	1,760	---	1,240	500	---	750
TOTAL FOR ACCOUNT GRANTS				26,900	33,000	20,353	6,059	5,147	4,614	6,000	6,400
LOANS				8,400	9,500	5,260	1,723	1,740	1,945	1,000	1,900
				18,500	23,500	15,093	4,336	3,407	2,669	5,000	4,500
TOTAL FOR COUNTRY GRANTS				558,467	676,451	512,175	254,262	64,107	90,390	65,000	113,356
LOANS				165,077	194,161	140,980	84,792	18,550	26,308	20,800	27,699
				393,390	482,290	371,195	169,470	45,557	64,082	44,200	35,657

The above total for FY 1984 excludes \$945,000, which has not yet been notified for reobligation.

* Refers to the planned project summary sheet

87

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

PROGRAM: INDONESIA

PLANNED PROGRAM SUMMARY SHEET

Title Small Scale Irrigation: Operations & Maintenance		Funding Source	AG, RD & N 8,450	Health	PROPOSED OBLIGATION (in thousands of dollars)			
Number 497-0347		<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	FY 85 8,450 (2,000G; 6,450L)	Life of Project Funding 25,000 (5,000G; 20,000L)	
<input checked="" type="checkbox"/> GRANT	<input checked="" type="checkbox"/> LOAN	<input type="checkbox"/> CONTINUING				Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
						FY 85	87 (L) FY 86 (G)	FY 93

Purpose: To develop greater capacity at provincial and local levels to plan and manage the construction, operations and maintenance of small-scale irrigation systems.

Project Description: The project will address the serious problem of poor operations and maintenance (O&M) in small-scale irrigation systems in Indonesia. Evidence from USAID-funded evaluations, including that of small-scale irrigation systems, indicates that many systems are operating at sub-optimal levels for the following inter-related reasons: 1) irrigation system planning is highly centralized, thereby minimizing incorporation of regional and local environmental variations into irrigation planning; 2) systems constructed by the central government have little farmer participation and subsequently suffer from a lack of farmer interest in maintenance; 3) responsibility for financing routine O&M is fragmented among several agencies and levels of government, and available funds are often inadequate except for the most urgent repairs; 4) water management research on improved system design and operation is scarce; and 5) water availability in many systems has improved without corresponding gains in productivity or in efficient use of residual soil moisture for secondary crops.

The proposed project will: 1) improve the technical and managerial capacity of provincial and district irrigation services to design and construct systems, in collaboration with water users, in a maximum of eight provinces; 2) help in consolidating and rationalizing O&M financing at provincial and lower levels of government so they can provide adequate and timely funds to the non-technical irrigation systems; 3) improve the capacity of existing water users' associations and help organize new ones where necessary so that water users have the necessary organizational ability to manage their own O&M activities; 4) help establish an applied water management research program at selected Indonesian institutions to improve and develop technologies for more efficient agricultural use of water.

Relationship of Project to A.I.D. Country Strategy: The proposed project directly supports A.I.D.'s objective of increasing food production and strengthening resource management. The project directly supports decentralization, beneficiary participation, the development of agricultural research capacity and institutional development, all areas identified as GOI/Mission objectives.

Host Country and Other Donors: The Ministries of Agriculture, Public Works, and Home Affairs are expected to provide major support at the provincial level. The Ministry of Finance will need to address the issue of O&M financing at the central and provincial levels. Other donors with related projects are the World Bank and Asian Development Bank, both of which are investing heavily in the development of small-scale irrigation systems, however, with little emphasis on O&M.

Beneficiaries: The beneficiaries will be approximately the 2.5 million farmers associated with the estimated 3,000 non-technical small-scale irrigation systems in Indonesia.

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Agricultural Sector Research			6,000		FY 85: 6,000 (2,500G; 3,500L)	Life of Project Funding 20,000 (7,000G; 13,000L)	
Number 497-0349	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input checked="" type="checkbox"/> GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING					FY 85	FY 86 (L&G)	FY 92

Purpose: To enhance Indonesia's agricultural research capacity through the training of personnel and development of institutional capabilities within the Indonesian national agricultural research system.

Project Description: Current A.I.D. assistance to agricultural research under the Sumatra and Applied Agricultural Research Projects is helping to put research infrastructure in place, especially in sites outside Java. These projects provide physical facilities, equipment, supplies and overseas and in-service training for local staff. Effective collaborative research between U.S. and Indonesian researchers is on-going as a result of A.I.D.'s centrally funded Small Ruminant and Soils Research Support projects.

In order to exploit the developments of this ten-year institution building effort, this project will address second generation issues including: research management, farming systems research, scientific exchanges, research support services and the research/extension interface. The project will provide technical and financial assistance to the national agricultural research system to carry out a number of mutually agreed upon sub-projects based upon the above issues. A major thrust will be to develop a comprehensive program which will effectively develop and utilize professional personnel. Training, for example, will be provided to research and station operations management to professionalize the cadre of scientists and managers needed for agricultural research in Indonesia. The project will encourage closer Indonesian collaboration with international, third country and U.S. agricultural institutions as well as locally among the Agency for Agricultural Research and Development staff, research staff with the National Extension System, universities and producers. These relationships will strengthen their collective ability to define more accurately research

user problems, to tap a broader range of potential contributors to research solutions, to improve adaptability to local circumstances and to better utilize research results throughout the country.

Relationship of Project to A.I.D. Country Strategy: The project will support the Mission strategy to strengthen food production and resource management. It is a critical element of the Mission's primary focus on institution building, with respect to strengthening management and technical skills and decentralizing organizations. The project parallels the Asia Bureau focus on agricultural research and strengthening local organizations, as well as the Bureau's concern for improved management systems for sustained production as well as crop and animal protection.

Host Country and Other Donors: The Indonesian Ministry of Agriculture, the Agency for Agricultural Research and Development and the National Extension System will be the major entities involved. An extensive program to develop physical facilities throughout the country with assistance from the World Bank (over \$86 million to date) and bilateral donors is well advanced, however there is a shortage and need for more trained research managers and better collaborative efforts between research and extension agencies.

Beneficiaries: The primary recipient to project benefits will be the staff of the Agency for Agricultural Research and Development. Secondary benefits may accrue to approximately 2 million farmers as they receive and apply research results.

PROGRAM: INDONESIA

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Diarrhea Mortality/Morbidity Reduction				7,000	FY 85 7,000 (4,000G; 3,000L)	Life of Project Funding 7,000 (4,000G; 3,000L)	
Number 497-0346	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input checked="" type="checkbox"/> GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING					FY 85	FY 85	FY 90

Purpose: To assist in intensifying a nationwide coordinated program to reduce deaths and severe morbidity from diarrheal diseases, especially among children.

Project Description: The project will assist the central Ministry of Health, its field implementing units and other organizations involved in diarrheal disease control programs to expand and intensify nationwide programs of rehydration and treatment to children with diarrheal disease.

At the central level, the project will strengthen planning, research, management, surveillance and training capabilities through the provision of technical assistance and training. It will improve coordination among program resources in other Ministries (e.g. Ministries of Interior and Religion and the Family Planning Coordination Body) as well as improve treatment which utilizes home/village based oral rehydration therapy. A.I.D. will provide commodities to support the local small scale production of oral rehydration salts. Field studies and A.I.D. supported feasibility studies will support program and policy decisions on oral rehydration salts and training methods.

The project will design routine and special diarrheal disease surveillance systems more responsive to needs in the field. A.I.D. will also support research efforts to answer program management questions and establish clinical centers of excellence to administer simple, inexpensive treatment of diarrheal diseases in several regional locations.

Relationship of Project to A.I.D. Country Strategy: This project addresses the goal of improving primary health care and the sub-goals of helping to design cost effective systems to reduce diarrheal disease and related morbidity and mortality and improving health care management.

Host Country and Other Donors: The GOI will provide the majority of training costs for the nationwide program, the

majority of costs for production of pre-packaged oral rehydration salts and the salaried health field workers.

The Indonesian Diarrheal Disease Control Program participates in the World Health Organization's Worldwide Control of Diarrheal Diseases Program. The United Nations Children's Fund will continue assistance with training and a modest supply of pre-packaged oral rehydration salts.

Beneficiaries: The major beneficiaries will be young children of low income families who are at greatest risk from diarrheal diseases. At present more than 400,000 deaths per year are related directly to diarrheal diseases, with morbidity affecting millions.

PROGRAM: INDONESIA

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Faculties of Public Health				6,500	FY 85 6,500 (1,500G; 5,000L)	Life of Project Funding 6,500 (1,500G; 5,000L)	
Number 497-0348	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input checked="" type="checkbox"/> GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING					FY 85	FY 85	FY 92

Purpose: To assist selected new Faculties of Public Health (FKM) in their roles as the major post graduate training centers for Indonesian public health and population officials. To strengthen collaboration among the faculties and their respective regional public health and population organizations in ways that will enhance relevance of instruction and quality of delivery of services.

Project Description: The project will assist new FKMs in institutional planning, institutional management, curriculum development, faculty development, research management and coordination with regional service delivery organizations. FKM at the University of Indonesia will play a guiding and training role based on its past work with the Consortium of Health Sciences. Mechanisms will be established enabling faculty and students from each school to have contact with the actual service delivery programs for which they are being trained. Concurrently, regional service delivery organizations will have regular access to university resources.

A.I.D. will provide technical assistance in the form of U.S. public health trainers, public health program managers and institution management professionals. We will provide commodities such as audio-visual equipment, teaching laboratory equipment and library materials. A.I.D. project assistance will support some local costs inherent in institution development. The project will give long/short-term training to faculty members and FKM administrators in US, ASEAN and other Indonesian institutions and fund limited research support so faculty members can conduct joint research projects with regional service delivery organizations in health and family planning.

Relationship to A.I.D. Country Strategy: Consistent with the strategy to improve health care management and develop closer ties between health and family planning programs, the project

will strengthen the middle level management base for field programs in health and family planning.

Host Country and Other Donors: The GOI will provide the physical plant, staff salaries and student tuitions for the FKMs. The World Bank and Asian Development Bank currently are discussing assistance packages in "manpower development" which may include some support for the FKMs.

Beneficiaries: Immediate beneficiaries are the FKM members and students (mostly mid-career officials). Intermediate beneficiaries will include those recipients of health and family planning services within the geographical areas surrounding the FKMs as cooperation between the universities and the public health delivery systems is enhanced. Indirect beneficiaries will be recipients of health and family planning services around the country.

Nepal

Previous Page Blank

FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (367) NEPAL

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 16,169
 PER CAPITA GNP..... (DOLLARS,1981) 150
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 0.0%
 ANNUAL RATE OF INFLATION (1970-81) 9.3%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1977) 4.6%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 44.9 MALE 45.5 FEMALE 44.3
 (1970) TOTAL 40.5 MALE 41.3 FEMALE 39.8
 ADULT LITERACY RATE (1975) TOTAL 19% MALE 33% FEMALE 5%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) . %
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 63%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 919
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: RICE ,CORN , 73% (1982)
 CASH: JUTE ,POTATOES , 5% (1982)
 MAJOR AGRICULTURAL EXPORTS:(1982) JUTE ,RICE ,
 MAJOR AGRICULTURAL IMPORTS:(1982) , ,
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 93%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1979) 194 (80) 218 (81) 262
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1979) 243 (80) 277 (81) 321
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1979) -49 (80) -59 (81) -59
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1979) 6.6% (80) 6.7% (81) 6.5%
 AS % OF GNP..... (1979) 0.9% (80) 0.9% (81) 0.9%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 189 (81) 208 (82) 220
 EQUIVALENT TO 6.9 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1982) RICE ,JUTE ,WOOD
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 6 (1981) 2 (1982) 2
 AS % OF TOTAL EXPORTS (1979) 5% (1980) 6% (1981) 2%
 MAJOR IMPORTS....(1982) MANUFACTURES ,FUELS ,RAW MATERIALS
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980) 13 (1981) 8 (1982) 7
 AS % OF TOTAL IMPORTS (1979) 3% (1980) 4% (1981) 2%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1979) -141(80) -226(81) -218
 TRADING PARTNERS: INDIA ,JAPAN ,UNITED STATES
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 27.2%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 5
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981) 3.4%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.0% (1978) 2.5% (1983) 2.5%
 POPULATION IN URBAN AREAS.....(1970) 4% (1982) 5%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 46 (1983) 43
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1981) 8.6%
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 42.5% (15-64YRS) 54.5% (65+ YRS) 3.0%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 110
 PEOPLE PER PHYSICIAN..... (1978) 35,897
 MAJOR CAUSES OF
 DISEASE (1980) INTESINAL INFEC ,TUBERCULOSIS ,TYPHOID FEVER
 DEATH.. (1978) ACUTE RESP. INFE ,DYSENTERY ,
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 89%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 8%
 TOTAL SCHDOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1979) TOTAL 88.0% MALE 124% FEMALE 49.0%
 SECONDARY..... (1979) TOTAL 19.0% MALE 30.0% FEMALE 8.0%
 POST SECONDARY.. (1977) TOTAL 1.8% MALE 2.6% FEMALE 0.8%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 13.4%

NEPAL

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1983	-	-	-	-	-	-	-	-
Loans	13,780	8,500	2,400*	2,500	100	280	-	-
Grants	13,780	8,500	2,400*	2,500	100	280	-	-
Total	13,780	8,500	2,400*	2,500	100	280	-	-
1984	-	-	-	-	-	-	-	-
Loans	13,500	8,200	2,400	1,950	950	-	-	-
Grants	13,500	8,200	2,400	1,950	950	-	-	-
Total	13,500	8,200	2,400	1,950	950	-	-	-
1985	-	-	-	-	-	-	-	-
Loans	15,000	9,957	2,200	1,600	1,243	-	-	-
Grants	15,000	9,957	2,200	1,600	1,243	-	-	-
Total	15,000	9,957	2,200	1,600	1,243	-	-	-

*Includes \$450,000 for AID/W centrally funded commodities.

FY 1985 PROGRAM HIGHLIGHTS	
-	improve natural resource management and conservation, \$4.2 million
-	increase food production and consumption and strengthen related rural development support systems, \$5.8 million
-	broaden access to improved basic health and family planning services, \$3.8 million
-	test incentives for augmenting female primary school enrollment, \$1.0 million
-	train 145 Nepalese in development courses in Indian academic institutions, (Indian Rupee appropriation)

NEPAL

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans	-	-	-
Grants	15,497	22,043	19,880
Total AID	15,497	22,043	19,880
P.L. 480**			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II	2,824	1,490	1,106
Total P.L. 480	2,824	1,490	1,106
Total AID and P.L. 480	18,321	23,533	20,986

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
AID Personnel ^a *			
Direct Hire ^b (FTE)**	25	24	23
PASAC ^c	-	-	-
Contract	24	32	30
Total ***	49	56	53
Participants ^d			
Noncontract	45	6	8
Contract	40	146	68
Total	85	152	76

^aU.S. nationals on duty at the end of the fiscal year. *(DH & Cont. on duty).
^bFY 1984 and FY 1985 position levels. (FTE) **Includes 1 FTE part time.
^cParticipating agency technicians. ***DH & Contract Positions.
^dProgrammed during the fiscal year.

Program	FY 1983 (Actual)		FY 1984 (Estimated)		FY 1985 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total (of which Title III is)		-		-		-
Title II						
Voluntary Agencies		-		-		-
World Food Programs		2,824*		1,490		1,106
Gov't-to-Gov't		-		-		-
Title II Total		2,824		1,490		1,106
Total P.L. 480		2,824		1,490		1,106

(*Includes \$2,250 for drought emergency.)

NEPAL

Development Overview

Nepal's per capita income of \$140 puts it among the world's least developed countries and agriculture dominates the lives of more than 90 percent of the people. Nepal's population of 16.5 million people is increasing at 2.5 percent a year, has doubled since 1950, and will double again in 25 years.

The ratio of people to arable land (5 persons to 1 hectare) puts Nepal among the world's most densely populated nations. Nepalese increasingly cultivate land unsuitable for agriculture. Over-grazing and destruction of forests add to environmental deterioration. Nepal's rugged topography compounds the problem of getting services and development to the people. Migration is a further manifestation of these conditions. Some 35 percent of the inhabitants of the southern plain, or Terai, are migrants and urban areas are growing at annual rates of 9 percent.

Although revenues are increasing significantly, an estimated 95 percent of GDP is absorbed by consumption, and domestic investment falls far short of the need. The Government must rely heavily on foreign assistance, which accounts for about half of total public investment expenditure.

Nepalese development plans continue hill agriculture as a main emphasis. Another goal is slowing rapid population growth. Conservation and natural resources management are both central themes, as is encouragement of the private sector. Tourism and development of Nepal's watersheds for power and irrigation remain principal priorities.

U.S. Interests and Objectives

A stable Nepal is important to maintaining security in South Asia. Nepal's position astride the mountain passes between India and China, together with its complex historical links with both countries, make it a key buffer state. A threat to Nepal's security could excite regional tensions and generate instability elsewhere in the area. Nepal's foreign policy stresses non-alignment and moderation and is favorable to American regional and global interests.

The challenges of modernization must be met if Nepal is to develop in a peaceful political atmosphere. U.S. economic assistance to Nepal is a visible humanitarian effort designed to foster the economic development so essential to the country's continued internal stability.

A.I.D. Assistance Strategy

The A.I.D. program in Nepal addresses four priorities: increasing food production; slowing population growth; expanding basic health services; and improving management of the country's fragile ecology.

The southern plain (Terai) holds the largest promise for expanded food production, while the hills (where most people live) present the greatest problems for natural resource management and conservation. The A.I.D. strategy therefore supports balanced development of both regions. For example, research to develop improved varieties of rice, wheat, and maize has scope for broad application in the Terai. The Integrated Rural Health/Family Planning and Radio Education Teacher Training projects are nationwide endeavors. A.I.D.'s contribution to national strategies for family planning and natural resource management are also key involvements which cut across the hill-Terai dichotomy.

A.I.D. is also continuing its long-standing support for education and improved primary school instruction, specifically including basic education for women. Only about 20 percent of the adult population is literate and the figure is much lower for women. Minimum education is an essential step in broadening economic opportunity.

A.I.D. engages the Government of Nepal (GON) in a broad range of policy issues, and the Government has been willing to embrace new policies which promise to be constructive. For example, A.I.D. assistance to the National Commission on Population has been most important in the formulation of Nepal's new national population strategy. A.I.D. expects to continue to work with the Government on the principal issues of resource conservation, population, decentralization and agriculture.

A.I.D.'s strategy encourages diversification in Nepal's small private sector. A.I.D. is directly involved in promoting cottage industries and private participation in the distribution of agricultural inputs. A.I.D. is also seeking to identify new areas for private sector support, particularly at the farm level and in health and family planning services.

A.I.D. Program (FYs 1983-84)

A. Agriculture, Rural Development and Nutrition

In this sector A.I.D. strategy focuses on resource conservation, food production and rural area development. Key activities include: formation of a national Institute for Renewable and Natural Resources; increasing the use of improved fuel and fodder

tree species; appropriate technology demonstrations (including solar water heaters and smokeless, fuel efficient stoves); and improved watershed management through controlled grazing, small-scale irrigation and erosion control.

Resource conservation policy is formulated by the National Council for Conservation of Natural Resources (NCCNR). A special evaluation recommended improvements in this institution including augmented budget and personnel resources, which are to be implemented by the GON beginning in FY 1984. The primary task of the NCCNR is the early formulation of a National Conservation Strategy. A.I.D.'s Resource Conservation and Utilization project (367-0132) is the main vehicle for these activities.

Natural resource management is also being reinforced through a major effort directed to rural development. The objectives are to improve agriculture production, increase food consumption and provide new sources of income. Specifically these activities promote intensified agriculture; development of small, farm-related industry; availability of credit; access to health and family planning services; and construction and improvement of routes to market centers. Popular participation in the development process through the local governmental structure is an essential component of this effort.

An evaluation in FY 1983 of the principal rural development program (the Rapti project, 367-0129) confirmed the project's basic integrated strategy and urged closer attention to achieving impact at the rural household level, particularly on income generation. Technology developed by another A.I.D.-funded activity, the Integrated Cereals Project (367-0114), is being disseminated through the agriculture extension component of the Rapti project. The growing number of bio-gas energy generating units, expanded production of stoves that use less wood, and the introduction of small-scale, hydropower generating units for food processing and other on-farm uses are examples of new technology being introduced.

A.I.D.'s sectoral objectives for agriculture and rural development also encompass assistance in FY 1983-84 to education, applied research, extension and farm input distribution. To promote a policy context which is conducive to these developments, A.I.D. is encouraging attention to policy issues of price support and farmer incentives, subsidization of farm inputs, food subsidies as they affect production, and the participation of the private sector in distribution of commodities. To meet requirements for trained agricultural personnel A.I.D. is also assisting the GON to strengthen the Institute of Agriculture and Animal Science with the objective of producing approximately 100 B.S. level graduates per year. This support of higher education in agriculture is supplemented by a grant to the Agricultural Development Council, a U.S. private

voluntary organization (PVO), for training of Nepalese in the basics of applied agricultural research, an essential condition to growth in this sector.

The primary aim of A.I.D. support for agricultural research and extension is improvement and diversification of small farm production systems. The current Integrated Cereals Project (367-0114) emphasizes development and use of improved cereal varieties and tillage technology, and a production campaign is extending research results in a number of regions of the country. A.I.D. is also assisting the GON to establish a labor-intensive system for producing, testing, processing, and distributing improved seed for the major food crops; and for storing and distributing agricultural inputs (fertilizer, seed, and equipment).

B. Population and Health

A.I.D.'s objectives in the health and population sectors are to help Nepal reduce its high population growth rate and to meet basic health needs. The Integrated Rural Health/Family Planning Services Project (367-0135) is the principal vehicle for assisting the GON to accomplish these goals. The focus of this effort is on integrating family planning and a range of health programs under one administrative structure. By the end of FY 1983 the fully integrated health care system was operating in 30 of the country's 75 districts; health and family planning services are expanding in the remaining 45 districts. Construction of regional and local medical supply centers, and family planning and health services facilities are also part of this program. The objectives of the project are also reinforced by the rural health programs being carried out by Save the Children and International Human Assistance Programs, both U.S. PVO's funded by A.I.D.

The project began funding a Contraceptive Retail Sales (CRS) Company in FY 1983. CRS will combine distribution of contraceptives with oral rehydration salts through 8,000 private retail shops and pharmacies throughout Nepal. The CRS Company is the outcome of an earlier A.I.D. project and marks a significant breakthrough for private sector participation.

In 1983 the Nepalese Government promulgated a population strategy aimed at achieving a total fertility rate of 2.5 percent (down from 6.3 percent) by the year 2000. A.I.D. is the principal source of assistance to the Government for this purpose through the Population Policy Development project (367-0130).

C. Education and Human Resources

The A.I.D. impact on education in Nepal is a product of consistent support over the long term. A.I.D. has helped

increase primary school enrollment from less than one percent of school age children in 1951 to nearly eighty percent by the end of the last decade. The present A.I.D. project, Radio Education (367-0123), for which a second phase is scheduled for FY 1984, is directed to improving the quality of classroom teaching by upgrading instructor knowledge. The project also supports the use of radio as a medium for development-oriented programs for adults in Nepal's mountainous rural areas. This direct A.I.D. project is also supplemented by the work of World Education, Inc. (a U.S. PVO) in non-formal and adult education.

D. Human Rights, Section 116(e)

In FY 1983 A.I.D. funded assistance to the Supreme Court of Nepal and to the GON's Ministry of Law and Justice. The Strengthening the Legal Systems of Nepal project (367-0150) will improve legal research and increase publication and distribution of statutes, regulations and court opinions.

E. PL 480 Title II

In FY 1983 A.I.D. provided food valued at \$2.8 million through the World Food Program (WFP) in Nepal. Of this total, \$0.6 million was for ongoing food-for-work activities. A.I.D. also responded to a GON request for emergency food assistance with 10,000 tons of wheat valued at \$2.25 million. In FY 1984 A.I.D., in cooperation with WFP, expects to grant food valued at \$1.5 million for WFP-sponsored food-for-work projects.

F. Foreign Currency Appropriation

A.I.D. annually requests an appropriation of excess U.S.-owned Indian rupees to fund training of Nepalese in Indian technical and higher educational institutions. A \$1.1 million equivalent foreign currency appropriation in FY 1984 will fund academic training for 145 Nepalese.

Requested Year Program (FY 1985)

A total of \$15 million in Development Assistance grant funds is requested for FY 1985. This amount will provide partial funding for four ongoing and three new projects.

A. Agriculture, Rural Development and Nutrition

\$10.0 million is requested for this functional category.

The total includes \$4.2 million for the principal purpose of natural resources management through the ongoing Resource Conservation and Utilization project (367-0132). To continue the A.I.D. rural area development program, \$3.0 million is allocated to the Rapti Zone project (367-0129).

\$1.0 million is requested for the new Institute of Agriculture and Animal Science II project (367-0148) to carry forward work begun a decade ago to provide the institutional capacity in Nepal to train agricultural professionals and technicians.

Agricultural Research and Production (367-0149) is the other new project intended to improve national agricultural services, specifically research and extension. \$1.2 million is requested to initiate this project. In addition \$547,000 is requested for the PVO Co-financing project (367-0144) to continue A.I.D. support to the Agriculture Development Council activities in the agriculture sector.

B. Population and Health

The \$3.8 million requested for this sector will incrementally fund the Integrated Rural Health/Family Planning Services project (367-0135) described in the A.I.D. Program section above. This project will continue work on health policy and planning, training, and improvements to logistics and procurement.

C. Education and Human Resources Development

A.I.D.'s strategy seeks to improve economic and social opportunities for Nepalese women. To further this objective \$1.0 million is requested to fund a new activity, Female Education (367-0151). This pilot effort addresses the problem of disproportionately low female primary and secondary enrollment and retention rates. Nationwide, less than 30 percent of all primary and 15 percent of all secondary students are female, and these figures drop significantly in rural areas. Various methods will be tested to increase female enrollment and retention rates. Additionally, incremental funding of \$243,000 will be allocated to the Radio Education II project mentioned above.

D. PL 480 Title II

A.I.D. proposes to allocate \$1.1 million of Title II funds for commodity support of WFP food-for-work projects in Nepal.

E. FY 1985 Foreign Currency Appropriation

The U.S.-owned Indian rupee appropriation of \$1.1 million will fund technical and professional training in India for an estimated 145 Nepalese.

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

PROGRAM: NEPAL

CP 85

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	PLANNED	-THROUGH FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-ESTIMATED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	FY85- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
INSTITUTE OF AG AND ANIMAL SCIENCES	G 367-0102	74	82	5,501	5,501	5,434	4,110	---	1,373	---	---
INTEGRATED CEREALS	G 367-0114	75	82	7,970	7,970	7,970	6,720	---	1,340	---	---
SEED PRODUCTION AND INPUT STORAGE	G 367-0118	78	78	4,031	4,031	4,031	2,138	---	1,893	---	---
TRAIL SUSPENSION BRIDGES	G 367-0119	79	79	3,000	3,000	2,986	2,490	---	510	---	---
RURAL AREA DEVELOPMENT-RAPTI ZONE	G 367-0129	80	86	26,700	26,700	13,050	6,437	4,000	4,500	3,000	5,400
RESOURCE CONSERVATION AND UTILIZATION	G 367-0132	80	86	27,498	27,498	14,188	8,858	4,200	5,000	4,200	5,000
AGRICULTURE RESOURCE INVENTORY	G 367-0134	80	80	2,400	2,400	2,400	1,268	---	500	---	632
PVO CO-FINANCING	G 367-0144	81	88	1,300	1,300	750	98	---	300	547	300
INSTITUTE OF AGRICULTURE II	* G 367-0148	85	88	---	5,100	---	---	---	---	1,010	400
AGRICULTURAL RESEARCH AND PRODUCTION	• G 367-0149	85	89	---	14,000	---	---	---	---	1,200	800
TOTAL FOR ACCOUNT GRANTS				78,400	97,500	50,859	32,119	9,200	15,416	9,957	12,532
LOANS				78,400	97,500	50,859	32,119	8,200	15,416	9,957	12,532
				---	---	---	---	---	---	---	---
POPULATION PLANNING											
POPULATION POLICY DEVELOPMENT	G 367-0130	79	79	2,000	2,000	2,000	1,062	---	600	---	360
INTEGRATED RURAL HEALTH/FP SERVICES	G 367-0135	80	86	16,200	16,200	8,154	4,218	2,300	2,400	2,200	3,200
PVO CO-FINANCING	G 367-0144	81	88	600	600	499	250	100	200	---	178
TOTAL FOR ACCOUNT GRANTS				18,800	18,800	10,653	5,530	2,400	3,200	2,200	3,738
LOANS				18,800	18,800	10,653	5,530	2,400	3,200	2,200	3,738
				---	---	---	---	---	---	---	---

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized data. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PROGRAM: NEPAL

CP 85

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-ESTIMATED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	FY85- EXPENDI TURES	
HEALTH											
INTEGRATED RURAL HEALTH/FP SERVICES	G 367-0135	80	86	18,000	18,000	11,301	4,763	1,750	2,700	1,600	2,800
PVO CO-FINANCING	G 367-0144	81	88	600	600	343	248	200	100	---	240
	TOTAL FOR ACCOUNT GRANTS			18,600	18,600	11,644	5,011	1,950	2,800	1,600	3,040
	LOANS			18,600	18,600	11,644	5,011	1,950	2,800	1,600	3,040
				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
RADIO EDUCATION TEACHER TRAINING	G 367-0123	77	83	3,635	3,635	3,635	3,477	---	157	---	---
RADIO EDUCATION TEACHER TRAINING II	G 367-0146	84	94	---	950	---	---	950	300	243	300
FEMALE EDUCATION	* G 367-0151	85	87	---	2,000	---	---	---	---	1,000	200
	TOTAL FOR ACCOUNT GRANTS			3,635	6,585	3,635	3,477	950	457	1,243	500
	LOANS			3,635	6,585	3,635	3,477	950	457	1,243	500
				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
STRENGTHENING LEGAL SYSTEM OF NEPAL	G 367-0150	83	83	280	280	280	---	---	170	---	70
	TOTAL FOR ACCOUNT GRANTS			280	280	280	---	---	170	---	70
	LOANS			280	280	280	---	---	170	---	70
				---	---	---	---	---	---	---	---
	TOTAL FOR COUNTRY GRANTS			119,715	141,765	77,071	46,137	13,500	22,043	15,000	19,380
	LOANS			119,715	141,765	77,071	46,137	13,500	22,043	15,000	19,380
				---	---	---	---	---	---	---	---

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized data. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

PROGRAM: NEPAL

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Institute of Agriculture II			1,010		FY 85	Life of Project Funding	
					1,010	5,100	
Number 367-0148	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING					FY 85	FY 88	FY 89

Purpose: To improve the capability of the Institute of Agriculture and Animal Science (IAAS) to provide quality training for B.S. candidates.

Project Description: In 1974 A.I.D. began the Institute of Agriculture and Animal Science I Project (367-0102) to assist the GON develop a new Institute of higher agricultural education. An external project evaluation completed in September, 1983 found that the IAAS - I Project had been a main factor in the growth of the Institute.

The evaluation identified a series of remaining problems, most of which relate to revising procedures and methods of administration, teaching and research. The evaluation recommended a follow-on project to consolidate the gains in institutional development made by the Institute and to help develop a quality B.S. program.

This project will provide advisory assistance in academic administration and selected technical fields; construction of faculty housing and other buildings; M.S., Ph.D. and short-term training in selected fields; funds for research work and in-service training programs; and laboratory and farm equipment.

By the end of this IAAS - II Project the Institute is expected to meet Nepal's needs for B.S. training in agriculture and be ready to undertake development of an M.S. program.

Relationship of Project to A.I.D. Country Strategy: The IAAS - II Project is an institutional development activity which directly addresses the lack of trained agricultural personnel. This shortage remains a continuing constraint to Nepal's agricultural development.

Host Country and Other Donors: The GON continues to accord the IAAS a high priority. In a climate of financial stringency, the Institute has obtained budget increases, additional staff and two branch campuses.

The World Bank is developing an "Agricultural Manpower Development Project" which will support extension agent training at branch campuses, expand use of female extension agents, and improve the animal science program at IAAS.

A Canadian agency is funding several research projects; a Dutch program provides training opportunities each year; and an Asian Development Bank project is helping increase the livestock herds.

Beneficiaries: Direct beneficiaries will be the approximately 200 staff and 1200 B.S. students attending the Institute in the course of project. Indirectly the farmers of Nepal will benefit from the contribution of an expanded cadre of professional and technical personnel to the agriculture sector.

FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (391) PAKISTAN

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 94,140
 PER CAPITA GNP..... (DOLLARS,1981) 350
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 2.0%
 ANNUAL RATE OF INFLATION (1970-81) 13.1%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1970) 8.0%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 50.6 MALE 51.2 FEMALE 49.9
 (1970) TOTAL 46.2 MALE 47.2 FEMALE 45.2
 ADULT LITERACY RATE (1972) TOTAL 21% MALE 30% FEMALE 10%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) 1.1%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 27%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 821
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT ,CORN , 47% (1982)
 CASH: RICE ,COTTON ,VEGETABLES 31% (1982)

MAJOR AGRICULTURAL EXPORTS:(1982) RICE ,COTTON ,
 MAJOR AGRICULTURAL IMPORTS:(1982) VEGETABLE OILS , ,
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 57%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1978) 2,652 (79) 3,066 (80) 4,033
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1978) 3,990 (79) 4,884 (80) 5,381
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1978) -1,338 (79) -1,818 (80) -1,348
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1978) 24.5% (79) 21.6% (80) 23.6%
 AS % OF GNP..... (1978) 5.3% (79) 5.0% (80) 5.0%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 1,684 (81) 1,507 (82) 1,526
 EQUIVALENT TO 3.2 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1982) RICE ,COTTON ,COTTON FABRICS,
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 139 (1981) 197 (1982) 168
 AS % OF TOTAL EXPORTS (1979) 6% (1980) 5% (1981) 7%
 MAJOR IMPORTS....(1982) PETROLEUM , ,
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980) 752 (1981) 468 (1982) 555
 AS % OF TOTAL IMPORTS (1979) 12% (1980) 14% (1981) 8%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1979) -2,340(80) -2,874(81)-2,946
 TRADING PARTNERS: UNITED STATES ,JAPAN ,SAUDI ARABIA
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 38.2%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 529
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981) 19.5%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.7% (1978) 2.8% (1983) 2.6%
 POPULATION IN URBAN AREAS.....(1970) 25% (1982) 29%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 47 (1983) 44
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1980) 6.4%
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 46.5% (15-64YRS) 50.7% (65+ YRS) 2.8%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 126
 PEOPLE PER PHYSICIAN..... (1977) 3,775
 MAJOR CAUSES OF
 DISEASE (1981) AMOEBIASIS ,TUBERCULOSIS ,TYPHOID FEVER
 DEATH.. (1974) MALARIA ,PARASITIC DISEAS ,INFECTIOUS DIS.
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 99%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 29%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1978) TOTAL 56.0% MALE 81.0% FEMALE 31.0%
 SECONDARY..... (1978) TOTAL 16.0% MALE 24.0% FEMALE 8.0%
 POST SECONDARY.. (1976) TOTAL 1.6% MALE 2.3% FEMALE 0.8%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 69.4%

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

COUNTRY PAKISTAN

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-82	REPAY MENTS AND INTEREST 1946-82	TOTAL LESS REPAY- MENTS AND INTEREST 1946-82
	1978	1979	1980	1981	1982			
	I. ECONOMIC ASSISTANCE — TOTAL							
Loans	77.8	50.4	58.6	76.8	203.2	5341.3	1223.9	4117.4
Grants	75.8	45.2	47.5	47.5	81.5	3371.4	1223.9	2147.5
	2.0	5.2	11.1	29.3	113.7	1959.9	-	1959.9
a. A.I.D. and Prodecessor Agencies								
Loans	23.1	9.1	-	-	103.0	2924.7	355.9	2368.3
Grants	17.4	7.2	-	-	34.0	2124.1	355.9	1268.2
(Economic Support Fund)	3.7	1.9	-	-	65.3	800.6	-	300.6
	-	-	-	-	103.0	589.8	-	-
b. Food for Peace (PL 480)								
Loans	57.7	41.2	58.1	76.3	97.5	2334.6	357.9	1966.7
Grants	55.4	38.0	47.5	47.5	47.5	1247.2	357.9	379.3
Title I - Total Sales Agreements	1.3	3.2	10.5	28.8	50.0	1087.4	-	1087.4
Repayable in U.S. Dollars - Loans	56.4	38.0	47.5	47.5	47.5	2035.9	367.9	1639.0
Payable in Foreign Currency - Planned for Country Use	55.4	35.0	47.5	47.5	47.5	766.7	118.3	648.4
Title II - Total Grants	-	-	-	-	-	1240.2	249.5	990.5
Emerg. Relief, Econ. Develop. & World Food Program	1.3	3.2	10.5	28.8	50.0	327.7	-	327.7
Voluntary Relief Agencies	1.3	3.2	10.5	28.8	50.0	255.4	-	255.4
	-	-	-	-	-	62.3	-	62.3
c. Other Economic Assistance								
Loans	*	0.1	0.5	0.5	2.7	82.0	0.1	81.9
Grants	-	-	-	-	-	0.1	0.1	-
Peace Corps	*	0.1	0.5	0.5	2.7	81.9	-	81.9
Narcotics	-	-	-	-	-	7.3	-	7.3
Other	*	0.1	0.5	0.5	2.7	6.8	-	6.8
	-	-	-	-	-	67.8	-	67.8
II. MILITARY ASSISTANCE — TOTAL								
Credits or Loans	0.6	0.5	-	-	0.6	714.3	3.3	706.0
Grants	-	-	-	-	-	7.6	3.3	0.7
	0.6	0.5	-	-	0.6	706.7	-	706.7
a. MAP Grants								
	-	-	-	-	-	650.3	-	650.3
b. Credit Financing - FMS								
	-	-	-	-	-	7.6	3.3	0.7
c. Military Assistance Service-Funded (MASF) Grants								
	0.6	0.5	-	-	0.6	25.2	-	25.2
d. Transfers from Excess Stocks								
	-	-	-	-	-	26.8	-	26.3
e. Other Grants								
	-	-	-	-	-	4.4	-	4.4
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE								
Loans	78.4	50.9	58.6	76.8	203.8	6055.6	1232.2	4823.4
Grants	75.8	45.2	47.5	47.5	81.5	3379.0	1232.2	2146.3
	2.6	5.7	11.1	29.3	119.3	2676.6	-	2676.6
Other U.S. Government Loans and Grants								
a. Export-Import Bank Loans	25.5	25.9	-	-	-	350.5	372.7	22.2
b. All Other Loans	-	-	-	-	-	130.0	150.5	20.5

* LESS THAN \$50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS

	FY 1981	FY 1982	FY 1983	FY 1946-83
TOTAL	479.3	555.6	574.3	4711.2
IBRD	3.0	139.5	75.2	1005.8
IFC	3.4	19.8	90.2	176.2
IDA	232.0	171.0	228.8	1803.0
IDA	3.0	0.0	0.0	0.0
AF3	193.3	213.0	130.1	1453.5
AF3B	0.0	0.0	0.0	0.0
UNDP	15.3	13.3	0.0	122.6
OTHER-UN	55.3	0.0	0.0	145.1
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

PAKISTAN	CY 1981	CY 1982	CY 1978-82
United States	116.0	150.0	504.0
Japan	126.6	107.6	624.7
Germany Fed. Rep.	44.1	77.5	316.3
Canada	54.5	49.5	265.1
United Kingdom	50.1	32.8	228.1
Other	91.9	96.0	507.5
Total	483.2	513.4	2,445.7

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

	CY 1981	CY 1982	CY 1978-81
	71.0	N.A.	500.5

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1981	CY 1982	CY 1954-82
USSR	20	-	940
Eastern Europe	-	-	150
China	-	-	650
Total	20	-	1,740

PAKISTAN

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1983								
Loans	67,000	-	-	-	-	-	67,000	-
Grants	133,000	-	-	-	-	-	133,000	-
Total	200,000	-	-	-	-	-	200,000	-
1984								
Loans	75,000	-	-	-	-	-	75,000	-
Grants	150,000	-	-	-	-	-	150,000	-
Total	225,000	-	-	-	-	-	225,000	-
1985								
Loans	83,000	37,800	5,500	-	-	-	39,700	-
Grants	167,000	-	6,700	-	-	-	160,300	-
Total	250,000	37,800	12,200	-	-	-	200,000	-

FY 1985 PROGRAM HIGHLIGHTS	
<ul style="list-style-type: none"> - Economic Support Funds will reinforce the developmental impact of the economic assistance program and support Pakistan's balance of payments. - Agriculture, rural development, population and health will continue to receive significant support. - Support for the energy sector will increase. - The program will emphasize reduction of opium poppy cultivation, private sector development and the needs of Pakistan's least developed provinces. - Development Assistance funds will provide agricultural development commodities, and support the rural electrification and population control programs. 	

PAKISTAN

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans	10,237	54,381	120,300
Grants	16,996	120,971	169,971
Total AID	27,233	175,352	290,271
P.L. 480**			
Title I	50,000	50,000	50,000
(of which Title III is)	(-)	(-)	(-)
Title II	28,334	4,595	3,996
Total P.L. 480	78,334	54,595	53,996
Total AID and P.L. 480	105,567	229,947	344,267

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
AID Personnel ^a			
Direct Hire ^b	36	43	42
PASA ^c	2	6	6
Contract	8	61	52
Total	46	110	100
Participants ^d			
Noncontract	39	273	314
Contract	-	67	33
Total	39	340	347

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1984 and 1985 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

Program	FY 1983 (Actual)		FY 1984 (Estimated)		FY 1985 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat	-	-	-	-	-	-
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	92,600	50,000	66,000	50,000	70,000	50,000
Non-food	-	-	-	-	-	-
Title I Total (of which Title III is)		50,000 (-)		50,000 (-)		50,000 (-)
Title II						
Voluntary Agencies		-		-		-
World Food Programs		28,334		4,595		3,996
Gov't-to-Gov't						
Title II Total		28,334		4,595		3,996
Total P.L. 480		78,334		54,595		53,996

PAKISTAN

Development Overview

The end of 1983 marks six years of strong economic performance in Pakistan. The period since 1977 has witnessed sustained overall economic growth and modest progress in liberalizing an overregulated economy.

Annual GDP growth rates have averaged six percent in recent years and the near term prospects for sustaining these levels are relatively good. It is particularly encouraging that macro-level performance has remained strong in the face of substantial external adversities which might have been devastating to a weaker economy. Specifically, Pakistan has absorbed heavy expenditures relating to the presence of more than two million Afghan refugees while simultaneously absorbing sharp upturns in the late 1970s in the cost of imported petroleum products. Cautious fiscal policies and sustained growth in remittances from overseas Pakistanis, employed mainly in the Gulf, have permitted Pakistan to weather the dual impact of refugees and higher oil prices. While uncertainties surround the longer term prospects for remittance levels, the current overall outlook for Pakistan's external account is moderately promising.

Against a generally positive economic performance in recent years must be set a series of unresolved policy concerns which constitute a considerable source of weakness for Pakistan's longer term development prospects. These policy concerns are concentrated in four areas: (1) weaknesses in the quantity and quality of public social investment, resulting in the double-bind of a social infrastructure base which is too small and too poorly managed; (2) a set of investment, pricing, and regulatory policies in the manufacturing sector which has throttled productive investment and mitigated the efficiency of existing capacity; (3) a closely related policy problem of historical over-reliance on public sector ownership and management in both the production and distribution of goods combined with slower current progress towards liberalization than is economically optimal; and (4) a set of agricultural pricing and agricultural research policies which has consistently dampened growth performance in this vital sector.

United States Interests and Objectives

The United States has a number of goals in South Asia. We are attempting to promote stability and peace in the region so that the countries there are free to develop politically, economically, and socially. The United States is seeking to persuade the Soviets to withdraw their forces from Afghanistan

thereby creating the conditions under which the Afghan people can determine their own future. We are also committed to preventing the Soviets from expanding their influence in Southwest Asia, South Asia, and the Middle East.

Pakistan plays an important role in these regions. The Government of Pakistan (GOP) has taken the initiative in improving relations with its South Asian neighbors and has supported efforts by South Asian countries to expand regional cooperation. It is in the forefront of international attempts to obtain the withdrawal of Soviet troops from Afghanistan. Also, as a member of the Islamic community, Pakistan has spoken out for peaceful resolution of conflicts in the Middle East and the Persian Gulf.

A growing economy and improving living standards are prerequisites for Pakistan's continued ability to contribute to peace and stability.

The United States has an important corollary interest in Pakistan: curtailing the flow of illicit drugs -- particularly heroin -- from Pakistan to the United States. The renewed assistance relationship with Pakistan permits the United States to assist the GOP in controlling narcotics production and trafficking within its borders.

A.I.D. Assistance Strategy

The United States economic and food aid is an integral part of the overall United States program of assistance designed to support Pakistan in its role as a "front line" state, and to bolster Pakistan's capacity to withstand pressures arising from the Soviet invasion of Afghanistan. The program is also a major development effort, whose basic objectives are to provide Pakistan with urgently needed short-term balance of payments support, and to stimulate the country's long-term economic and social development. The main beneficiaries of the United States aid are intended to be the millions of poor people in the rural areas of the country.

A.I.D.'s program is designed to assist in building a broad foundation for Pakistan's economic growth, and to ensure that adequate foreign exchange resources are available to meet the demands of structural change and liberalization. The program is strategically focussed upon three of the four development policy constraints cited in the development overview: (1) improving the quality and quantity of social infrastructure investments, (2) progress towards divestiture and deregulation of the production and distribution functions (including production and distribution of energy) and (3) continued

progress towards a set of agricultural pricing and agricultural research policies which are necessary to achieve the ambitious five percent annual agricultural growth targets which the GOP has set for the coming five years. (Structural adjustments in the industrial sector are the focus of the World Bank and the International Monetary Fund policy dialogues with the GOP.)

The composition of A.I.D.'s program reflects a common understanding of developmental investment priorities. On the productive side, these center on the agriculture and energy sectors, while on the social investment side the focus is on family planning and public health interventions which bear directly upon the fertility and infant mortality reduction. A substantial portion of U.S. aid is directed to Pakistan's two poorest provinces: Baluchistan and the Northwest Frontier Province (NWFP). The NWFP is currently the center of illegal poppy-growing and opium production.

A.I.D. Program (FYs 1983-84)

The current A.I.D. program consists of Economic Support Funds (ESF), programmed in much the same manner as regular Development Assistance (DA), and food aid under PL 480 Title I. FY 1983-84 represent the second and third years of the six-year program. During the first year of the program (FY 1982), nine new ESF-funded projects were designed and authorized. During FY 1983, implementation began on those nine projects, and another six projects were designed and authorized. FY 1984 plan calls for the design and authorization of another eight new projects.

A. Agriculture and Rural Development

A.I.D.'s program is heavily concentrated on agricultural and rural development. Projects in this sector are intended to strengthen research and extension services, rehabilitate irrigation systems, build new farm-to-market roads, improve agricultural production, storage and distribution, and contribute to the narcotics suppression effort. Title I food aid provides credits for the importation of urgently needed edible oils, and generates local currencies for additional projects in the agricultural sector.

Funds previously provided under the Agricultural Research project (391-0296) strengthened Pakistan's institutional base for coordinating agricultural research activities, and financed advanced academic training for more than 100 Pakistani agricultural scientists. An evaluation of this project planned for early 1984 will provide the essential background for the Management of Agricultural Research and Technology project

(391-0489) to be authorized in FY 1984. This new project will further expand Pakistan's capacity to conduct relevant, quality agricultural research, and to develop a modern system of research management that focusses on the solution of agricultural production problems.

The new FY 1984 NWFP Agricultural Technology Network project (391-0488) will strengthen the educational research and extension capabilities of an academic institution in Peshawar which is attuned to the particular agricultural problems and potential of the second least-developed province of the country. Lessons learned during the evaluation of the Agricultural Research project -- particularly the need for closer integration of research and extension activities -- will also be reflected in the design of the NWFP Agricultural Technology Network project. A.I.D.'s technical assistance, builds on the evaluation findings which recommended more practical, hands-on experience for agricultural students in order to emphasize the practical uses of academic research, and closer cooperation between agricultural universities and the Pakistan Agricultural Research Council.

The NWFP is also the site for two other A.I.D. projects. The Tribal Areas Development project (391-0471) is strengthening the capacity of local institutions to implement development activities in the extremely rugged and semi-autonomous tribal areas of the country, most of which border on Afghanistan. The project is financing the construction of some 160 small watercourses, 125 kilometers of new gravel roads, as well as schools, health facilities, flood control structures, and connections to the national power grid.

The Baluchistan Area Development project (391-0479), beginning in FY 1984, will increase agricultural production in Pakistan's largest and least-developed province. It will focus on the management and conservation of water resources, the construction of new farm-to-market roads, manpower training, and strengthening the capacity of the Arid Zone Research Institute in Quetta to develop techniques for efficient land use and higher agricultural productivity in the country's arid zones. The Food Security Management project (391-0491), with initial funding in FY 1984, will strengthen the GOP's food security planning and implementation capacity, and improve the national distribution and storage system for basic staples.

Under the On-Farm Water Management project (391-0413), which received final funding in FY 1983, A.I.D. helped improve over 1,300 water courses, and assisted in the leveling of some 75,000 acres of farm land. More than 50,000 rural farmers with small and medium sized holdings directly benefitted from these improvements. Evaluative experience gained from this project -- particularly with respect to recurrent costs and user charges -- was used in designing the Irrigation Systems Management project (391-0467) that began in FY 1983. This project (which is complemented by the World Bank's Irrigation System Rehabilitation project) will rehabilitate 3,500 kilometers of surface drains and 14,000 kilometers of overflow canals. A.I.D.'s assistance is concentrated on improving the research, management, and maintenance capabilities of provincial irrigation departments.

Under the Agricultural Commodities and Equipment project (391-0468), A.I.D. continues to finance the importation of commodities which are needed to increase agricultural productivity -- particularly fertilizer and irrigation rehabilitation equipment. This project, and the continuing PL 480 Title I food program, constitute the major source of A.I.D.'s quick-disbursing assistance for balance of payments support. These two projects also provide A.I.D. with an important framework for agricultural policy reform discussions with the GOP. An evaluation of the Agricultural Commodities and Equipment project conducted in FY 1983 provided data and recommendations which led to implementation of a new fertilizer distribution monitoring system, as well as a minimum of 50 percent of fertilizer distribution in the private sector.

B. Narcotics

As noted above, narcotics suppression is an important U.S. program objective in Pakistan. A.I.D.'s Gadoon-Amazai Area Development project (391-0485) is an agricultural and rural development activity designed to transform Pakistan's principal opium poppy growing area into an area with a more diversified agricultural economy, with alternative sources of income for the farmers currently engaged in poppy cultivation. The project includes technical assistance in the development of new crops, improved livestock, watershed management, agricultural marketing and construction of new roads, trails, schools, and potable water facilities.

C. Population and Health

A.I.D.'s projects in the population and health sectors are designed to control the incidence of malaria, strengthen Pakistan's capability to provide primary health care services,

and assist the GOP in mounting an effective nationwide family planning program. Under the Malaria Control II project (391-0472), more than 2,400 metric tons of insecticides were provided to the GOP. This permitted the spraying of some 46,300 localities, and malaria protection to more than 58 million people. A recently conducted evaluation of this project resulted in the standardizing of drugs by the GOP which are used in its spraying programs, as well as the reinstating of safety measures used by spray teams, strengthening its passive case detection system, and upgrading its capability to collect and utilize epidemiological data.

A.I.D.'s Primary Health project (391-0475) is strengthening primary health care program management, providing training to medical technicians and community health workers, and improving overall research and evaluation activities in the health sector. More than 2.5 million people are expected to benefit from this project, which is intended to increase the quantity of health care services available in the rural areas.

As noted earlier, Pakistan's population growth rate of three percent continues to be a major constraint to substantial advances in Pakistan's development. During 1983, the first shipments of contraceptive commodities funded under the FY 1982 Population Welfare Planning project (391-0469) began arriving in Pakistan. A.I.D. is continuing its efforts under this project to assist the GOP in improving its contraceptive distribution, measurement, inventory projection, and logistic management systems. Efforts are also continuing to strengthen the analytical and evaluative capacity of GOP institutions involved in the national population program. The GOP is currently reviewing alternatives for greater involvement of the private sector and non-governmental institutions in the provision of family planning services and commodities. The Social Marketing of Contraceptives project (391-0484), scheduled to start in FY 1984, will support this private sector effort.

D. Energy

A.I.D.'s energy-related projects will bring electricity to rural villages, develop Pakistan's indigenous energy resources (particularly coal), and increase the supply of fuelwood.

The Rural Electrification project (391-0473), launched in FY 1982, assists the GOP in meeting its overall energy needs, and brings electricity for both productive and social uses to Pakistan's rural areas. This project (co-financed with the

Asian Development Bank) finances the construction of a 450 megawatt combined cycle generation plant at Guddu, which will increase Pakistan's electrical supply by nearly 10 percent and help reduce Pakistan's serious deficit in electricity production. Also included under this project is technical assistance for the development of Pakistan's Rural Electrification Master Plan, and training programs connected with the Plan's implementation. With fuelwood providing 50 percent of Pakistan's cooking and heating needs -- and Pakistan's forests being rapidly depleted -- A.I.D. launched a Forestry Planning and Development project (391-0481) in FY 1983. It assists both the federal government and the four provincial governments in strengthening their capabilities to design, implement and evaluate policies and programs to increase the production of fuelwood and timber.

The Energy Planning and Development project (391-0478), also started in FY 1983, provides an overall framework and vehicle for improvement in national energy policies. It assists the GOP in assessing, developing, and conserving its indigenous energy resources. It finances the search for alternative sources of energy, and technical and engineering feasibility studies regarding new coal mine and power generation projects. Pakistan's efforts to exploit its domestic energy resources and bring the private sector more fully into energy exploration, production, and distribution, will also be supported by A.I.D.'s Energy Commodities and Equipment project (391-0486), scheduled to begin in FY 1984. This project will provide direct balance of payments support for the procurement of mining and power generation and distribution equipment from the U.S. It will also provide the framework for a policy dialogue with the GOP on energy generation and pricing issues.

E. Other Programs

The Private Sector Mobilization project (391-0482), scheduled to begin in FY 1984, will support the GOP in its efforts to expand the role of the private sector in meeting Pakistan's overall investment, production, and employment targets.

A.I.D.'s Development Support Training project (391-0474), which received initial funding in FY 1983, finances short and long-term training for Pakistani managers, administrators and technicians from both the public and private sectors. Ultimately, some 1,600 men and women will receive some form of professional training under this project. The Project Design Fund (391-0470), which also received initial funding in FY 1983, finances the technical assistance required to design each of the projects in A.I.D.'s portfolio, and to carry out special policy studies and evaluations.

Requested Year Program (FY 1985)

A.I.D. requests a total of \$200 million in ESF and \$50 million in DA for the Pakistan program in FY 1985. These funds will be used primarily to sustain ongoing, mature programs in the three sectoral areas of concentration: agricultural productivity, energy rationalization, and improved social infrastructure. Major replenishments will be required to continue A.I.D.'s support for improved irrigation management at all levels within the water distribution systems, for the second phase of the program to modernize and expand the Northwest Frontier Agricultural University, and for the fertilizer and agricultural equipment funded through the commodity import program.

In the energy sector, additional financing will be required for the sectoral centerpiece: the Energy Planning and Development project, where FY 1985 will witness major improvements in operating and management policies on the electricity side of the energy sector, and the beginnings of private sector initiatives in modern coal mining and related energy activities. Substantial aid funding for the final stages of the Guddu gas fired turbines and co-generation facilities will also be a key element in the FY 1985 obligations. These funds will be central to A.I.D.'s objective of rationalized gas pricing policies and higher efficiencies in the use of gas for electric generation.

In keeping with A.I.D.'s social sector objectives, the FY 1985 funding will sustain the mature Population Welfare Planning project, and inject a substantial level of new resources into A.I.D.'s innovative Social Marketing of Contraceptives project which seeks to harness market forces to broaden the distribution and sale of contraceptive materials.

Only two new starts are programmed for FY 1985: Rural Roads (391-0480) and Lakhra Coal Power Generation (391-0487). The first project is structured to induce major managerial reforms in the planning, building and maintenance of Pakistan's secondary and farm-to-market systems. The latter project will combine an important contribution to Pakistan's electric power requirements with a significant transfer of United States private technology and managerial experience to the coal industry. This assistance will serve to establish, on a sound basis, a new and critically important industry in Pakistan which will enable the country to use new American techniques to exploit low grade domestic coal for thermal electric generation.

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

PROGRAM: PAKISTAN

CP 85

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	PLANNED	-THROUGH FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-ESTIMATED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	FY85- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
AGRICULTURAL RESEARCH	L 391-0296	69	79	6,200	6,200	6,200	5,819	---	381	---	---
AGRICULTURAL COMMODITIES AND EQUIPMENT	L 391-0468	82	86	---	22,000	---	---	---	---	9,800	9,800
RURAL ELECTRIFICATION	L 391-0473	82	87	---	28,000	---	---	---	---	28,000	5,000
TOTAL FOR ACCOUNT											
GRANTS					6,200	6,200	5,819	---	381	37,300	14,300
LOANS					6,200	6,200	5,819	---	381	37,800	14,800
POPULATION PLANNING											
POPULATION WELFARE PLANNING	G 391-0469	82	89	---	6,700	---	---	---	---	6,700	5,000
SOCIAL MARKETING OF CONTRACEPTIVES	L 391-0484	84	87	---	5,500	---	---	---	---	5,500	---
TOTAL FOR ACCOUNT											
GRANTS					---	---	---	---	---	12,200	5,000
LOANS					---	---	---	---	---	6,700	5,000
					5,500	---	---	---	---	5,500	---
ECONOMIC SUPPORT FUND											
AGRICULTURAL RESEARCH	G 391-0296	82	82	3,200	3,200	3,200	1,890	---	700	---	610
ON-FARM WATER MANAGEMENT	G 391-0413	82	83	10,000	10,000	10,000	2,119	---	3,700	---	1,197
IRRIGATION SYSTEM MANAGEMENT	G 391-0467	83	87	65,000	90,000	30,500	5	22,500	25,000	7,000	25,000
AGRICULTURAL COMMODITIES AND EQUIPMENT	G 391-0468	82	86	46,000	154,000	46,000	2,617	20,000	30,000	43,500	35,000
AGRICULTURAL COMMODITIES AND EQUIPMENT	L 391-0468	82	86	74,000	114,000	74,000	32,825	30,000	37,000	6,700	29,500
POPULATION WELFARE PLANNING	G 391-0469	82	89	25,600	25,600	9,100	1,629	14,800	8,250	---	5,495
PROJECT DESIGN FUND	G 391-0470	82	86	10,000	15,000	10,000	3,293	---	2,000	2,000	2,000
TRIBAL AREA DEVELOPMENT	G 391-0471	82	87	15,000	24,000	8,000	66	5,000	3,487	2,000	3,424
MALARIA CONTROL II	G 391-0472	82	88	41,000	44,200	19,200	6,433	11,700	9,780	10,100	11,454

* Refers to the planned project summary sheet
C Level of effort activity

122

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PROGRAM: PAKISTAN

CP 45

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY83- OBLIG ACTIONS	EXPENDI TURES	-ESTIMATED FY84- OBLIG ACTIONS	EXPENDI TURES	-PROPOSED FY85- OBLIG ACTIONS	EXPENDI TURES	
RURAL ELECTRIFICATION	G 391-0473	82	87	43,000	31,300	232	6,000	3,000	6,000	16,000	
RURAL ELECTRIFICATION	L 391-0473	82	87	112,000	27,000	241	25,000	2,000	---	50,000	
DEVELOPMENT SUPPORT TRAINING	G 391-0474	83	87	10,000	4,000	197	6,000	1,239	5,000	3,483	
PRIMARY HEALTH CARE	G 391-0475	82	87	20,000	5,500	429	8,000	3,377	6,500	6,566	
ENERGY PLANNING AND DEVELOPMENT	G 391-0478	83	86	30,000	13,000	---	5,000	9,000	6,000	9,000	
BALUCHISTAN AREA DEVELOPMENT	G 391-0479	84	87	---	---	---	5,000	200	15,000	12,500	
RURAL ROADS	* G 391-0480	85	87	---	---	---	---	---	5,000	500	
FORESTRY PLANNING AND DEVELOPMENT	G 391-0481	83	87	25,000	7,000	---	3,000	1,164	7,000	1,637	
PRIVATE SECTOR MOBILIZATION	G 391-0482	84	87	---	---	---	8,000	50	15,000	1,700	
SOCIAL MARKETING OF CONTRACEPTIVES	G 391-0484	84	87	---	---	---	5,500	---	---	5,050	
GADRON-ANAZAI AREA DEVELOPMENT (GAADP)	G 391-0485	83	86	20,000	2,500	---	6,500	3,000	7,200	5,300	
ENERGY COMMODITIES AND EQUIPMENT	L 391-0486	84	87	---	---	---	20,000	15,000	20,000	20,000	
LAKHRA COAL POWER GENERATION	* L 391-0487	85	87	---	---	---	---	---	13,000	6,000	
NMFP AGRICULTURAL TECHNOLOGY NETWORK	G 391-0488	84	87	---	---	---	10,000	5,500	10,000	8,000	
MGT OF AGRICULTURAL RESEARCH AND TECH	G 391-0489	84	87	---	---	---	5,000	2,500	5,000	5,000	
FOOD SECURITY MANAGEMENT	G 391-0491	84	87	---	---	---	10,000	3,300	8,000	6,000	
TOTAL FOR ACCOUNT				549,800	1,273,300	300,000	52,026	225,000	174,947	200,000	270,471
GRANTS				363,800	789,000	199,000	13,960	150,000	120,947	160,300	164,971
LOANS				186,000	484,000	101,000	33,066	75,000	54,000	39,700	105,500

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PROGRAM: PAKISTAN

C^D 85

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY83- OBLIG EXPENDI ATIONS TURES	-ESTIMATED FY84- OBLIG EXPENDI ATIONS TURES	-PROPOSED FY85- OBLIG EXPENDI ATIONS TURES			
TOTAL FOR COUNTRY			556,000	1,341,400	306,200	57,845	225,000	175,328	250,000	290,271
GRANTS			363,800	795,700	199,000	18,760	150,000	120,947	167,000	169,971
LOANS			192,200	545,700	107,200	38,885	75,000	54,381	83,000	120,300

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

PROGRAM: PAKISTAN

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Rural Roads		ESF 5,000			FY 1985 5,000	Life of Project Funding 40,000	
Number 391-0480	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING					FY 1985	FY 1987	FY 1989

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

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

This project will finance technical assistance, training and selected commodities to improve rural transportation planning and development of the farm to market road system; design and construction standards and practices; and the maintenance and rehabilitation of existing farm to market roads and equipment. Emphasis will be placed on institutional and operational improvements for road and equipment maintenance planning and implementation.

In view of the weakness of the road and equipment maintenance system A.I.D. has adopted a phased approach whereby deficiencies in the administrative, planning, and maintenance systems for rural roads will be addressed before support is provided for the construction of new roads. The project will be contingent on the Government of Pakistan's (GOP) commitment to establish a proper maintenance organization, including adequate staffing and budgeting for maintenance.

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

This project supports A.I.D.'s agricultural development strategy by providing access to markets for agricultural produce and other income-supplementing employment opportunities. A.I.D.'s strategy concentrates mainly on the agriculture and rural sectors, as does this project. Major emphasis will be placed on helping to improve transportation

sector policies and resolve various institutional and technical problems that, in the past, have interfered with the maintenance and growth of the rural road network and inhibited development of rural areas and private sector activities.

Host Country and Other Donors: The World Food Program (WFP) is actively involved in rural road construction in Pakistan. During the period January 1976 to December 1982, WFP assistance was used for the construction of 795 miles of earthen roads in Punjab Province. At present, WFP is providing food assistance for surfacing 738 miles of earthen roads. WFP is also involved in rural road construction and other infrastructural works in Baluchistan Province and North West Frontier Province, including federally administered tribal areas. The World Bank is also providing assistance to Pakistan for the development of the road transportation sector in the North West Frontier, Punjab and Sind provinces. The Japanese Government has provided road equipment over the last several years. A.I.D. will closely coordinate its efforts with the above agencies to insure that its assistance is complementary and not duplicative.

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

PROGRAM: PAKISTAN

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)			
Lakhra Coal Power Generation		ESF 13,000			FY 1985 13,000	Life of Project Funding 125,000		
Number	391-0487	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input type="checkbox"/> GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING						FY 1985	FY 1987	FY 1989

Purpose: To develop the indigenous coal industry in Pakistan, to enhance the role of the private sector in that industry, and to install the first of a series of large-scale thermal power generation units using indigenous coal.

Project Description: The use of Pakistani coal to fire electric power generation plants has been considered for many years. A Polish firm, the Canadian International Development Agency, and the Japanese International Cooperation Agency (JICA) have studied the Lakhra coal field and associated power station. JICA's complete feasibility study was submitted in 1981. In view of the high cost of the project as proposed by JICA and the predominant experience of the U.S. in the coal industry, the Government of Pakistan (GOP) requested A.I.D. assistance to contract experienced U.S. consultants to review the feasibility of the project and recommend ways to reduce costs. The review was carried out from October 1982 to April 1983 with a team of Pakistan Water and Power Development Authority (WAPDA) and Pakistan Mineral Development Corporation (PMDC) engineers. The review indicated that there were sufficient coal reserves to fire up to 500 MW of generation capacity for a period of 30 years, suggested the construction of a power generation plant with an initial capacity of 300 MW, and identified a number of ways of reducing the cost of the project from \$1.2 billion to \$833 million. These included changes in the cooling system, using more labor-intensive mining techniques and eliminating the flue gas de-sulfurizer.

The GOP approached A.I.D. and the World Bank for financing to implement the project. A.I.D.'s Energy Planning and Development Project is funding initial engineering services, training and commodity support to assist WAPDA and PMDC to perform field surveys and studies required before embarking on the engineering work on the mine and power station. A.I.D.'s support under this project will finance services for that engineering, design and construction work. Some of the commodities for the Lakhra coal mine and generating station will be financed under the Energy Commodities and Equipment Project.

Relationship of the Project to A.I.D. Country Strategy: This project will go a long way towards providing the energy required to sustain self-reliant agrobusiness and industrial development. The power made available thru the project will be used to meet the rising energy requirements for farms, land reclamation programs, electrification of villages and for the establishment of agro-based small-scale and cottage industries in rural areas.

The project offers an excellent opportunity to address a number of key policy issues that the GOP faces in providing sufficient energy supplies to achieve its economic growth targets. The primary focus of the mining components of the project is the transfer of coal mining technology and the development of the private coal mining industry. The proposed large scale mining of coal, using the latest technology, will be a breakthrough in utilization of indigenous coal for electricity production.

Host Country and Other Donors: Pakistan's Sixth Five-Year Plan assigns a high priority to energy development and to the enhancement of the role and participation of the private sector in the economic development of the country. This project is consistent with the priorities of the GOP.

Discussions are underway with the GOP, the World Bank and other donors regarding additional studies to be carried out and the joint financing of the foreign exchange cost of the project. Possible donors besides A.I.D. and the World Bank include the Asian Development Bank and Germany's Development Bank, KfW.

Beneficiaries: All sectors of the national economy will benefit from the project. Electricity generated at Lakhra will be connected to the national grid and serve the needs of Karachi, Pakistan's largest urban center, and surrounding rural areas. The provision of electricity in rural areas will provide needed services to increase production, agro-based industries and gainful employment for farmers and rural families.

FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (492) PHILIPPINES

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 53,162
 PER CAPITA GNP..... (DOLLARS,1981) 790
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 2.0%
 ANNUAL RATE OF INFLATION (1970-81) 13.1%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1975) 5.5%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 64.3 MALE 62.4 FEMALE 66.2
 (1970) TOTAL 59.0 MALE 57.4 FEMALE 60.6
 ADULT LITERACY RATE (1975) TOTAL 87% MALE 87% FEMALE 86%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) 0.6%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 23%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 1,135
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: RICE ,CORN ,ROOTS & TUBERS 51% (1982)
 CASH: COCONUTS ,SUGAR CANE ,BANANAS 43% (1982)
 MAJOR AGRICULTURAL EXPORTS:(1982) COCONUTS ,RAW SUGAR ,BANANAS
 MAJOR AGRICULTURAL IMPORTS:(1982) WHEAT ,MILK ,CORN

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 46%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1980) 4,615 (81) 4,523 (82) 4,446
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1980) 5,067 (81) 6,061 (82) 6,131
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1980) 452 (81) 1,537 (82) 1,685
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1979) 16.0% (80) 12.6% (81) 11.6%
 AS % OF GNP,..... (1979) 2.2% (80) 1.8% (81) 1.8%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 3,140 (81) 2,707 (82) 2,543
 EQUIVALENT TO 4.1 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1981) SEMICONDUCTORS ,SUGAR ,COCONUT OIL
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980)1,594 (1981)1,767 (1982)1,631
 AS % OF TOTAL EXPORTS (1979) 30% (1980) 28% (1981) 31%
 MAJOR IMPORTS....(1981) PETROLEUM ,MACHINERY ,ELECTRIC EQUIPT
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980)1,958 (1981)1,926 (1982)1,922
 AS % OF TOTAL IMPORTS (1979) 25% (1980) 25% (1981) 24%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1979) -1,539(80) -1,934(81)-2,245
 TRADING PARTNERS: UNITED STATES ,JAPAN ,SAUDI ARABIA
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 26.5%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 1,002
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981) 15.3%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.9% (1978) 2.6% (1983) 2.5%
 POPULATION IN URBAN AREAS.....(1970) 33% (1982) 37%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 43 (1983) 33
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1983) 47.0%
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 44.1% (15-64YRS) 52.8% (65+ YRS) 3.1%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 52
 PEOPLE PER PHYSICIAN..... (1977) 2,809
 MAJOR CAUSES OF
 DISEASE (1978) INFLUENZA ,ENTERITIS ,BRONCHITIS, ETC.
 DEATH.. (1978) PNEUMONIA ,TUBERCULOSIS ,HEART DISEASE
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 107%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 43%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1979) TOTAL 98.0% MALE 115% FEMALE 113%
 SECONDARY..... (1979) TOTAL 63.0% MALE 52.0% FEMALE 49.0%
 POST SECONDARY.. (1972) TOTAL 16.2% MALE 14.2% FEMALE 18.2%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 31.6%

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY	PHILIPPINES								
	PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-82	REPAY- MENTS AND INTEREST 1946-82	TOTAL LESS REPAY- MENTS AND INTEREST 1946-82
		1978	1979	1980	1981	1982			
I. ECONOMIC ASSISTANCE - TOTAL									
Loans	83.9	72.0	83.3	97.6	107.1	2331.2	238.5	2042.7	
Grants	54.3	44.6	31.1	28.4	25.6	630.4	283.5	391.9	
	29.6	27.4	52.2	69.2	81.5	1550.8	-	1650.8	
a. A.I.D. and Production Agencies									
Loans	52.8	43.7	59.7	68.5	89.4	941.6	26.5	875.1	
Grants	42.3	35.6	31.1	28.4	25.6	434.4	86.5	347.9	
(Economic Support Fund)	13.5	9.1	28.6	40.1	63.8	527.2	-	527.2	
	-	-	20.0	30.0	50.0	295.3	-	-	
b. Food for Peace (PL 480)									
Loans	27.1	23.8	18.3	24.1	12.6	451.3	34.7	366.6	
Grants	12.0	9.0	-	-	-	142.8	34.7	58.1	
Title I - Total Sales Agreements	15.1	14.8	18.3	24.1	12.6	308.5	-	308.5	
Payable in U.S. Dollars - Loans	12.0	9.0	-	-	-	155.5	34.7	70.3	
Payable in Foreign Currency - Planned for Country Use	12.0	9.0	-	-	-	123.1	39.3	53.3	
Title II - Total Grants	-	-	-	-	-	32.4	15.4	17.0	
Emerg. Relief, Econ. Develop. & World Food Program	15.1	14.8	18.3	24.1	12.6	295.8	-	295.8	
Voluntary Relief Agencies	*	2.4	3.7	4.5	1.6	51.9	-	51.9	
	15.1	12.4	14.7	19.6	11.0	243.9	-	243.9	
c. Other Economic Assistance									
Loans	4.0	4.5	4.3	5.0	5.1	918.3	117.3	301.0	
Grants	-	-	-	-	-	103.2	117.3	14.1	
Peace Corps	6.0	4.5	4.3	5.0	5.1	815.1	-	815.1	
Narcotics	4.0	4.4	4.3	5.0	5.1	70.8	-	70.8	
Other	-	0.1	-	-	-	0.9	-	0.9	
	-	-	-	-	-	743.5	-	743.5	
II. MILITARY ASSISTANCE - TOTAL									
Credits or Loans	37.3	31.7	75.5	75.6	51.2	1155.8	109.2	1046.6	
Grants	18.5	15.6	50.0	50.0	50.0	244.1	109.2	134.9	
	18.5	16.1	25.5	25.6	1.2	911.7	-	911.7	
a. MAP Grants	18.1	15.5	25.0	25.0	-	610.2	-	610.2	
b. Credit Financing - FMS	13.5	15.5	50.0	50.0	50.0	244.1	109.2	134.9	
c. Military Assistance Service-Funded (MASF) Grants	3.7	0.5	0.5	0.6	1.2	36.7	-	36.7	
d. Transfers from Excess Stocks	-	-	-	-	-	93.1	-	93.1	
e. Other Grants	-	-	-	-	-	166.7	-	166.7	
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE									
Loans	121.2	103.7	158.8	173.2	158.3	3437.0	397.7	3039.3	
Grants	72.8	60.2	31.1	78.4	75.6	924.5	377.7	526.8	
	49.4	43.5	77.7	94.8	82.7	2562.5	-	2562.5	
Other U.S. Government Loans and Grants									
a. Export-Import Bank Loans	54.3	0.6	27.3	69.3	3.4	938.8	332.5	156.5	
b. All Other Loans	4.7	0.5	27.3	69.3	3.4	678.5	479.3	199.2	
	49.6	-	-	-	-	310.3	353.0	42.7	

* LESS THAN \$50,000.

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				
	FY 1981	FY 1982	FY 1983	FY 1946-83
TOTAL	717.7	593.9	754.3	5903.4
IBRD	533.0	452.9	502.7	3871.6
IFC	60.2	21.0	5.6	170.0
IDA	3.0	0.0	0.0	122.2
ISD	0.0	0.0	0.0	0.0
ADB	135.5	213.3	235.2	1635.5
AFD	0.0	0.0	0.0	0.0
UNDP	9.0	6.2	0.0	62.6
OTHER-UN	0.0	0.0	10.8	45.5
EEC	0.0	0.0	0.0	0.0
B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. D.A.C. COUNTRIES (Gross Disbursements)				
PHILIPPINES	CY 1981	CY 1982	CY 1978-82	
United States	59.0	65.0	309.0	
Japan	230.1	160.0	673.3	
Germany Fed. Rep.	12.2	20.9	72.5	
Australia	15.8	15.6	56.0	
Austria	6.9	19.6	28.0	
Other	37.5	27.2	126.2	
Total	361.5	308.3	1,265.0	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
	CY 1981	CY 1982	CY 1978-81	
	0.8	N.A.	7.4	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
	CY 1981	CY 1982	CY 1954-82	
USSR	-	-	-	
Eastern Europe	-	-	65	
China	-	-	-	
Total	-	-	65	

PHILIPPINES

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1983								
Loans	24,300	15,500	-	7,800	1,000	-	-	-
Grants	62,498	5,545	2,753	4,000	100	100	50,000	-
Total	86,798	21,045	2,753	11,800	1,100	100	50,000	-
1984								
Loans	28,200	18,550	3,100	2,000	2,300	2,250	-	-
Grants	60,300	4,700	2,200	300	1,200	1,900	50,000	-
Total	88,500	23,250	5,300	2,300	3,500	4,150	50,000	-
1985								
Loans	31,000	22,300	4,200	4,500	-	-	-	-
Grants	103,000	2,600	3,900	800	300	400	95,000	-
Total	134,000	24,900	8,100	5,300	300	400	95,000	-

The above total for FY 1984 excludes \$1,649,836, which has not yet been notified for reobligation.

FY 1985 PROGRAM HIGHLIGHTS	
A.	<u>Development Assistance: Equity and Poverty Alleviation - \$39 million</u> Agricultural Rural Development & Nutrition - \$24.9 million - Water impoundment and watershed protection for rainfed areas - Local government mobilization of resources for development - Rural employment through small and medium enterprises development Health and Population - \$13.4 million - Family planning and improved primary health care systems Education and Selected Development Activities - \$.7 million
B.	<u>Economic Support Fund: Economic Growth with Equity - \$95 million</u> Local currency counterpart contribution for A.I.D. and multilateral bank projects which increase rural productivity Rural infrastructure - schools, roads, markets Conversion of fuelwood to electricity, to gas for powering irrigation pumps, and to charcoal

PHILIPPINES

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans	28,689	44,513	35,145
Grants	52,836	96,221	129,134
Total AID	81,525	140,734	164,279
P.L. 480**			
Title I (of which Title III is)	0	0	0
Title II	10,684	11,278	9,959
Total P.L. 480	10,684	11,278	9,959
Total AID and P.L. 480	92,209	152,012	174,238

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
AID Personnel ^a			
Direct Hire ^b	46	42	39
PASA ^c	-	-	-
Contract	11	11	11
Total	57	53	50
Participants ^d			
Noncontract	70	125	84
Contract	26	32	20
Total	96	157	104

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1984 and 1985 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

P.L. 480
(In thousands of dollars)

Program	FY 1983 (Actual)		FY 1984 (Estimated)		FY 1985 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat	0	0	0	0	0	0
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total (of which Title III is)		0		0		0
Title II						
Voluntary Agencies		9,506		11,071		9,750
World Food Programs		1,178		207		209
Gov't-to-Gov't		0		0		0
Title II Total		10,684		11,278		9,959
Total P.L. 480		10,684		11,278		9,959

PHILIPPINES

Development Overview

The Philippines has limited mineral resources, a modest industrial base, and an adequate but unevenly developed agricultural sector. Compared to average annual growth of 6% during the 1970s, the country is experiencing a period of slow growth - 2.6% in 1982 and a projected 2.0% for 1983. Lower growth rates reflect a series of major international and domestic economic problems. The 1979 oil price increase and the following worldwide economic recession adversely affected the country's terms of trade and led to serious balance of payments deficits and declining demand for many export related industries. In addition, a domestic financial crisis in 1981 shook confidence in the financial markets, resulting in significant financial difficulties for a number of large firms. Rapid population growth of 2.5% per year (the highest in East Asia) adds to these economic problems, placing heavy pressure on land and other natural resources leading to further environmental degradation. Population growth also contributes to unemployment and underemployment, estimated at no less than 15% to 20%.

Rural areas and poverty groups have been particularly hard hit by the economic slowdown. Even the relatively rapid growth during the 1970's did not significantly improve the economic well being of the majority of poor Filipinos who live in rural areas. Patterns of growth in the Philippines tend to reinforce the uneven distribution of income between urban and rural areas, among regions and among income classes. The poorest 40% of the population, which is concentrated in rural areas, receives about 15% of total income or less than \$300 per capita. While the Government's agricultural programs succeeded in increasing rice and corn production, food consumption did not increase sufficiently for the average rural family to meet adequate nutrition levels. Coconut farmers have faced both low world market prices and policies that favor banking and processing interests over small producers. The cycle of poverty, which is particularly acute among upland farmers and traditional fishermen, contributes to undermining security.

In response to the deteriorating economic situation, the government embarked upon an expansionary fiscal policy in 1981 and 1982. However, tax revenues suffered from declining trade volumes and tariff reductions and from the domestic business slump, leading to large, unsustainable budget deficits. The government embarked on a major budgetary retrenchment in 1983 to restore fiscal discipline. Expenditures were cut by about 18% with some investments declining by over 25%.

PHILIPPINES

Budget cuts have seriously hampered the implementation of the Government's Five-Year Development Plan (1983-87) and numerous rural development activities have been curtailed or delayed. Resources are not sufficient to carry out agricultural development programs and rural enterprise development schemes as originally planned. Funds for badly needed infrastructure investments, such as irrigation improvements, rural roads, and schools, have been reduced. Productivity in the rural sector of the economy will suffer. Projects assisted by A.I.D. and multilateral banks have been either cut back or had their implementation delayed. These delays will adversely impact on the very groups least able to cope with serious economic problems - the rural poor.

While budget cutbacks were made, the Government elected to keep operational many of the financially distressed private sector enterprises in debt to Government banks. This decision had several detrimental effects. Financial resources that should have been available for new productive investments were utilized to keep these relatively inefficient enterprises going. Government managerial talent was diverted to the operational problems of these companies. The Government's support for these firms created uncertainty in the private sector concerning the Government's intentions. While pronouncements were for less involvement, the momentum appeared to be toward more governmental control of productive assets and for greater competition with the private sector. As a condition to providing additional financing, the IMF and commercial bankers are requiring the GOP to restructure its budget expenditures, including contributions to public corporations and distressed firms.

U.S. Interest and Objectives

U.S. interests, which date from the Spanish-American War, are security, commerce and economic development. The Philippines is located strategically astride major sea and air routes. The United States and the Philippines have a mutual defense treaty and two of our large overseas military bases (Clark Air Force Base and Subic Naval Base) are located on Luzon. About one-half of all private external investment over the last ten years is of U.S. origin; over 30% of foreign debt is owed to U.S. banks. About one-fourth of the Philippines' total import and export trade is with the United States; imports from the United States are currently about \$1.6 billion. Since 1945, U.S. objectives have centered on retaining mutual defense bases and supporting domestic stability through economic recovery and growth. A.I.D. and its predecessor agencies have supported reconstruction of damage from World War II and helped the growth of basic development institutions and economic productivity. A.I.D.'s recent contributions have focused promoting both broad-based

PHILIPPINES

growth and equity through increased access to basic services by rural people while increasing their income and self-sufficiency.

U.S. supported development assistance efforts have contributed to substantial growth in the Philippine economy. This remains an objective of our assistance as we assist the Philippines in overcoming some of its short-term economic problems. However in the long term, our program will address those problems associated with the over four million households which still live in poverty. The skewed income distribution threatens the country's long-term stability. Expanded leftist guerilla activities throughout the country have injected new vigor and urgency into the Government's program to reach the rural poor population with basic services and jobs.

A.I.D. Development Strategy

During 1979 and 1980, A.I.D. developed a long term Development Assistance (DA) strategy based on a detailed analysis of the characteristics, causes, and spatial distribution of poverty. The strategy focuses on increased productive employment for the poorest elements of society: farmers in rainfed areas and coastal fishermen.

The poverty-focused DA strategy did not cover the Economic Support Funds (ESF) provided in association with the 1976 Military Bases Agreement and related to development concerns in the regions of the bases. However, the ESF and DA programs have many directly complementary or overlapping development objectives. Discussions are currently underway with the Government of the Philippines (GOP) regarding programing DA and ESF assistance strategy and program details will emerge over the course of FY 84. It is expected that new programs will emphasize productive employment for rural poverty groups and broad-based growth. In addition, the ESF program will respond to short-term economic difficulties by undertaking some fast-disbursing activities designed to promote economic stabilization and growth.

A.I.D. Program (FY 1983-84)

A. Agriculture and Rural Development

This sector comprises the majority of A.I.D. assisted activities. FY 1983 and FY 1984 activities include Rainfed Resources Development, Local Resource Management, Rural Enterprise Development, as well as Regional and Municipal Development Funds.

The Rainfed Resources Development program (492-0366) seeks to increase on-farm productivity and employment in rainfed areas.

PHILIPPINES

During its first year, FY 1983, the program focused on the development of the institutional relationships among the Philippine Government implementing agencies. The program focuses public and government attention on farm-level resource management in rainfed areas. Program evaluations will guide the development of new project components. The existing components of the program include: (1) resource use monitoring and policy analyses; (2) biotechnical research; and (3) development of environmental protection and rational natural resource use at the community level. During FY 1984 a fourth component, upland access roads and trails, is being added to the program. Accessibility is a major constraint to the development of many areas of the Philippines. Such areas cannot fulfill their development potential because of the difficulty or high cost of transportation.

Local Resources Management (492-0358) develops the institutional capacity of local governments and private organizations to: (1) identify major groups of poor rural households, (2) analyze the conditions that determine their socio-economic state, (3) develop specific measures to improve these conditions, and (4) develop new methods and improve existing means to mobilize local resources for development from both the public and private sectors. The program supports the Philippine Government policy of moving responsibility and authority for development to local government units and private sector organizations in order to develop effective responses to local development opportunities and problems. Evaluations of the Provincial Development Assistance Program (PDAP) and the Rural Service Centers (RSC) (492-0304) project provided valuable lessons on effective approaches in local program planning and implementation. Evaluations also confirmed that significant development impacts had resulted from the GOP's decentralization efforts as supported by the PDAP and RSC programs. The three current activity components are: (1) development and implementation of provincial strategies for assisting defined groups of poor rural households; (2) improvement of local government financial management and resource mobilization; and (3) development of approaches for linking nongovernment and community level efforts more closely to local government development activities. In FY 1984 a property tax activity is being added which expands and institutionalizes processes developed under the Real Property Tax Administration project.

The Rural Enterprise Development program expands opportunities for productive non-farm employment by testing various options to promote rural enterprise growth and employment. The program has gained some valuable lessons from prior A.I.D. projects including the Small Farmer Systems II (492-0334), Rural Service Center (492-0304) and some PVO projects. Early involvement of the

PHILIPPINES

beneficiaries is important for success and close attention is needed to insure availability of necessary technical and management skills. This information is helping the Small and Medium Enterprise Development project (SMED) (492-0334) improve the capacity of service associations and PVOs to assist small and medium enterprises (SMEs) outside of Metro Manila. SMED also improves the public/private sector system for policy research and dialogue on important private enterprise related policy issues. Thus, it provides rural based SMEs with a larger voice in GOP policy formulation and better access to extension services, training, markets, technology and finance through private sector intermediaries.

Three ESF projects are financing needed rural infrastructure. First, the Regional Development Fund (492-0374) assists six provinces located near the bases by supporting construction of market structures, slaughterhouses, roads, schools, waterworks, and health facilities. The Fund also is improving the living conditions of squatters living around the bases. In FY 1984, a major addition to this fund is supporting high priority rural schools and rural roads nationwide. Second, the Municipal Development Fund (492-0361) assists about 20 municipalities adjacent to the military bases by supporting improved local government administration and the construction of basic public infrastructure. Third, the Markets project (492-0365) supports construction of new or rehabilitation of existing public markets in growth centers throughout the country.

B. Health and Population

In this sector, Mission strategy focuses on a Fertility and Infant/Child Mortality Reduction program. Preliminary activity started under the Primary Health Care Financing project (492-0331) in late FY 1983. In FY 1984, the project is supporting a set of studies to assess the cost-effectiveness of Ministry of Health programs in primary health care. Simultaneously, the project is funding the development and testing of health care financing schemes through private organizations in rural areas. Using project technical assistance, organizations of farmers and rural enterprises develop health insurance and maintenance programs to obtain higher quality health care at affordable costs. The project also assists the Ministry of Health to provide effective technical support to its local primary health care activities. Lessons learned about effective training techniques, necessary supervision, and levels of community support provided to community health workers in two other A.I.D.-supported health projects in the Panay and Bicol regions help guide the improvements planned for the national primary health care program.

PHILIPPINES

Nutrition activities under PL 480 Title II are being phased down from \$8.8 million in FY 1984 to a close-out in FY 1987. The program had only two categories in FY 1984: Maternal and Child Health and School Feeding. The final phaseout is scheduled for FY 1987 and this may be accelerated by the GOP. However, recent harsh drought and severe economic problems could inhibit an accelerated phasedown.

During FY 1983, the Population Planning III project (492-0341) continued to support the Government's efforts to provide family planning services nationwide. Over 50,000 village-based volunteers are now providing family planning information and services including natural family planning methods to families throughout the country. This community-based network of workers, backed up by a nationwide system of clinics and hospitals, has helped to increase the prevalence of contraceptive use among married couples of reproductive age from 33% in 1976 to 47% in 1983. In FY 1984, support will concentrate on strengthening the institutional capability of the Government to assume responsibility for financing a greater share of the recurrent costs of the program.

C. Energy

This program, which spans both DA and ESF, has three major goals: (1) increased production and use of alternative energy systems (with an emphasis on biomass), (2) reduced energy consumption (with increased productivity), and (3) foreign exchange savings through reduced oil imports. These goals support objectives of generating productive employment, developing rainfed resources, and increasing productivity in the national economy. The ESF Rural Energy Development project (492-0375) includes a major effort to convert fuelwood to electricity, to gas for powering irrigation pumps, and to charcoal for domestic and industrial uses. Two DA projects are being initiated in FY 1984: (1) Energy Technology for Fisheries (492-0379) which increases the income of traditional fishermen by providing biomass fueled ice machines to preserve their catch and using gasifiers on their boats to reduce fuel costs; and (2) Technology Transfer for Energy Management (492-0381) which promotes increased productivity in the industrial, commercial and building sector through the adoption of energy efficient equipment, management systems and processes. The projects involve several activities: local and national institutional development; pilot projects for equipment adaptation; fuelwood research and production; information dissemination through various media and workshops; and technical assistance and training for national and local entrepreneurs and enterprises.

PHILIPPINES

D. Multisector Activities

The Training and Development Issues project supports Mission strategy through training efforts as well as the analysis and review of key development policy issues. The PVO Co-Financing II project (492-0367) supports U.S. and indigenous PVO projects such as agro-forestry, rural employment, primary health care, and community development. Evaluations confirm that PVOs have a recognized ability to involve and mobilize beneficiaries in the development process with effective results at lower costs.

Requested Year Program (FY 1985)

The planned FY 1985 program of \$135 million in Development Assistance (DA - \$40 million) and Economic Support Funds (ESF - \$95 million) is pivotal for two key reasons. First, it marks the beginning of a requested higher annual ESF level which will be divided equally between program and project assistance. Second, it is the transitional funding year to a new A.I.D. development strategy for the period FYs 1986-1990. The new strategy, to be developed during FY 1984, is expected to build on the current equity concerns in the DA program by addressing important growth and productivity issues.

Another unique aspect of the FY 1985 program is that there will be only one new activity initiated: non-project ESF assistance to on going A.I.D., World Bank and Asian Development Bank activities. The remaining requests will be for additional components in projects already underway. These projects were designed as long-term activities with several subproject components which are identified and designed based on evaluation information from earlier activities.

A. Agriculture and Rural Development

In FY 1985, the Mission will initiate a major new \$47.5 million ESF activity, the Rural Productivity Support Program (492-0383). The program will support the Government's counterpart budget for World Bank, Asian Development Bank and A.I.D. projects which contribute to achieving key developmental objectives and will assist the Philippines to overcome project implementation problems arising from budget austerities.

A total of \$5.1 million is requested for the Rainfed Resources Development project (492-0366) to continue addressing a range of ecological and farm production problems affecting rainfed farmers, traditional fishermen, and landless laborers. Funds in FY 1985 will support watershed protection, specifically agroforestry and water impoundment activities.

Within the Local Resources Management project (492-0358), FY 1985 funds totaling \$5 million will support a new rural financial

PHILIPPINES

services component that will identify and develop ways for local government units to mobilize private sector financial resources for development activities. FY 1985 funds also continue to finance ongoing activities.

The Rural Enterprise Development Program is scheduled to receive an additional \$11.6 million in FY 1985 for two projects. Contingent upon a successful evaluation of earlier efforts, the Small and Medium Enterprise Development project (492-0359) will expand by \$8.8 million to assist a variety of institutions which support private enterprise. Technical assistance, training, and selected equipment will be provided for such institutions as regional universities, and rural banks, as well as marketing and consulting firms. The end result will be a better institutional environment for regional enterprises and a reduction in the disparities between services offered to enterprises in Manila and elsewhere. Small Farmer Systems II (492-0334) will add \$2.8 million to continue organizing irrigation cooperatives into enterprise groups running income generating activities.

In FY 1985, continued ESF assistance will address social problems around the bases and finance rural infrastructure such as schools, roads, and markets. The Municipal Development Fund (492-0361), Regional Development (492-0374) and Markets (492-0365) projects will receive \$13 million, \$17.5 million, and \$9 million respectively.

B. Health and Population

A total of \$5 million will be added to Primary Health Care Financing (492-371) for further testing of rural-based, self assisted health financing schemes. The phasedown of nutrition activities under PL 480 Title II phasedown will continue to \$9.7 million in FY 1985. An additional \$8.1 million is requested for continuation of family planning activities under the Population Planning III project (492-0341).

C. Energy

FY 1985 funds are requested to continue important activities under the Energy Technology for Fisheries (492-0379) (DA - \$2.2 million) and Rural Energy Development (492-0375) (ESF - \$8 million) projects.

D. Multisector Activities

FY 1985 funds totalling \$2 million are requested to continue the PVO Co-Financing II project (492-0367).

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

PROGRAM: PHILIPPINES

CP 85

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-ESTIMATED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	FY85- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION										
AGRICULTURE RESEARCH II	L 492-0286	79	81	10,000	10,000	10,000	7,040	---	2,762	---
CROP PROTECTION	L 492-0238	78	78	5,000	5,000	5,000	4,387	---	613	---
SICOL INTEGRATED AREA DEV III (QUINCONADA)	L 492-0239	79	80	5,000	5,000	5,000	2,294	---	1,000	---
RURAL ROADS II	L 492-0297	78	81	70,234	70,234	35,117	33,742	---	2,752	---
INTEGRATED AG PRODUCTION AND MARKETING	G 492-0302	77	83	18,000	16,652	8,326	9,131	---	398	---
INTEGRATED AG PRODUCTION AND MARKETING	L 492-0302	77	77	6,000	6,000	3,000	2,343	---	1,294	---
SICOL INTEGRATED RURAL DEVELOPMENT	G 492-0303	78	80	5,780	4,670	2,334	1,987	---	450	---
RURAL SERVICE CENTERS	G 492-0304	78	84	2,987	2,987	2,187	1,607	800	496	883
SICOL INTEGRATED AREA DEV II (BULA)	L 492-0310	77	78	3,000	3,000	3,000	2,759	---	242	---
FRESHWATER FISHERIES DEVELOPMENT	G 492-0322	79	82	1,700	1,700	1,700	1,417	---	283	---
SMALL FARMER SYSTEMS II	G 492-0334	81	85	500	500	500	142	---	500	150
SMALL FARMER SYSTEMS II	L 492-0334	81	85	7,100	9,900	7,100	1,675	---	2,500	2,800
PVD CO-FINANCING I	G 492-0345	80	83	3,831	3,589	3,589	1,279	---	725	1,000
FARMING SYSTEMS DEV-EASTERN VISAYAS	G 492-0356	81	83	1,400	1,400	1,400	316	---	340	300
FARMING SYSTEMS DEV-EASTERN VISAYAS	L 492-0356	81	83	1,600	1,600	1,600	173	---	375	375
LOCAL RESOURCES MANAGEMENT	G 492-0358	82	85	1,500	2,800	1,000	---	1,100	515	700
LOCAL RESOURCES MANAGEMENT	L 492-0358	82	85	4,500	13,600	4,500	78	3,800	1,280	4,300
SMALL AND MEDIUM ENTERPRISE DEVELOPMENT	G 492-0359	83	85	1,500	2,000	1,500	---	---	200	500

140

* Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

CP 35

PROGRAM: PHILIPPINES

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH OBLIG ATIONS	FY33- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY85- EXPENDI TURES	
SMALL AND MEDIUM ENTERPRISE DEVELOPMENT	L 492-0359	83	85	13,500 24,300	13,500	---	2,500	100	8,300	2,500	
RAINFED RESOURCES DEVELOPMENT	G 492-0366	82	85	2,200 3,100	1,700	29	1,000	700	400	900	
RAINFED RESOURCES DEVELOPMENT	L 492-0366	82	85	17,800 24,438	10,300	2	7,000	6,150	4,700	5,900	
PVO CO-FINANCING II	G 492-0367	84	88	---	5,000	---	---	1,000	200	1,000 300	
ENERGY TECHNOLOGY FOR FISHERIES	G 492-0379	84	84	---	900	---	---	800	50	---	200
ENERGY TECHNOLOGY FOR FISHERIES	L 492-0379	84	84	---	7,200	---	---	5,250	100	2,200 1,000	
TOTAL FOR ACCOUNT GRANTS LOANS				183,132 225,570 39,398 45,298 143,734 180,272	122,353 24,236 93,117	69,400 14,907 54,493	23,250 4,700 18,550	24,015 4,847 19,163	24,900 2,600 22,300	23,014 5,118 17,896	
POPULATION PLANNING											
POPULATION PLANNING III	G 492-0341	81	85	28,135 21,638	15,538	10,591	2,200	2,753	3,900	2,549	
POPULATION PLANNING III	L 492-0341	81	85	26,915 22,900	15,600	7,532	3,100	3,260	4,200	5,229	
TOTAL FOR ACCOUNT GRANTS LOANS				55,050 44,538 28,135 21,638 26,915 22,900	31,138 15,538 15,600	18,173 10,591 7,582	5,300 2,200 3,100	6,013 2,753 3,260	9,100 3,900 4,200	7,773 2,549 5,229	
HEALTH											
LOCAL WATER DEVELOPMENT I	L 492-0309	76	77	40,000 40,000	20,000	16,228	---	7,544	---	---	
PANAY UNIFIED SERVICES FOR HEALTH	G 492-0312	78	78	316 316	316	85	---	50	---	---	
PANAY UNIFIED SERVICES FOR HEALTH	L 492-0312	78	78	5,400 5,400	5,400	2,082	---	500	---	---	
BICOL INTEGRATED HEALTH	L 492-0319	79	79	2,500 2,500	2,500	823	---	745	---	125	
BARANGAY WATER II	G 492-0333	80	82	2,537 2,537	2,537	1,116	---	400	---	1,020	

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PROGRAM: PHILIPPINES

CP 85

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY83- OBLIG EXPENDI ATIONS TURES	-ESTIMATED FY84- OBLIG EXPENDI ATIONS TURES	-PROPOSED FY85- OBLIG EXPENDI ATIONS TURES				
BARANGAY WATER II	L 492-0333	80	82	19,600	19,600	19,600	5,074	---	7,000	---	7,526
POPULATION PLANNING III	G 492-0341	81	85	1,700	1,700	1,700	---	---	523	---	1,177
PVO CO-FINANCING I	G 492-0345	80	83	1,500	1,500	1,500	651	---	320	---	400
PVO CO-FINANCING II	G 492-0367	84	88	1,500	1,500	---	---	300	100	300	100
PRIMARY HEALTH CARE FINANCING	G 492-0371	83	85	2,000	2,500	2,000	---	---	1,000	500	410
PRIMARY HEALTH CARE FINANCING	L 492-0371	83	85	10,000	14,300	7,800	---	2,000	1,370	4,500	3,000
TOTAL FOR ACCOUNT				87,053	91,853	63,353	26,059	2,300	19,552	5,300	13,758
GRANTS				9,553	10,053	8,053	1,852	300	2,393	800	3,107
LOANS				77,500	81,800	55,300	24,207	2,000	17,159	4,500	10,651
EDUCATION AND HUMAN RESOURCES											
AGRICULTURAL EDUCATION OUTREACH	G 492-0331	79	82	2,500	2,500	2,499	1,110	---	2,779	---	---
TRAINING AND DEVELOPMENT ISSUES	G 492-0340	83	84	900	900	---	---	900	120	---	250
TRAINING AND DEVELOPMENT ISSUES	L 492-0340	83	84	3,300	3,300	1,000	---	2,300	535	---	835
PVO CO-FINANCING I	G 492-0345	80	83	919	919	913	323	---	150	---	200
PVO CO-FINANCING II	G 492-0367	84	88	---	1,500	---	---	300	100	300	100
TOTAL FOR ACCOUNT				7,619	9,119	4,412	1,433	3,500	3,683	300	1,385
GRANTS				4,319	5,819	3,412	1,433	1,200	3,148	300	550
LOANS				3,300	3,300	1,000	---	2,300	535	---	835
SELECTED DEVELOPMENT ACTIVITIES											
NON-CONVENTIONAL ENERGY DEVELOPMENT	G 492-0294	78	78	1,550	1,550	1,550	1,119	---	30	---	200
NON-CONVENTIONAL ENERGY DEVELOPMENT	L 492-0294	78	78	7,100	5,600	5,600	434	---	1,263	---	454

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PROGRAM: PHILIPPINES

CP 55

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH OBLIG ATIONS	FY83- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY85- EXPENDI TURES	
REAL PROPERTY TAX ADMINISTRATION	L 492-0298	78	81	10,000	8,500	8,500	5,371	---	3,128	---	
PVD CO-FINANCING I	G 492-0345	80	83	750	750	707	194	---	200	---	
PVD CO-FINANCING II	G 492-0367	84	88	---	2,000	---	---	400	200	400	
TECH TRANSFER FOR ENERGY MANAGEMENT	G 492-0381	84	84	---	1,500	---	---	1,500	---	---	
TECH TRANSFER FOR ENERGY MANAGEMENT	L 492-0381	84	84	---	6,000	---	---	2,250	---	---	
TOTAL FOR ACCOUNT GRANTS				19,400	25,900	16,357	7,118	4,150	4,821	400	1,184
LOANS				2,300	5,800	2,257	1,313	1,900	430	400	650
				17,100	20,100	14,100	5,805	2,250	4,391	---	534
ECONOMIC SUPPORT FUND											
PROJECT DESIGN	G 492-0343	80	82	7,000	7,000	7,000	2,309	---	2,900	---	1,790
CLARK ACCESS AND FEEDER ROADS	G 492-0348	81	81	5,000	5,000	5,000	1,330	---	1,000	---	2,670
MUNICIPAL DEVELOPMENT FUND	G 492-0361	81	85	70,000	68,000	55,000	19,926	---	22,600	13,000	20,000
MARKETS	G 492-0365	82	85	21,000	21,000	12,000	1,679	---	10,300	9,000	5,000
REGIONAL DEVELOPMENT FUND	G 492-0374	82	85	45,000	102,500	35,000	14,792	50,000	42,000	17,500	28,200
RURAL ENERGY DEVELOPMENT	G 492-0375	82	85	25,000	26,000	18,000	4,000	---	3,800	8,000	12,000
RURAL PRODUCTIVITY SUPPORT PROGRAM	* G 492-0383	85	85	---	47,500	---	---	---	---	47,500	47,500
TOTAL FOR ACCOUNT GRANTS				173,000	277,000	132,000	44,035	50,000	82,600	95,000	117,160
LOANS				173,000	277,000	132,000	44,035	50,000	82,600	95,000	117,160
				---	---	---	---	---	---	---	
TOTAL FOR COUNTRY GRANTS				525,254	673,980	369,613	166,218	89,500	140,684	134,000	164,279
LOANS				256,705	365,608	185,496	74,131	60,300	96,171	103,000	129,134
				268,549	308,372	134,117	92,087	28,200	44,513	31,000	35,145

The above total for FY 1984 excludes \$1,649,836, which has not yet been notified for reobligation.

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized data.

For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Rural Productivity Support Program		ESF			FY 1985 47,500	Life of Project Funding 47,500	
Number 492-383	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING					FY 1985	FY 1985	FY 1985

Purpose: To provide financial support for programs designed to restore equilibrium in the Philippines' external accounts and to accelerate the implementation of rural development programs.

Project Description: Large balance of payments deficits and growing external debt have forced the Government of the Philippines (GOP) to pursue an economic austerity program designed to restore equilibrium in its external accounts. Severe budget cutbacks, resulting from the austerity program, are having a detrimental effect on numerous development efforts, particularly in the rural areas.

The objective of the Rural Productivity Support Program (RPSP) is to provide balance of payments support for IMF and debt restructuring efforts aimed at putting the external accounts on a self-sustaining basis. The RPSP will also reduce implementation delays of development projects arising from a shortage of local currency.

Budget reductions limit counterpart funding available for A.I.D., World Bank and Asian Development Bank development activities and their implementation is being significantly delayed. To insure that important development activities are not interrupted because of budget reductions, Economic Support Funds (ESF) resources will be provided through the RPSP. Utilizing the non-project assistance mechanism of budget support, the RPSP will support the Government's counterpart budget for World Bank and Asian Development Bank assisted projects which contribute to achieving overall developmental objectives. The RPSP will also supplement A.I.D.'s Development Assistance (DA) financed contribution to development projects whose implementation is retarded by cutbacks in GOP counterpart funding. The GOP will continue to provide at least 25% of total costs for A.I.D.'s DA projects.

Relationship of Project to A.I.D. Country Strategy: The RPSP supports A.I.D. country strategy which emphasizes the alleviation of poverty in rural areas through the stimulation of productive employment opportunities. Counterpart pesos, provided as a condition for dollar transfers, will support donor-assisted projects which directly contribute to A.I.D.'s strategy.

Host Country and Other Donors: Financial support will be derived from two principal sources: the multilateral development banks and the Philippine national and local government budgets. This project supplements the national government's budgeted resources. The proportion of assistance from any one source will vary, but generally it should be expected that investment costs are attributed to the external assistance while recurrent costs are associated with domestic budget resources.

Beneficiaries: The RPSP will benefit the farmers, rural workers, and families who are the intended beneficiaries of the A.I.D. and multilateral bank projects supported by the Fund. A more definite compilation of beneficiaries can be made once the specific projects are chosen that will be associated with this Fund.

SOUTH PACIFIC

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1983								
Loans	-	-	-	-	-	-	-	-
Grants	5,048	2,500	-	243	1,680	625	-	-
Total	5,048	2,500	-	243	1,680	625	-	-
1984								
Loans	-	-	-	-	-	-	-	-
Grants	5,300	2,900	-	155	1,945	300	-	-
Total	5,300	2,900	-	155	1,945	300	-	-
1985								
Loans	-	-	-	-	-	-	-	-
Grants	6,000	3,100	-	100	2,000	800	-	-
Total	6,000	3,100	-	100	2,000	800	-	-

FY 1985
PROGRAM HIGHLIGHTS

- Develop a regional private enterprise program with emphasis on agribusiness/trade development with United States firms, \$400,000; continue Development Support Training project to provide short and long-term training for islanders from public/private sectors, \$100,000.
- Assist University of the South Pacific (USP) satellite communications and agriculture research extension programs; assist South Pacific Commission (SPC) regional fisheries research and women in development programs; \$1.8 million.
- Support private and voluntary organizations and Peace Corps self-help development projects which have basic human needs and income-generation objectives, \$3.7 million.

SOUTH PACIFIC

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans	-	-	-
Grants	4,453	8,424	7,296
Total AID	4,453	8,424	7,296
P.L. 480**			
Title I (of which Title III is)	(-)	(-)	(-)
Title II	-	-	-
Total P.L. 480	-	-	-
Total AID and P.L. 480	4,453	8,424	7,296

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
AID Personnel ^a			
Direct Hire ^b	4	4	4
PASAC ^c	-	-	-
Contract	1	1	1
Total	5	5	5
Participants ^d			
Noncontract	-	-	-
Contract	5	6	3
Total	5	6	3

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1984 and 1985 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

P.L. 480
(In thousands of dollars)

Program	FY 1983 (Actual)		FY 1984 (Estimated)		FY 1985 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat	-	-	-	-	-	-
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total (of which Title III is)	/	-	/	-	/	-
Title II						
Voluntary Agencies	/	-	/	-	/	-
World Food Programs	/	-	/	-	/	-
Gov't-to-Gov't	/	-	/	-	/	-
Title II Total	/	-	/	-	/	-
Total P.L. 480	/	-	/	-	/	-

SOUTH PACIFIC REGIONAL

Development Overview:

The South Pacific regional program area, comprising ten island nations with diverse geographic, demographic and economic characteristics, falls into three major ethnic areas: Cook Islands, Niue, Tonga, Tuvalu and Western Samoa are Polynesian; Fiji, Papua New Guinea, Solomon Islands and Vanuatu are Melanesian; and Kiribati is part of Micronesia. There is a wide variety of historical, cultural, environmental and political systems in the region. Such diversity makes a regional development outlook difficult.

Geographically, the nations comprise over 1,300 islands and atolls covering a total area of more than 5.6 million square miles, of which approximately 70% is ocean. Approximately 4.3 million people reside in the region, most of whom live in Papua New Guinea (70%) and Fiji (14%).

Population growth rates range from 1.1% in Western Samoa, through 2.7% in Papua New Guinea, to 3.2% in Vanuatu and Solomon Islands. Life expectancy ranges between 50-60 years. Most Pacific Islanders live in rural areas. The range is from 91% rural dwellers in the Solomon Islands to 63% in Fiji. An estimated 89% of the population or 2.7 million people reside in the rural areas in Papua New Guinea.

The largest proportion of the workforce is engaged in agriculture and fisheries. While this proportion has been declining for some time in relation to the non-agricultural and services sectors, it is still the major part of the cash economy. The level of employment in subsistence agriculture is very high. Unfavorable balance of payments positions and low foreign exchange levels are common regional problems.

The general employment situation is similar to many developing countries, with widespread unemployment in urban centers, especially among youth. Government priorities in most nations are aimed at finding suitable employment opportunities. There is little likelihood that significant industrial development will emerge to provide employment for traditional farmers and fishermen. In several countries there has been considerable emigration of the young to developed, industrialized countries.

Natural disasters are common and climatic conditions can be extremely harsh. While rainfall is generally high, often with

SOUTH PACIFIC REGIONAL

more than 100 inches per year, a severe drought afflicted much of the area during the last half of 1983. Cyclones occur frequently in the southwest area.

United States Interests and Objectives:

United States interests in the South Pacific are largely derived from those we have in East Asia generally, and more specifically in Australia and New Zealand. In summary, the United States and other donors share a common interest in seeing that the small, newly independent island states maintain stable environments for political and economic growth. Major United States interests are 1) to maintain open and secure sea and air communications throughout the Pacific, 2) to support friendly governments that pursue moderate foreign policies supportive of United States basic interests not only in the region, but also in the United Nations and in Third World councils, 3) to preserve the reservoir of goodwill toward the United States which exists throughout the region, but which has suffered erosion from a lack of any real United States presence in the region since the end of World War II, and 4) to preserve United States access to fish and seabed resources in the region's exclusive economic zones.

A.I.D. Development Strategy:

Our objective is to maintain a useful and meaningful presence in the region, in concert with and supplemental to the major donors. The A.I.D. strategy is to provide modest, non-bilateral and indirect assistance from a regional development office located in Suva, the capital of the Fiji Islands. For the most part, this assistance is provided through intermediaries to the ten independent island countries. Intermediaries are United States and indigenous private and voluntary organizations (which implement about 70% of the current program), South Pacific regional institutions (about 25%), and the Peace Corps, which has primary responsibility for implementing a small grants program throughout the region, emphasizing self-help rural development projects with income-generation objectives.

Principal problems by sector which the A.I.D. program addresses are: increased production, diversification, and marketing of cash crops, livestock, and marine life; agriculture research and extension; appropriate non-formal education in specific skills for specific groups; managerial level training and university extension; potable water supply and sanitation; increased private

SOUTH PACIFIC REGIONAL

sector opportunities in agribusiness, trade, and joint ventures; alternative and renewable energy sources; and protection of the regional environment.

A.I.D. assistance consists of both "grass roots" community projects and regional programs which benefit all of the island countries. The strategy is to emphasize agricultural, fishing and small business income generating opportunities for specific groups of rural and urban islanders, and to assist them to satisfy their basic needs, primarily through appropriate training and education activities.

Experience to date indicates that the A.I.D. program strategy is increasing developmental skills at lower levels of society and has allowed several island governments to make better use of both bilateral and multilateral programs conducted by other countries. Private enterprise assistance has focused on the individual entrepreneur--the farmer, the fisherman, the craftsman.

A.I.D. Program (FYs 1983-1984):

A. Regional Organizations

United States policy supports regional activities through the University of the South Pacific (USP) and the South Pacific Commission (SPC).

The largest A.I.D. grant in the South Pacific regional program is a Title XII collaborative assistance grant with the USP and the Universities of Hawaii and Cornell for South Pacific Islands Agriculture Development (879-0267). The project, started in FY 1980, is upgrading the faculty and facilities of the USP School of Agriculture. Emphasis is on the school's extension services to countries served by USP. A baseline study for curriculum development and construction of faculty housing have been completed. Technical assistance from Hawaii and Cornell Universities is underway. Four lecturers from USP are receiving training at United States institutions, three at the Master's degree level and one at the Ph.D. level. One Master's degree participant returned to the School of Agriculture in September 1983. The project is scheduled for an evaluation in mid-1984.

The USP Satellite Communications Project (879-0254) has received funding to make use of the National Aeronautics and Space Administration (NASA) ATS-1 satellite. The project is expanding the USP satellite center to eight national satellite

SOUTH PACIFIC REGIONAL

communication centers outside of Fiji. The system is now delivering audio-visual course materials, providing pre-diploma courses and tutorials between students in their home countries and the USP faculty in Fiji, and disseminating development information from USP to the outlying national centers. For the 1983 academic year, 2,300 students were reached through the extension program. The project began in 1978, and is currently being evaluated.

Two activities funded through the South Pacific Commission (SPC) are the highly successful Skipjack Tuna Tagging Survey and the Tuna and Billfish Assessment Program (879-0002). The programs have established, for the first time, a real measure of the quantities, habitats and migration patterns of ocean resources which are critical to the island nations. The findings of the programs have brought about a cabinet-level decision in Fiji to enlarge Fiji's tuna fleet and to invite other Pacific island countries to enter into a regional marketing scheme for skipjack tuna.

A Women in Development Project (879-0274) with the SPC underwent considerable change in FY 1983 to redirect emphasis at the SPC's Community Education and Training Center in Fiji away from a predominantly home-economics orientation to one geared to meet small business management, community development, and leadership and welfare needs of women in the South Pacific.

Funding support of SPC's South Pacific Regional Environmental Program (SPREP) has enabled that organization to lay the groundwork for the development of viable conservation and environmental management systems in collaboration with island governments.

A Rural Water/Sanitation Project (879-0269) was begun in FY 1980 to implement rural water and basic sanitation projects in independent SPC countries. Projects thus far have been completed in the Cook Islands and Western Samoa with additional projects scheduled for Niue, Kiribati, Vanuatu and Tuvalu.

Two important workshops funded in FY 1983 will serve to identify regional opportunities for private enterprise and trade development and to expose senior development planners at the national level to concepts of energy management, conservation, and pricing. Based on the outcomes of these workshops, A.I.D. expects to support new projects in the coming years to enhance private sector development in the agribusiness and energy fields.

SOUTH PACIFIC REGIONAL

B. Private and Voluntary Organizations (PVOs)

Assistance to PVOs under the regional PVO grants program (879-0251) represents the foundation of A.I.D.'s program in the South Pacific. A wide variety of integrated rural development projects is being undertaken with funding in agriculture, rural development, nutrition and education and human resources development. There are presently 10 PVOs (nine U.S., one indigenous) with 21 operational program grants (OPGs) under way in nine countries.

Agricultural Cooperative Development International (ACDI) supports the Tonga Cooperative Federation in marketing, importing and wholesaling to cooperatives and village stores in Tonga. This effort has resulted in the reintroduction of indigenous fish catches to the local market in lieu of imported canned fish. ACDI has also helped to encourage development of a \$1.0 million dollar vanilla bean industry in Tonga. Save the Children Federation (SCF) has installed 750 ferro-cement water tanks and 286 water catchments on seven islands in Tuvalu. The SCF program will provide safe and convenient water to 85% of the total population when completed in 1984.

A solar photovoltaic lighting program under the direction of the International Human Assistance Programs (IHAP) has succeeded in bringing solar power to 92% of the inhabitants of the most economically depressed island in the Southern Cook Islands chain. This program has allowed the islanders to convert from expensive and hazardous benzine use and has provided lighting to permit evening handicraft making and educational programs. Direct beneficiaries of the IHAP program in the Solomon Islands include 10,257 people involved in 88 sub-projects. In Papua New Guinea, 66,138 people benefit from 96 IHAP sub-projects.

The Young Men's Christian Association (YMCA) in Western Samoa and Fiji continues to train youth in craft skills and to foster income generating activities among the affiliated rural clubs. The Vaia'ata agricultural training center on the island of Savaii, Western Samoa, is supported by an A.I.D. grant to Catholic Relief Services (CRS). Boys from rural villages who have not had the opportunity for any academic education are being taught how to make a living by farming. About 20 villages on the island have one or more of their boys attending the two-year course. The center is perhaps one of the best known educational programs in the country.

SOUTH PACIFIC REGIONAL

As a result of an evaluation of the Private and Voluntary Organizations (879-0251) component of the South Pacific regional program conducted in late 1981 and early 1982, PVO quarterly progress reports received in FY 1983 illustrated a greater sensitivity to the importance of collecting baseline data prior to and during project implementation. Improved PVO project design has generated a more favorable cost per beneficiary ratio in FY 1983 than in previous years.

Recommendations in the evaluation are influencing the design of a revised PVO grants program beginning in FY 1984: the new program will make increased use of electronic funds transfers to improve the timeliness of A.I.D. assistance to PVOs, and a new budget and accounting officer has been added to the A.I.D. Suva staff to help improve mission management of United States Government funds, to PVOs as well as to other A.I.D. grantees; PVOs will be required to increase their average cash contribution in their A.I.D.-supported projects; A.I.D. assistance will be concentrated in fewer sectors, and will favor activities which show promise of developing some small scale, continuing, private enterprise; each PVO grant will require an annual internal evaluation, as well as a final evaluation at the end of the grant.

C. Small Grants Program

In FY 1979, A.I.D. started the Accelerated Impact Program (879-0256), primarily in cooperation with the Peace Corps. By the end of FY 1983, the Peace Corps had initiated 248 self-help activities at the village and community level. Other small scale development projects of communities and local governments have received support under the Accelerated Impact Program (AIP). One-third of the AIP projects have been in the area of agriculture development. Other projects have helped to solve development problems in such areas as fisheries, forestry, community water systems and village sanitation. A series of AIP grants provided seeds and fertilizer to restore village vegetable gardens in seven remote islands of the Fiji group following Cyclone Sarah in early 1983. An AIP grant with the Peace Corps in the Cook Islands helped to establish a nation-wide rural appropriate technology program, bringing capital saving improvements in energy and food production to remote island settings. During FY 1984, greater priority will be given to self-help projects designed to produce income and to provide import substitutes. The Accelerated Impact Program is scheduled for evaluation in early 1984.

SOUTH PACIFIC REGIONAL

For FY 1984, the new PVO Co-Financing Project (879-0001) will provide a decentralized and more efficient mechanism to deal with PVO activities in all sectors. \$2.9 million is planned for the agriculture, rural development and nutrition (ARDN) sector to continue the Title XII program with USP (879-0267), the Tuna and Billfish Assessment Program with the SPC (879-0002), and PVO activities under the Co-Financing project. In the education and human resources sector, \$1.9 million is planned to continue support for the USP's Satellite Communications Project (879-0254), the SPC's project for women in development training in leadership and business skills (879-0274), and PVO activities in appropriate non-formal education. Although training has always been emphasized in individual projects assisted by A.I.D., there has not been a more generalized way for A.I.D. to assist regional training. Consequently, a new Development Training Support Project (879-0004) will provide short- and long-term training for islanders in both the public and private sectors. In the health sector, \$155,000 is planned in support of PVO rehabilitation services for the blind in Fiji, Tonga and Western Samoa and a PVO rural water supply program in Tonga. The Accelerated Impact Program will utilize \$300,000 in the selected development activities account and continue to encourage and support self-help Peace Corps-initiated projects at the village level.

Requested Year Program (FY 1985):

For FY 1985, funds are requested to begin a new regional Private Enterprise Development Project (879-0003) which will add considerable depth to the current portfolio in a key strategy area. Funding of \$3.1 million in agriculture, rural development and nutrition is requested for ongoing PVO grants, the South Pacific Island Agriculture Title XII program, SPC Tuna and Billfish assessment and the new private enterprise development project.

Funding of \$2.0 million is requested under education and human resources for PVO development and training activities, the SPC women in development program, and continuation of general participant training at the regional level. Health funds requested to support PVO activities total \$100,000 and an additional \$800,000 is requested for selected development activities to pursue the Accelerated Impact Program, primarily with the Peace Corps, and the private enterprise development project.

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

PROGRAM: SO PACIFIC REGIONAL

CP 85

PROJECT TITLE	L PROJECT / NUMBER / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-ESTIMATED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	FY85- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
PVO CO-FINANCING	G 879-0001	84	88	---	6,000	---	---	1,800	600	1,400	1,000
SPC/TUNA BILLFISH ASSESSMENT	G 879-0002	81	84	300	600	300	200	100	100	200	200
REGIONAL PRIVATE ENTERPRISE DEVELOPMENT	* G 879-0003	85	90	---	1,350	---	---	---	---	200	50
PRIVATE AND VOLUNTARY ORGANIZATIONS	G 879-0251	80	83	4,600	3,642	3,643	2,410	---	1,286	---	---
SOUTH PACIFIC ISLAND AGRICULTURAL DEV	G 879-0267	80	86	5,640	6,940	5,013	2,147	1,000	1,259	1,300	2,000
TOTAL FOR ACCOUNT GRANTS				10,540	18,532	8,956	4,757	2,900	3,245	3,100	3,250
LOANS				10,540	18,532	8,956	4,757	2,900	3,245	3,100	3,250
				---	---	---	---	---	---	---	---
HEALTH											
RURAL WATER SUPPLY	G 498-0269	80	81	200	200	200	78	---	---	---	---
PVO CO-FINANCING	G 879-0001	84	88	---	450	---	---	155	100	100	125
PRIVATE AND VOLUNTARY ORGANIZATIONS	G 879-0251	80	83	803	803	803	188	---	275	---	328
SPC/RURAL WATER SUPPLY	G 879-0269	81	84	600	600	400	1	---	272	---	250
TOTAL FOR ACCOUNT GRANTS				1,603	2,053	1,403	267	155	647	100	703
LOANS				1,603	2,053	1,403	267	155	647	100	703
				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
PVO CO-FINANCING	G 879-0001	84	88	---	14,000	---	---	1,545	1,592	1,600	1,400
DEVELOPMENT SUPPORT TRAINING	G 879-0004	84	90	---	1,000	---	---	200	100	100	100
PRIVATE AND VOLUNTARY ORGANIZATIONS	G 879-0251	80	83	7,822	7,822	7,822	4,848	---	2,000	---	1,045

* Refer to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PROGRAM: SO PACIFIC REGIONAL												CP 95
PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY83- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY84- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	EXPENDI TURES	
USP/SATELLITE COMMUNICATIONS PROJECT	G 879-0254	81	85	200	500	199	148	100	150	200	202	
SPC/WOMEN IN DEVELOPMENT	G 879-0274	82	85	287	400	200	---	100	200	100	150	
TOTAL FOR ACCOUNT GRANTS				8,309	23,722	8,221	4,996	1,945	4,042	2,000	2,897	
LOANS				---	---	---	---	---	---	---	---	
SELECTED DEVELOPMENT ACTIVITIES												
PVO CO-FINANCING	G 879-0001	84	88	---	2,000	---	---	---	---	300	100	
REGIONAL PRIVATE ENTERPRISE DEVELOPMENT	G 879-0003	85	90	---	1,350	---	---	---	---	200	75	
PRIVATE AND VOLUNTARY ORGANIZATIONS	G 879-0251	30	83	240	240	240	50	---	240	---	---	
ACCELERATED IMPACT PROGRAM	G 879-0256	79	89	3,000	3,000	---	---	300	250	300	271	
TOTAL FOR ACCOUNT GRANTS				3,240	6,590	240	50	300	490	800	446	
LOANS				3,240	6,590	240	50	300	490	800	446	
ECONOMIC SUPPORT FUND												
PRJTITLE8795724*****	G 879-5724			---	---	---	---	---	---	---	---	
TOTAL FOR ACCOUNT GRANTS				---	---	---	---	---	---	---	---	
LOANS				---	---	---	---	---	---	---	---	
TOTAL FOR COUNTRY GRANTS				23,692	50,897	18,820	10,070	5,300	8,424	6,000	7,296	
LOANS				23,692	50,897	18,820	10,070	5,300	8,424	6,000	7,296	

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

PROGRAM: SOUTH PACIFIC REGIONAL

PLANNED PROGRAM SUMMARY SHEET

Title Regional Private Enterprise Development		Funding Source	AG, RD & N 200	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Number 879-0003		<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	FY 85 400	Life of Project Funding 2,700
<input checked="" type="checkbox"/> GRANT	<input type="checkbox"/> LOAN	<input type="checkbox"/> CONTINUING		200		Initial Obligation FY 85	Estimated Final Obligation FY 90
						Estimated Completion Date of Project FY 90	

Purpose: To accelerate productivity and employment capacity of small to medium agricultural and agribusiness enterprises, principally by accessing investment/joint venture opportunities, marketing and quality control technology and trade promotion activities.

Project Description: Numerous needs assessments and evaluations indicate that small and medium size enterprises face particular difficulties in gaining access to appropriate production and marketing technologies, and opportunities for development and expansion. The project will employ a United States contractor responsible for identifying and recruiting expertise and capital from the United States private sector for joint ventures. The contractor will address production as well as marketing and export problems.

Inadequate and unreliable transportation and communications systems have imposed a significant constraint on the development of U.S.-South Pacific trade opportunities. This project will support contractor or grantee conducted regional conferences and workshops designed to explore and to enhance United States-Pacific Islands trade, joint ventures and investment opportunities, and specifically to address transportation and communications problems.

While regional in nature, the project will concentrate initially in Fiji, the most likely country for success in developing agricultural and agribusiness enterprises. The project will include at least one and perhaps two additional South Pacific countries on a feasibility basis.

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

Consistent with the overall effort to develop a regional strategy for implementing private enterprise in development activities, this project seeks to improve island entrepreneurs' access to appropriate productivity and marketing technologies and opportunities.

Host Country and Other Donors: Considerable resources of other donors, including the Asia Development Bank, Australia, New Zealand, the United Nations Development Program (UNDP), the South Pacific Commission, as well as host country inputs, have traditionally been directed toward the expansion and improvement of agriculture production. There has been grossly insufficient attention to the need to provide access to export marketing, quality improvement, trade promotion and investment incentives. This project proposes to enhance other donor and host country initiatives by giving priority to activities in these areas.

Beneficiaries: Immediate target beneficiaries are the many small agricultural and agribusiness enterprises and potential entrepreneurs throughout the island nations who lack access to inputs necessary to make them competitive in the export marketplace. Assuming this project can assist in accelerating appropriate export production and marketing, and significantly expand employment opportunities, a large number of rural households and urban unemployed stand to reap considerable benefit.

FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (383) SRI LANKA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 15,647
 PER CAPITA GNP..... (DOLLARS,1981) 300
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 4.3%
 ANNUAL RATE OF INFLATION (1970-81) 13.1%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1980) 7.3%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 66.3 MALE 64.4 FEMALE 68.3
 (1970) TOTAL 63.6 MALE 62.5 FEMALE 64.8
 ADULT LITERACY RATE (1971) TOTAL 78% MALE 86% FEMALE 69%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) 0.8%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 26%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 1,533
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: RICE ,VEGETABLES , 44% (1982)
 CASH: TEA ,RUBBER ,COCONUTS 35% (1982)

MAJOR AGRICULTURAL EXPORTS:(1982) TEA ,RUBBER ,COCONUTS
 MAJOR AGRICULTURAL IMPORTS:(1982) WHEAT ,RICE ,
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 54%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1978) 763 (79) 870 (80) 974
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1978) 1,102 (79) 1,275 (80) 1,711
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1978) -339 (79) -405 (80) -737
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1975) 2.8% (76) 2.2% (77) 2.7%
 AS % OF GNP..... (1975) 0.7% (76) 0.6% (77) 0.6%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 249 (81) 330 (82) 354
 EQUIVALENT TO 2.3 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1981) TEA ,RUBBER ,PETROLEUM
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 116 (1981) 143 (1982) 143
 AS % OF TOTAL EXPORTS (1979) 10% (1980) 11% (1981) 13%
 MAJOR IMPORTS....(1981) PETROLEUM ,MACHINERY ,TRANSPORT EQPT
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980) 89 (1981) 128 (1982) 110
 AS % OF TOTAL IMPORTS (1979) 6% (1980) 5% (1981) 8%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1979) -324(80) -783(81) -629
 TRADING PARTNERS: JAPAN ,UNITED KINGDOM ,UNITED STATES
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 70.8%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 91
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981) 16.0%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 1.9% (1978) 1.8% (1983) 1.8%
 POPULATION IN URBAN AREAS.....(1970) 22% (1982) 28%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 29 (1983) 27
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977) 41.0%
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 36.3% (15-64YRS) 59.6% (65+ YRS) 4.2%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 32
 PEOPLE PER PHYSICIAN..... (1979) 6,700
 MAJOR CAUSES OF
 DISEASE (1979) ,TUBERCULOSIS ,MALARIA
 DEATH.. (1981) FLU & PNEUMONIA ,DEFICIENT DIET ,
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 97%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 20%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1979) TOTAL 98.0% MALE 104% FEMALE 94.0%
 SECONDARY..... (1979) TOTAL 53.0% MALE 65.0% FEMALE 41.0%
 POST SECONDARY.. (1976) TOTAL 0.8% MALE 1.0% FEMALE 0.7%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 12.6%

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY SRI LANKA

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-82	REPAY- MENTS AND INTEREST 1946-82	TOTAL LESS REPAY- MENTS AND INTEREST 1946-82
	1978	1979	1980	1981	1982			
I. ECONOMIC ASSISTANCE – TOTAL	50.8	49.9	60.3	70.3	73.8	591.5	96.2	595.3
Loans	53.4	39.7	49.5	61.1	53.7	531.4	99.2	435.2
Grants	7.4	10.2	10.7	9.7	12.1	150.1	-	150.1
a. A.I.D. and Predecessor Agencies	23.0	29.0	31.4	46.1	43.5	296.9	26.3	270.1
Loans	17.0	23.4	25.3	43.3	42.0	255.7	25.3	228.9
Grants	6.0	5.6	5.6	2.3	5.5	41.2	-	41.2
(Economic Support Fund)	-	-	-	-	-	7.2	-	-
b. Feed for Peace (PL 480)	37.8	20.9	28.9	24.7	22.3	393.0	59.4	323.6
Loans	34.4	15.3	23.3	17.3	15.7	275.7	59.4	206.3
Grants	3.4	4.6	5.1	7.4	5.6	117.3	-	117.3
Title I - Total Sales Agreements	34.4	15.3	23.3	17.3	15.7	290.6	59.4	211.2
Payable in U.S. Dollars - Loans	34.4	15.3	23.3	17.3	15.7	251.3	56.3	205.0
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	18.8	12.5	6.2
Title II - Total Grants	3.4	4.6	5.1	7.4	5.6	112.4	-	112.4
Emerg. Relief, Econ. Develop. & World Food Program	0.2	0.5	-	-	-	21.3	-	21.3
Voluntary Relief Agencies	3.2	4.0	5.1	7.4	5.6	90.6	-	90.6
c. Other Economic Assistance	-	-	-	-	-	1.6	-	1.6
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	1.6	-	1.6
Peace Corps	-	-	-	-	-	1.6	-	1.6
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	*	*	0.1	2.1	6.0	0.4	5.6
Credits or Loans	-	-	-	-	2.0	2.3	0.4	1.9
Grants	-	*	*	0.1	0.1	3.7	-	3.7
a. MAP Grants	-	-	-	-	-	3.2	-	3.2
b. Credit Financing - FMS	-	-	-	-	2.0	2.3	0.4	1.9
c. Military Assistance Service Funded (MASF) Grants	-	*	*	0.1	0.1	0.5	-	0.5
d. Transfers from Excess Stocks	-	-	-	-	-	*	-	*
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	60.8	49.9	60.3	70.9	72.9	597.5	96.6	500.9
Loans	53.4	39.7	49.5	61.1	60.7	533.7	96.6	437.1
Grants	7.4	10.2	10.7	9.8	12.2	163.8	-	163.8
Other U.S. Government Loans and Grants	-	-	-	0.3	11.3	29.8	21.0	3.3
a. Export-Import Bank Loans	-	-	-	-	11.3	14.6	4.1	10.5
b. All Other Loans	-	-	-	0.3	-	15.2	16.9	1.7

* LESS THAN \$50,000.

	FY 1981	FY 1982	FY 1983	FY 1946-83
TOTAL	242.8	159.9	82.5	1221.0
IBRD	0.0	42.7	0.0	116.1
IFC	23.1	2.0	7.4	39.4
IDA	157.0	66.0	32.0	653.3
IDB	0.0	0.0	0.0	0.0
ASS	47.9	35.4	39.8	319.1
AFDs	0.0	0.0	0.0	0.0
UNDP	6.8	3.9	0.0	67.0
OTHER-UN	0.1	0.0	3.3	21.1
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

SRI LANKA	CY 1981	CY 1982	CY 1978-82
United States	35.0	53.0	234.0
Japan	53.4	66.4	252.6
United Kingdom	53.3	58.3	234.0
Netherlands	49.5	21.5	147.0
Canada	33.1	33.7	139.1
Other	78.5	88.2	401.4
Total	302.8	321.1	1,408.1

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

	CY 1981	CY 1982	CY 1978-81
	2.6	N.A.	68.7

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1981	CY 1982	CY 1954-82
USSR	-	-	100
Eastern Europe	-	-	95
China	-	-	220
Total	-	-	415

SRI LANKA

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1983								
Loans	45,495	39,643	-	4,852	-	1,000	-	-
Grants	5,200	3,400	-	200	100	1,500	-	-
Total	50,695	43,043	-	5,052	100	2,500	-	-
1984								
Loans	30,267	25,119	-	5,148	-	-	-	-
Grants	10,033	7,790	-	1,600	143	500	-	-
Total	40,300	32,909	-	6,748	143	500	-	-
1985								
Loans	29,848	26,748	-	3,100	-	-	-	-
Grants	11,652	5,852	1,000	4,100	200	500	-	-
Total	41,500	32,600	1,000	7,200	200	500	-	-

**FY85
PROGRAM HIGHLIGHTS**

A.I.D.'s FY 1985 program will emphasize:

- increasing and diversifying food production, rural incomes and employment by supporting the development and rehabilitation of irrigation systems, improved water management, expanded reforestation and agriculture research, and the strengthening of Sri Lankan development institutions, \$33.3 million;
- improving the quality and expanding the coverage of preventive health and family planning services including such activities as malaria control and water supply and sanitation, \$8.2 million; and
- supporting the government's agriculture, food and nutrition strategy and related policies, and providing food supplements for malnourished infants, young children and mothers, \$32.1 million PL 480.

SRI LANKA

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 83 (Actual)	FY 84 (Estimated)	FY 85 (Proposed)
Aid*			
Loans	37,928	72,572	46,797
Grants	3,859	8,705	14,715
Total AID	41,787	81,277	61,512
P.L. 480**			
Title I	22,500	25,000	26,000
<i>(of which Title III is)</i>	(-)	(-)	(-)
Title II	8,229	6,851	6,114
Total P.L. 480	30,729	31,851	32,114
Total AID and P.L. 480	72,516	113,128	93,626

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 83 (Actual)	FY 84 (Estimated)	FY 85 (Proposed)
AID Personnel ^a			
Direct Hire ^b	25	25	25
PASAC ^c	1	-	-
Contract	2	6	5
Total	28	31	30
Participants ^d			
Noncontract	136	106	112
Contract	125	146	81
Total	261	252	193

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1984 and 1985 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

Program	FY 83 (Actual)		FY 84 (Estimated)		FY 85 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat	155.6	22,500	150	25,000	167	26,000
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total <i>(of which Title III is)</i>		22,500		25,000		26,000
Title II						
Voluntary Agencies		4,559		5,152		4,396
World Food Programs		734		1,699		1,718
Gov't-to-Gov't		2,936		-		-
Title II Total		8,229		6,851		6,114
Total P.L. 480		30,729		31,851		32,114

SRI LANKA

Development Overview

For 30 years following independence in 1948, the Government of Sri Lanka (GSL) emphasized expenditures on health, education and social programs but provided little investment in economic productivity. The policies resulted in an impressive performance in social development, with food consumption increasing to 2,200 calories per capita, and life expectancy to 68 years, while infant mortality was reduced to 42 per 1,000, and the net population growth rate to 1.9%. The adult literacy rate grew to 85%, the highest in the developing countries of Asia.

Unfortunately, by the mid-1970s, these impressive gains were being undermined by a stagnant economy and deteriorating public services. Welfare-oriented policies and increased reliance upon the public sector of the economy combined with droughts and unfavorable prices for basic exports, produced a low GNP growth (2.9%) and an even lower growth in agriculture production (2%) per year. The most serious consequences were widespread unemployment (about 25%) and massive food deficits. Since 1977, a far-reaching program has been launched to accelerate economic growth and employment. This program is based upon the liberalization and opening of the economy. Particular attention has been given to: (1) self-sufficiency in rice production; (2) accelerating the growth of exports; (3) stabilizing the price level and growth of imports through budgetary discipline, subsidy reductions, and the encouragement of private savings and investment; and (4) improving the composition of public investment and reducing its share relative to private investment. From 1977 to 1982, GNP growth averaged 6.2% and unemployment fell to about 14%. Concurrently, rice production increased at an average of over 7% per annum, even in the face of serious droughts.

For the 1982-86 planning period, the GSL remains committed to the objectives of an open economy and accelerating economic growth and employment generation while safeguarding the living standards of the poor. The highest priority remains the Accelerated Mahaweli Development Program to provide employment and increase food production and power capacity. However, as expenditures decrease on this program, resources will shift towards improving the GSL's capability to strengthen and maintain economic and social infrastructure, partly to provide the support needed for private sector development. Other priorities during this period will be for quick-yielding, production-oriented projects; increasing exports; infrastructure needs in power, transport and

communications; improving the institutional capacity to carry out and maintain investments; and basic needs, including low cost housing.

Due to the adverse impact of a severe drought on the production of tea, rubber and coconut, the rate of economic growth had been expected to slow to 4.8% in 1983. This level has been revised downwards to approximately 4% to account for the short-term effects of the recent communal disturbances.

Adequate donor support is critical if Sri Lanka is to overcome its current economic problems and maintain its sound economic policies. Substantial aid is required to help strengthen institutions, and to expand the country's productive base further and to improve social services.

U.S. Interests and Objectives

U.S. interests are to support a viable, independent, and democratic Sri Lanka. The country has a strong record of free elections and social equity. It plays a moderating role in the nonaligned movements, keeps its ports open to the navies of all nations, and is active in international forums in a responsible way.

U.S. interest in Sri Lanka also is reflected in the increasing trade between the two countries. The United States is now Sri Lanka's largest export market (about \$143 million in 1982) and fifth largest source of imports (approximately \$111 million in 1982). As a result of the GSL's economic reforms and private sector incentives, U.S. investment in Sri Lanka has risen from \$500,000 in 1978 to an estimated \$10 million in 1982. Planned additional investments may make the United States one of the largest investors in Sri Lanka.

A.I.D. Assistance Strategy

A.I.D.'s program supports Sri Lanka's development by:

(1) expanding food production; (2) increasing employment and income; and (3) improving human productivity and well-being. A.I.D.'s strategy concentrates its support in those sectors where additional assistance is urgently needed, and where A.I.D. has both a legislative mandate and comparative advantage over other donors. A.I.D.'s assistance is consolidated into three general categories: (1) the Accelerated Mahaweli Development Program; (2) food production and natural resource management; and (3) human productivity and well-being. Development assistance is

concentrated primarily in agriculture and rural development, particularly irrigation and water management, and for the improvement of health services related to malaria control and water supply and sanitation.

A.I.D. Program (FYs 1983-84)

The current A.I.D. program consists of development assistance, PL 480 food aid, and a Housing Guarantee.

A. Agriculture and Rural Development

The Mahaweli Ganga Irrigation (383-0042) project was concluded in FY 1983. As a result of this project, farm production, social infrastructure and improved water management were provided to 15,000 low-income farm families. Five additional projects which are well along in implementation are Rice Research (383-0040), Paddy Storage and Processing (383-0041), Development Services and Training (383-0044), Agricultural Base Mapping (383-0045), and Agricultural Education Development (383-0049). These projects have raised the productivity of Sri Lanka's farmers and agricultural sector. The Rice Research, Paddy Storage and Processing, and the Agricultural Base Mapping projects will be successfully completed in 1984.

The Development Services and Training project is providing a sound basis for long-term rural development. It has enabled over 200 individuals to undertake various training activities, aimed at updating technical and management skills. Useful technical assistance and pilot activities directed towards needed policy changes also have been supported in areas such as energy conservation, environment and women in development. The final funding for this project will be provided in FY 1984.

At the conclusion of the ongoing Agricultural Education Development project, the Faculty of Agriculture and the Post-Graduate Institute of Agriculture at the University of Peradeniya will have a highly trained staff and the necessary facilities and equipment to support the doubling of indigenously trained college graduates, and the tripling of indigenously trained post graduates.

Six additional ongoing projects in the agricultural sector - Mahaweli Basin I and II (383-0056 and 383-0073), Mahaweli Sector Support (383-0078), Mahaweli Environment (383-0075), Reforestation and Watershed Management (383-0055), and Water Management (383-0057) - build on the results of earlier efforts to attain self-sufficiency in basic foods and to protect natural

resources. A.I.D.'s Mahaweli projects support a portion of the GSL's large multi-year, multi-donor river basin development scheme. They help to finance the design and construction of an irrigation system encompassing about 25,000 hectares of paddy land and homesites for some 25,000 settler families. Design and construction services and technical assistance are provided by U.S. firms. The Mahaweli Sector Support project will conclude in FY 1984. The FY 1982 review of the Mahaweli Basin II project confirmed the appropriateness of continued and expanded A.I.D. support for the Accelerated Mahaweli Development Program.

A.I.D. is also financing the reforestation of over 24,000 acres of degraded land in the upper catchment of the Mahaweli River, and the planting of 35,000 acres of fuelwood forests in the dry zone through the Reforestation and Watershed Management project. The Water Management project helps strengthen the GSL's irrigation services for small farmers, and increases farmer participation in the management and operation of irrigation systems.

One new project is planned for this sector in FY 1984: the Diversified Agriculture Research project (383-0058). This project will focus upon improving the GSL's institutional capability to carry out research on subsidiary crops, and the upgrading of the private sector's seed production and marketing capabilities.

The PL 480 Title I food assistance program contributes to: (1) supporting the government's national agriculture, food and nutrition strategy and related policies; (2) supporting agriculture and rural development; and (3) reducing Sri Lanka's balance of payments gap. Wheat flour milled from Title I wheat is distributed to cooperatives, bakeries and registered retail outlets. Low income families purchase wheat flour and bread from these outlets under the GSL's food stamp program which replaced a non-targeted ration that had been provided to everyone. Local currency sales proceeds are used by the government for agriculture and rural development, with emphasis on irrigation and water management activities. A special Title I impact evaluation conducted in 1982 concluded that Sri Lanka's rural development strategies are sound, the GSL's total budgetary commitments to the rural sector are significant, and the Title I program represented a positive balance of payments resource.

B. Health

A.I.D. has four projects. The Malaria Control project (383-0043) has been remarkably successful in helping to reduce the incidence of malaria by over 85% since 1977. However, a June 1983 mutli-donor review indicated that progress on effective institutionalization of malaria control is behind schedule. As a result, A.I.D. has approved an extension to phase-in GSL financing for insecticides, introduce alternative vector control measures and focus on institutionalization. The Market Town Water Supply project (383-0063) supports development of a master plan for drinking water resources and improved sanitation for the Jaffna peninsula, the construction of water supply systems for two market town areas (with a total of over 60,000 people) and improved capabilities to design, install and maintain domestic water systems. The National Institute of Health Sciences project (383-0062) supports construction of additional training facilities for primary health care workers. The FY 1984 Water Supply and Sanitation project (383-0088) is to develop the institutional capability of the GSL to provide potable water and sanitation systems to the Sri Lankan people, and to educate the public in health and sanitation.

PL 480 Title II voluntary agency programs are administered through CARE, which manages a school feeding program in collaboration with the Ministry of Education Services and a Maternal/Child Health (MCH) program and other smaller programs with the Ministry of Health. The MCH program addresses three nutritional problems in Sri Lanka: protein-calorie malnutrition, nutrition anemia and Vitamin A deficiency. The program reaches approximately 60,000 medically selected pregnant and lactating mothers and pre-schoolers through the monthly issuance of a pre-cooked food supplement, Thripasha. The primary school feeding program, which reaches approximately one million school children in grades 1 to 4, is combating widespread under-nutrition. An evaluation of the Title II program in FY 1982 found the Thripasha program to be one of the better MCH programs sponsored under Title II worldwide, but could not document direct nutritional impact in the well-run, companion Title II school feeding program. As a result, A.I.D. now plans to increase its support for the MCH program, and, beginning in FY 1985, gradually to phase-over complete responsibility for the school feeding program to the GSL.

C. Selected Development Activities

The Private Enterprise Promotion project (383-0082) is designed to encourage increased private investment, both domestic and foreign, which is essential for achieving sustained economic growth, expanded employment, and profitable utilization of Sri Lanka's rich natural resource base. A preparatory study was completed in FY 1983 by a U.S. consultancy firm which provides recommendations to improve the investment climate together with an analysis of seven key resource-based sectors. This project's principal components are: pre-feasibility studies, investment promotion, management training and entrepreneurial development, selected private sector support, and the establishment of a Sri Lankan Business Development Center.

The low-income Housing Guarantee program has been assisting the GSL with its Aided Self-Help (ASH) and Slum and Shanty Upgrading programs. The ASH program is a rural housing effort designed to allow low-income communities in rural areas to build their own housing with limited government assistance. The Slum and Shanty Upgrading program is designed to assist urban slum dwellers to improve the quality of their units, and strengthen community development and social service programs. The capital cost of these programs is supported by loan guarantees. Technical assistance also is provided to assist the GSL planning and implementing agencies to refine and extend their capabilities; to introduce new concepts to the GSL, such as the formation of a housing finance banking system; and to stimulate private sector building activity.

The PVO Co-Financing project (383-0060) will continue to provide small grants to U.S. and Sri Lankan private voluntary organizations (PVOs) to enhance the ability of local communities to undertake activities in such fields as agriculture, education, private enterprise, and health and population.

Requested Year Program (FY 1985)

An A.I.D. program level of \$41.5 million is requested for FY 1985, made up of four new and six continuing projects. This program, together with the PL 480 Title I and II programs, will make significant contributions to each of A.I.D.'s three major objectives in Sri Lanka, and help sustain the GSL's commitment to sound economic policies and emphasis on growth with equity.

A. Agriculture and Rural Development

The development assistance request includes \$32.6 million for the agricultural and rural development sector. A.I.D.'s continuing support for irrigation systems is highlighted by the Mahaweli Basin Development II project (383-0073) at \$16.841, and two new projects - Irrigation Systems Management (383-0080) at \$4.25 million and Mahaweli Agriculture and Rural Development (383-0086) at \$6 million. The final \$2.357 million for the Reforestation and Watershed Management project (383-0055) and ongoing support at \$1.75 million for the Diversified Agriculture Research project also are proposed. These projects will assist with increased food production, employment generation and the provision of basic human needs to poor rural families.

Initially proposed is \$1 million for the Development Training and Support project (383-0085) to support the strengthening of the planning, implementation, evaluation, and management capabilities of Sri Lankan development institutions. Drawing from the program's four funding accounts, \$1.202 million will enable the PVO Co-Financing project (383-0060) to continue with collaborative development, health, education and selected development activities.

B. Health and Population

Two million dollars is proposed to begin a new Preventive Health and Family Planning Services (383-0081) project. This project will assist the GSL to improve quality and expand the coverage of government preventive services which help to reduce morbidity, mortality and fertility. Three million dollars is proposed for the ongoing Malaria Control project (383-0043) which will institutionalize effective control, as well as \$3.1 million for the continuing Water Supply and Sanitation Sector project (383-0088).

C. Other Programs

- Multi-year PL 480, Title I, food assistance of \$26 million which will contribute to reducing Sri Lanka's food gap; support the GSL's national agriculture, food and nutrition strategy and related policies; and generate local currency to support agriculture and rural development activities with a priority on irrigation and water management.

- PL 480, Title II, voluntary agency MCH and school feeding programs at \$4.396 million.

- Housing Guaranty program at \$15 million to continue support for low-cost housing and strengthened housing finance institutions.

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

PROGRAM: SRI LANKA

CP 35

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	PLANNED	-THROUGH FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-ESTIMATED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	FY85- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
RICE RESEARCH	L 383-0040	77	77	3,700	3,700	3,700	3,055	---	375	---	---
PADDY STORAGE AND PROCESSING I	L 383-0041	78	78	4,775	4,775	4,775	4,635	---	140	---	---
DEVELOPMENT SERVICES AND TRAINING	G 383-0044	78	84	6,500	6,500	5,700	3,245	800	1,456	---	1,799
AGRICULTURAL BASE MAPPING	L 383-0045	78	78	3,863	3,863	3,363	3,321	---	542	---	---
AGRICULTURAL EDUCATION DEVELOPMENT	G 383-0049	78	82	7,500	7,500	7,500	4,971	---	1,000	---	750
REFORESTATION AND WATERSHED MANAGEMENT	G 383-0055	80	85	1,450	1,450	1,250	309	---	250	200	300
REFORESTATION AND WATERSHED MANAGEMENT	L 383-0055	80	85	9,000	9,000	6,843	383	---	1,400	2,157	1,500
MAHAWELI BASIN DEVELOPMENT I	L 383-0056	80	80	10,000	10,000	10,000	3,694	---	2,750	---	2,750
WATER MANAGEMENT I	G 383-0057	79	84	5,100	5,100	3,600	2,546	1,500	1,520	---	1,016
WATER MANAGEMENT I	L 383-0057	79	84	10,800	10,800	10,800	3,971	---	3,020	---	2,727
DIVERSIFIED AGRICULTURE RESEARCH	G 383-0058	84	86	---	4,940	---	---	790	100	1,750	300
DIVERSIFIED AGRICULTURE RESEARCH	L 383-0058	84	84	---	1,960	---	---	1,960	50	---	400
PVO CO-FINANCING	G 383-0060	79	87	900	2,500	900	90	200	400	402	425
MAHAWELI BASIN DEVELOPMENT II	G 383-0073	81	86	---	3,000	---	---	1,000	500	1,000	1,000
MAHAWELI BASIN DEVELOPMENT II	L 383-0073	81	86	85,000	107,000	68,000	27,632	23,159	35,000	15,841	31,000
MAHAWELI ENVIRONMENT	G 383-0075	82	84	5,000	5,000	1,500	8	3,500	550	---	1,500
MAHAWELI SECTOR SUPPORT	L 383-0078	81	83	50,000	50,000	50,000	30,000	---	20,000	---	---
IRRIGATION SYSTEMS MANAGEMENT	G 383-0080	85	89	---	5,000	---	---	---	---	1,500	300

171

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PROGRAM: SRI LANKA

CP 85

PROJECT TITLE	• L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH OBLIG ATIONS	FY83- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY85- EXPENDI TURES	
IRRIGATION SYSTEMS MANAGEMENT	• L 383-0080	85	89	---	14,000	---	---	---	2,750	500	
PRIVATE ENTERPRISE PROMOTION	G 383-0082	83	83	1,500	1,500	1,500	---	100	---	300	
DEVELOPMENT TRAINING & SUPPORT	• G 383-0085	85	90	---	6,000	---	---	---	1,000	700	
MAHAWELI AGRICULTURE AND RURAL DEV	G 383-0086			---	---	---	---	---	---	---	
MAHAWELI AGRICULTURE AND RURAL DEV	• L 383-0086	85	88	---	45,000	---	---	---	6,000	2,000	
TOTAL FOR ACCOUNT				205,088	308,588	179,931	87,860	32,909	69,153	32,600	49,767
GRANTS				27,950	48,490	21,950	11,169	7,790	5,876	5,352	8,890
LOANS				177,138	260,098	157,981	76,691	25,119	63,277	26,748	40,877
POPULATION PLANNING											
PREVENTIVE HEALTH & FAMILY PLNG SERVICE	• G 383-0081	85	89	---	5,000	---	---	---	1,000	50	
TOTAL FOR ACCOUNT				---	5,000	---	---	---	1,000	50	
GRANTS				---	5,000	---	---	---	1,000	50	
LOANS				---	---	---	---	---	---	---	
HEALTH											
MALARIA CONTROL	G 383-0043	78	86	4,000	4,000	---	---	1,000	500	2,000	1,500
MALARIA CONTROL	L 383-0043	78	86	26,000	26,000	20,852	15,372	3,148	4,500	1,000	3,760
PVO CO-FINANCING	G 383-0060	79	87	724	1,224	724	267	100	290	100	100
KALUTARA INSTITUTE OF HEALTH SCIENCES	G 383-0062	80	82	2,200	2,200	2,200	144	---	918	---	1,138
MARKET TOWN WATER SUPPLY	G 383-0063	80	82	2,000	2,000	2,000	1,280	---	321	---	187
MARKET TOWN WATER SUPPLY	L 383-0063	80	82	6,000	6,000	6,000	557	---	4,195	---	1,460
PREVENTIVE HEALTH & FAMILY PLNG SERVICE	• G 383-0081	85	89	---	5,000	---	---	---	1,000	50	

172

* Refer to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized data. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PROGRAM: SRI LANKA

CP 35

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-ESTIMATED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	FY85- EXPENDI TURES
WATER SUPPLY & SANITATION SECTOR	G 383-0088	84	87	---	6,000	---	---	500	100	1,000	800
WATER SUPPLY & SANITATION SECTOR	L 383-0088	84	87	---	12,000	---	---	2,000	400	2,100	1,500
TOTAL FOR ACCOUNT											
GRANTS				40,924	64,424	31,776	17,620	6,748	11,224	7,200	10,495
LOANS				8,924	20,424	4,924	1,691	1,600	2,129	4,100	3,775
				32,000	44,000	26,852	15,929	5,148	9,095	3,100	6,720
EDUCATION AND HUMAN RESOURCES											
PVD CO-FINANCING	G 383-0060	79	87	516	959	516	296	143	150	200	200
TOTAL FOR ACCOUNT				516	959	516	296	143	150	200	200
GRANTS				516	959	516	296	143	150	200	200
LOANS				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
PVD CO-FINANCING	G 383-0060	79	87	300	1,800	300	62	500	450	500	500
PRIVATE ENTERPRISE PROMOTION	G 383-0082	83	83	1,500	1,500	1,500	---	---	100	---	300
PRIVATE ENTERPRISE PROMOTION	L 383-0082	83	83	1,000	1,000	1,000	---	---	200	---	200
TOTAL FOR ACCOUNT				2,800	4,300	2,800	62	500	750	500	1,000
GRANTS				1,800	3,300	1,800	62	500	550	500	800
LOANS				1,000	1,000	1,000	---	---	200	---	200
TOTAL FOR COUNTRY				249,328	383,271	215,023	105,838	40,300	81,277	41,500	61,512
GRANTS				39,190	78,173	29,190	13,218	10,033	9,705	11,652	13,715
LOANS				210,138	305,098	185,833	92,620	30,267	72,572	29,848	47,797

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized data. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Irrigation Systems Management			1,500 G 2,750 L	-	FY 85 (1,500G;2,750L)		Life of Project Funding
							5,000G; 14,000L
Number 383-0080	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input checked="" type="checkbox"/> GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING		-		-	FY 85	FY 89	FY 92

Purpose: To increase the institutional capability of the Government of Sri Lanka (GSL) to rehabilitate and improve operations of major irrigation systems in order to increase food production and farmer incomes, and to provide a more equitable distribution of irrigation water.

Project Description: The primary emphasis of this project is to develop the GSL's institutional capacity to manage and operate irrigation systems better, and with the full participation of farmers. Experience gained from the A.I.D.-supported Water Management Project shows that the establishment of participating farmer organizations is essential to help insure that institutions are responsive to farmer needs. Sri Lanka has 61 major irrigation schemes serving about 540,000 acres. This project will rehabilitate and improve six of these schemes which irrigate approximately 65,000 acres. The enhanced GSL institutional capacity will result in better water management practices in all of the major schemes, particularly in operations and maintenance procedures. The project also will strengthen an irrigation training institute for officials dealing with irrigation, with special emphasis on irrigation system operations and management.

Implementation policies will assure that: (1) multi-disciplinary studies of irrigation systems will determine the extent of rehabilitation required, farmer attitudes, and prospective economic benefits; (2) priorities will be on establishing system safety, improving water distribution and control, and improving ease of operation & maintenance; (3) farmers will be organized into water user associations, and trained and encouraged to adopt improved on-farm water management practices and crop rotations; (4) irrigation system committees will be established at the district level to provide general management of irrigation systems and to coordinate complementary inputs such as credit and fertilizer; (5) a monitoring system will be established to measure system performance against established goals; and (6) private sector participation in the rehabilitation and improvement of irrigation systems will be encouraged.

Relationship of Project to A.I.D. Country Strategy: This project will make a direct contribution to the attainment of A.I.D. strategy objectives, particularly increased food production and employment generation. There is ample scope for significantly improving the efficiency of Sri Lanka's 61 major irrigation schemes which would immediately raise food production. While many of these schemes require some physical rehabilitation, their long-term viability will depend upon the improved organizational and policy framework in which they are operated. This project will assist the GSL to strengthen its irrigation training institute and the Irrigation Department, to set up irrigation system committees at the district level, and to organize farmer water-users associations at the village level. The design, testing and evaluation of farmer associations initiated under A.I.D.'s Water Management Project will be modified as conditions require, and replicated under this project. The policy dialogue will continue in order to obtain appropriate policy changes involving water law, budgetary allocations, cost recovery principles, and organizational structures to serve farmers better.

Host Country and Other Donors: The primary GSL implementing agency will be the Irrigation Department, Ministry of Lands & Land Development. The IBRD also has scheduled a major irrigation rehabilitation project beginning in 1985. Coordination between A.I.D. and the Bank is underway in terms of the basic approach to irrigation rehabilitation and specific projects where rehabilitation will take place. A.I.D.'s institutional emphasis is expected to be a major influence on the Bank project.

Beneficiaries: 25,000 low-income farm families will benefit from the rehabilitation of six major irrigation schemes in the Polonnaruwa and Trincomalee districts. Farmers at the ends of the irrigation systems, who generally have the lowest incomes, will benefit most. 150,000 farm families are expected to benefit from improved GSL management of other irrigation programs throughout the country.

PROGRAM: SRI LANKA

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Development Training and Support			1,000		FY 85 1,000	Life of Project Funding 6,000	
Number 383-0085	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING					FY 85	FY 90	FY 92

Purpose: To improve the institutional capability of priority development agencies to plan, design, implement and evaluate sound development programs through the provision of technical, managerial and administrative training and technical assistance. The project also will provide funding for studies and innovative activities which support Government of Sri Lanka (GSL) and A.I.D. development priorities.

Project Description: Although the GSL's administrative leadership is generally good, qualified management, administrative and technical staff at mid-levels is in short supply. Lack of sufficient well-trained managers and technical personnel limits the absorptive capacity of Sri Lankan institutions, inhibits implementation of key development activities, and results in the adoption of less than optimum development policies and programs. It also impedes the efficient allocation of resources.

Despite a highly literate population and good primary and secondary enrollment rates, qualified personnel in Sri Lanka are limited by a number of factors. Sri Lankan universities are able to accept just 18% of eligible secondary school graduates. Post-graduate education is offered only in medicine and agriculture, and there are insufficient in-country technical, managerial and administrative training capabilities. The limited supply of trained personnel needed for development has been reduced further in recent years by a significant migration of qualified and experienced personnel for employment abroad and by the Accelerated Mahaweli Development Program, which has drawn trained personnel away from a variety of GSL institutions. Serious personnel shortages in key GSL development programs are projected to continue through the 1980s at all levels.

This project will help upgrade personnel in priority development agencies, both public and private, through extensive external and some in-country training. It will finance long-term, degree and non-degree education, and short-term management, administrative, and technical training for personnel in senior administrative positions. Pre-project

training will be provided to address the problem of key GSL personnel absences for long-term training during critical years of project implementation.

The project also will finance: (1) studies in areas of promising investment potential and development impact such as food technology; and (2) technical assistance activities which support A.I.D. and GSL development priorities, such as alternative energy, environmental and natural resource management, and women in development. Lessons learned from a predecessor project, Development Services and Training, will be applied to the implementation of this project.

Relationship to A.I.D. Country Strategy: This project directly supports A.I.D.'s and the GSL's strategy objective of improving the productivity and well-being of the Sri Lankan people. Since training and technical assistance will be provided in a number of sectors, with an emphasis on agriculture, the project also will contribute to other A.I.D. strategy objectives, specifically increased food production and employment generation. Key areas of A.I.D. program concern that will be addressed are institutional development, training, technology transfer and research.

Host Country and Other Donors: The primary focus of the project will be selected Sri Lankan institutions with major roles in development. These will include the Department of Agriculture, the Ministry of Lands & Land Development, the Ministry of Health, and the Mahaweli Authority. In addition, some selected skills will be upgraded outside the project's main cluster of institutions. For example, the country produces only 330 engineers a year, and without such critical specializations as hydrology and transportation.

Beneficiaries: People from all strata of Sri Lankan society will benefit from improved service delivery, new development initiatives, and improved technologies expected to result from training, special studies, technical assistance and other activities financed by the project.

Title Mahaweli Agriculture and Rural Development		Funding Source	AG, RD & N 6,000 L	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Number 383-0086		<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Initial Obligation FY 85	Estimated Final Obligation FY 88	Life of Project Funding 6,500G; 45,000L Estimated Completion Date of Project FY 89
<input checked="" type="checkbox"/> GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING				Sel. Act.			

Purpose: To develop more fully the agricultural potential of 23,000 hectares in the Accelerated Mahaweli Development area by construction of an irrigation system and related support systems; and resettlement of landless farmers.

Project Description: Lack of self-sufficiency in food production and unemployment, particularly of landless people, is a major problem in Sri Lanka. The Accelerated Mahaweli Development Program (AMP) is the Government of Sri Lanka's (GSL) most important development effort. It will increase domestic food production, rural employment and incomes and provide land to landless people. The AMP covers the Mahaweli Ganga and Maduru Oya river basins. It includes four large dams and extensive irrigation canal systems and irrigation support facilities such as roads, schools, dispensaries and utilities. Social infrastructure in support of resettlement schemes in newly irrigated lands is an integral part of the program. When completed the AMP will irrigate 117,000 hectares of land, resettle and create employment for 450,000 people, and increase the domestic production of rice and other food crops.

This project, which is a component of the AMP, includes the downstream development of the left bank of the Maduru Oya System B which is the largest single area in the AMP. The project area totals 75,000 hectares and lies in the dry zone of central eastern Sri Lanka. When completed, it will irrigate 23,000 hectares of land and resettle 145,000 people. The project supported by A.I.D. will focus on bringing agricultural benefits to the left bank of System B, and will encourage the fullest use of the private sector to attain these benefits. Project components financed by A.I.D. include: the development of the tertiary irrigation system, on-farm development, agricultural research facilities, agricultural inputs, and water system management, operation and maintenance. This effort will build upon A.I.D.'s current effort in the design and construction of main and branch canals for the project area. Equally important as physical infrastructure will be A.I.D.'s support for institutional development. A.I.D. will finance research

and training for water system management, operation and maintenance, agricultural research, and experimental and pilot demonstration farms.

Relationship of Project to A.I.D. Country Strategy: This project will make a substantial and direct contribution to the attainment of A.I.D. strategy objectives, including accelerated development of the Mahaweli area and increased food production and employment generation. It provides the link between prior A.I.D. investments in main and branch canals and delivery of irrigation water to the farm level to increase food production. The size of the project and its importance to Sri Lankan development make it an effective vehicle to induce policy change and strengthen the government's institutional capacity in the areas of water management, water user charges and irrigation systems operations and maintenance. Both technology transfers and research have important roles in the implementation of project components including experimental farms, groundwater investigations and development, and new irrigation structures and construction techniques. Private sector firms will be fully utilized for project implementation and overall development of the project area will provide an excellent opportunity for private enterprises, shops and services.

Host Country and Other Donors: The AMP is the GSL's highest priority for increasing domestic food production, rural employment and incomes. The project has attracted numerous other donors. The left bank of System B is estimated to cost a total of \$300 million. The total U.S. contribution, including the \$51.5 million planned for this project, will be \$185 million. Other donors' contributions are: Saudi Arabia \$25 million, Australia \$15 million, OPEC \$9 million and EEC \$25 million. The GSL will provide \$41 million.

Beneficiaries: The beneficiaries of this project are the approximately 145,000 people who will be settled in the project area.

PROGRAM: SRI LANKA

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION <i>(In thousands of dollars)</i>		
Preventive Health & Family Planning Services				1,000	FY 85 2,000	Life of Project Funding 10,000	
Number 383-0081	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING		1,000			FY 1985	FY 89	FY 90

Purpose: To assist the GSL to improve the quality and expand the coverage of preventive health and family planning services which help to reduce morbidity, mortality and fertility.

Project Description: Although the GSL's policies of providing free health care to the Sri Lankan people have resulted in impressive reductions in infant mortality and increases in life expectancy, morbidity rates remain high and there is still a considerable amount of preventable mortality. In addition, the GSL is faced with rapidly increasing health care costs due to the heavy utilization of curative services to address these problems. The GSL is planning to reorganize and restructure its health care delivery system to extend services to the village level and emphasize preventive health services. Implementation of this plan will require significant institutional development including donor support for technical assistance, training, commodities and local costs. This project will assist the GSL in addressing high priority, preventable morbidity and mortality problems by developing the institutional capacity to deliver improved preventive health and family planning services. Priority areas of concern are: health systems planning, finance and management; health personnel development; preventive health education; diarrheal disease control; selective primary health care; and family planning services.

Relationship of Project to A.I.D. Country Strategy: This project directly supports A.I.D.'s and the GSL's strategy and objectives of improving the productivity and well-being of the Sri Lankan people. The GSL plans to devote increased resources to social infrastructure and services as major investments in the Mahaweli Development Program begin to decline.

Host Country and Other Donors: The primary coordinating body for this project will be the GSL's Ministry of Health. The principal implementing agencies will be the Ministries of Health, Plan Implementation, and Women's Affairs and Teaching Hospitals. Subsidiary units of these ministries such as the

National Institute of Health Sciences and the Family Health Bureau will also play appropriate roles in project implementation. This project effort will receive technical assistance from the World Health Organization and other complementary assistance from UNICEF. The GSL will provide substantial support in the form of recurrent costs and selected commodities. The Asian Development Bank will also provide related assistance in selected districts of the country.

Beneficiaries: Beneficiaries of the Project will include the majority of the 15 million Sri Lankan people who currently use GSL health services an average of two times per person each year. Specific categories of beneficiaries will be those at high risk of preventable morbidity and mortality such as infants, mothers and malnourished children.

FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (493) THAILAND

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 50,731
 PER CAPITA GNP..... (DOLLARS,1981) 770
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 4.3%
 ANNUAL RATE OF INFLATION (1970-81) 10.0%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1976) 7.6%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 63.5 MALE 61.6 FEMALE 65.5
 (1970) TOTAL 57.9 MALE 55.8 FEMALE 60.1
 ADULT LITERACY RATE (1970) TOTAL 79% MALE 87% FEMALE 70%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) 2.3%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 24%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 651

MAJOR CROPS) ARABLE LAND YEAR
 SUBSISTENCE: RICE , , 60% (1982)
 CASH: CORN ,CASSAVA , 16% (1982)

MAJOR AGRICULTURAL EXPORTS:(1982) RICE ,ROOTS & TUBERS ,RAW SUGAR
 MAJOR AGRICULTURAL IMPORTS:(1982) COTTON ,DAIRY PRODS. ,TOBACCO
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 76%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1979) 3,756 (80) 4,598 (81) 5,231
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1979) 4,760 (80) 6,139 (81) 6,458
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1979) -1,004 (80) -1,541 (81) -1,228
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1979) 23.6% (80) 20.1% (81) 20.5%
 AS % OF GNP..... (1979) 4.2% (80) 3.8% (81) 3.7%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 3,026 (81) 2,727 (82) 2,652
 EQUIVALENT TO 3.7 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1982) RICE ,SUGAR ,CORN
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 823 (1981) 905 (1982) 864
 AS % OF TOTAL EXPORTS (1979) 11% (1980) 13% (1981) 13%
 MAJOR IMPORTS....(1982) MACHIN*Y/TRANSP ,FUELS ,OIL PRODUCTS
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980)1,332 (1981)1,297 (1982)1,042
 AS % OF TOTAL IMPORTS (1979) 17% (1980) 16% (1981) 15%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1979) -1,548(80) -1,899(81)-2,028
 TRADING PARTNERS: JAPAN ,UNITED STATES ,NETHERLANDS
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 22.9%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 621
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981) 9.0%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.8% (1978) 2.3% (1983) 1.9%
 POPULATION IN URBAN AREAS.....(1970) 13% (1982) 15%
 LIVE BIRTHS PER 1,000 POPULATION.....(1974) 32 (1983) 26
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1981) 59.0%
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 41.9% (15-64YRS) 55.0% (65+ YRS) 3.1%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 60
 PEOPLE PER PHYSICIAN..... (1976) 8,222
 MAJOR CAUSES OF
 DISEASE (1981) MALARIA ,INFLUENZA ,SHIGELLOSIS
 DEATH.. (1978) ACUTE RESP. INFE ,SENILITY ,ILL-DEFINED CAUS
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 97%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 22%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1977) TOTAL 82.0% MALE 85.0% FEMALE 78.0%
 SECONDARY..... (1978) TOTAL 29.0% MALE 30.0% FEMALE 28.0%
 POST SECONDARY.. (1977) TOTAL 4.2% MALE 4.7% FEMALE 3.6%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 8.3%

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

COUNTRY THAILAND

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-82	REPAYMENTS AND INTEREST 1946-82	TOTAL LESS REPAYMENTS AND INTEREST 1946-82
	1978	1979	1980	1981	1982			
I. ECONOMIC ASSISTANCE - TOTAL	113.3	25.4	29.5	30.8	35.4	819.6	93.1	726.5
Loans	5.5	8.0	5.8	12.2	17.7	143.3	93.1	70.2
Grants	5.3	17.4	23.8	18.5	19.7	555.3	-	555.3
a. A.I.D. and predecessor Agencies	7.5	21.6	26.1	25.2	31.2	741.2	77.7	663.5
Loans	5.5	8.0	5.3	12.2	17.7	139.7	77.7	62.0
Grants	2.0	13.6	20.8	14.0	13.5	531.5	-	601.5
(Economic Support Fund)	-	-	2.0	2.0	5.0	423.8	-	-
b. Food for Peace (PL 480)	*	-	-	-	-	23.0	8.3	14.7
Loans	-	-	-	-	-	17.4	3.3	9.1
Grants	-	-	-	-	-	5.6	-	5.6
Title I - Total Sales Agreements	-	-	-	-	-	17.4	5.3	9.1
Repayable in U.S. Dollars - Loans	-	-	-	-	-	13.8	3.1	10.7
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	3.6	5.2	1.5
Title II - Total Grants	*	-	-	-	-	5.5	-	5.5
Emerg. Relief, Econ. Develop. & World Food Program	*	-	-	-	-	*	-	*
Voluntary Relief Agencies	-	-	-	-	-	5.6	-	5.6
c. Other Economic Assistance	3.3	3.3	3.5	4.6	5.2	55.4	7.1	43.3
Loans	-	-	-	-	-	6.2	7.1	0.9
Grants	3.3	3.3	3.5	4.6	5.2	49.2	-	49.2
Peace Corps	1.8	1.9	1.7	2.1	2.3	36.5	-	36.5
Narcotics	1.5	1.9	1.7	2.5	2.9	12.7	-	12.7
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE - TOTAL	38.6	32.1	37.4	54.6	83.7	1833.3	114.9	1535.4
Credits or Loans	29.5	33.0	36.0	53.4	74.7	298.0	114.9	133.1
Grants	9.1	2.1	1.4	1.2	6.0	1532.3	-	1502.3
a. MAP Grants	3.0	1.2	0.5	0.4	4.5	1153.6	-	1153.6
b. Credit Financing - FMS	29.5	30.3	36.0	53.4	74.7	298.0	114.9	133.1
c. Military Assistance Service-Funded (MASF) Grants	1.1	0.9	0.3	0.3	1.5	73.1	-	73.1
d. Transfers from Excess Stocks	-	-	-	-	-	243.2	-	243.2
e. Other Grants	-	-	-	-	-	17.4	-	17.4
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	49.4	57.5	67.0	85.4	117.1	2519.9	235.0	2411.9
Loans	35.0	33.0	41.8	65.6	92.4	451.3	235.0	253.3
Grants	14.4	19.3	25.2	19.8	24.7	2153.6	-	2153.6
Other U.S. Government Loans and Grants	4.5	122.9	23.4	4.3	24.4	230.6	171.2	139.4
a. Export-Import Bank Loans	4.5	36.7	21.7	4.3	24.4	246.5	131.5	115.0
b. All Other Loans	-	16.2	1.7	-	-	34.1	37.7	5.6

* LESS THAN \$50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1981	FY 1982	FY 1983	FY 1946-82
TOTAL.....	525.5	374.1	666.5	5007.2
IBRD	325.9	634.1	393.1	3316.9
IFC	27.6	0.0	62.8	174.0
IDA	3.0	0.0	0.0	125.1
IDB	0.0	0.0	0.0	0.0
ADB	170.0	222.4	210.6	1283.7
AFDB	0.0	0.0	0.0	0.0
UNDP	2.0	2.9	0.0	64.7
OTHER-UN	3.3	14.7	0.0	45.8
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

THAILAND	CY 1981	CY 1982	CY 1978-82
United States	19.0	24.0	78.0
Japan	226.2	189.3	913.4
Germany Fed. Rep.	50.4	31.1	204.9
Australia	9.0	13.2	54.9
Canada	6.4	8.2	28.8
Other	22.5	29.5	129.7
Total	333.5	295.3	1,409.7

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

	CY 1981	CY 1982	CY 1978-81
	9.0	N.A.	24.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1981	CY 1982	CY 1954-82
USSR	-	-	-
Eastern Europe	-	-	-
China	-	-	NA

THAILAND

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1983								
Loans	7,000	-	7,000	-	-	-	-	-
Grants	14,800	7,900	1,400	-	-	500	5,000	-
Total	21,800	7,900	8,400	-	-	500	5,000	-
1984								
Loans	21,900	10,000	900	8,000	3,000	-	-	-
Grants	12,400	3,500	2,700	-	-	1,200	5,000	-
Total	34,300*	13,500	3,600	8,000	3,000	1,200	5,000	-
1985								
Loans	20,600	-	-	-	10,600	10,000	-	-
Grants	11,400	1,000	2,400	-	-	3,000	5,000	-
Total	32,000	1,000	2,400	-	10,600	13,000	5,000	-

*The above total for FY 1984 excludes \$103,200, which has not yet been notified for reobligation.

FY 1985 PROGRAM HIGHLIGHTS	
-	A.I.D.'s Program will emphasize:
-	expansion of the public-private sector scientific and technological resource base, \$20.6 million;
-	redirection of the National Family Planning program to underserved areas, \$2.4 million;
-	improved national development policy formulation, planning and management; \$3.0 million;
-	greater participation of Thai private voluntary organizations in the development process, \$1.0 million; and
-	continued ESF support to Adversely Affected Thais in the border areas, \$5.0 million.

THAILAND

RESOURCE FLOWS (In thousands of dollars)			
Program	FY (Actual)	FY (Estimated)	FY (Proposed)
Aid*			
Loans	6,888	13,004	18,666
Grants	8,540	17,305	16,828
Total AID	15,428	30,309	35,494
P.L. 480**			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II	-	-	-
Total P.L. 480	-	-	-
Total AID and P.L. 480	15,428	30,309	35,494

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
AID Personnel ^a			
Direct Hire ^b	25	25	25
PASAC ^c	1	1	1
Contract	26	21	20
Total	52	47	46
Participants ^d			
Noncontract	156	80	100
Contract	-	-	-
Total	156	80	100

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1984 and 1985 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

P.L. 480
(In thousands of dollars)

Program	FY 1983 (Actual)		FY 1984 (Estimated)		FY 1985 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat	-	-	-	-	-	-
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total (of which Title III is)		-		-		-
Title II						
Voluntary Agencies		-		-		-
World Food Programs		-		-		-
Gov't-to-Gov't		-		-		-
Title II Total		-		-		-
Total P.L. 480		-		-		-

Thailand

Development Overview

Thailand's economy has experienced a consistently high rate of growth since the early 1960s. Gross Domestic Product in real terms registered an average growth rate of about 7% annually over the last decade, placing Thailand in the ranks of the emerging middle-income countries. Per capita GNP stands at about \$770. The Thai economy is expected to grow at a real rate of 5% to 7% per annum during the next five years despite sluggishness in the global economic system.

While these accomplishments are impressive, the pattern of Thailand's growth has been uneven in terms of its sectoral composition and distribution of benefits. Urban locales experienced the most rapid growth and the rural poor, especially in areas of rainfed agriculture, benefitted least from the nation's overall growth. A variety of structural imbalances has emerged within the past several years which threaten Thailand's sustained growth. Most important among these are the following:

- About one-quarter of the population, an estimated 12 million persons mainly in rural areas, subsist under conditions of absolute poverty. More attention must be given to those who have not yet fully participated in Thailand's development.
- Past agricultural growth has been based on the expansion of land under cultivation. Limits to arable land have been reached. Future agricultural growth must now come from improved productivity and development of new markets.
- Industrial growth has focused on import substitution and large-scale, capital-intensive projects. It is now well recognized that future industrial development must stem from a labor-intensive, export-oriented strategy.
- Thailand's balance of trade situation has deteriorated markedly in recent years with the current account deficit running at about 5% of GDP.
- Inefficient, centralized government in Bangkok impedes private sector initiative and local decision-making.

The Royal Thai Government's (RTG) Five-Year Economic and Social Development Plan (1982-1986) is addressing each of these basic structural problems. It explicitly moves away from aggregate growth as a sole objective and seeks a more balanced and stable future development pattern. The Plan emphasizes:

- Reduction of absolute poverty and accelerated rural development in backward areas through self-help programs to improve productivity, use of appropriate technology and encouragement of popular participation.

Thailand

- Improvement of productivity in agriculture and industry to increase the rate of return on investments and to raise small farm and small enterprise incomes.
- Maintenance of economic stability by reducing the relative balance of payments deficit by one-third, slowing the growth of Government expenditures, and increasing the revenue base to reduce the deficit.
- More equitable distribution of social services by contributing greater resources to primary education and preventive health programs in rural areas. Particular emphasis is also placed on lowering the current population growth rate of 1.9% per annum to 1.5% by 1986.
- Reform of public administration through increased decentralization, better coordination of budget and development policy, reduction of the growth of the civil service, and improved management information systems.

U.S. Interests and Objectives

The United States has a fundamental interest in the stability and independence of Thailand as a contributor to peace and regional cooperation in Southeast Asia. As the "front line state" in concert with its Association of Southeast Asian Nations (ASEAN) partners, Thailand is central to the preservation of regional security. In support of this goal, U.S. economic policy in Thailand is directed toward the use of trade and investment to help sustain broad-based economic development, with continued reliance on the private sector and openness to the world trading system. In this regard the United States and Thailand have a total trade relationship exceeding \$2 billion a year; U.S. direct private investment in Thailand is about \$1 billion. U.S. exports to Thailand in 1983 are expected to surpass \$1.3 billion.

The continued cooperation of the Thai Government is essential to several U.S. foreign policy objectives, including refugee programs, anti-piracy activities, and the control of illicit narcotics trafficking from Southeast Asia. The United States continues strong support for Thai humanitarian efforts to provide asylum and relief for refugees. The United States has resettled over 295,000 refugees, or about 68% of the total resettled population. The current refugee population in Thailand, however, still exacts enormous demand on economic resources. With the current refugee population resting at about 145,000, the Thai Government will continue to seek U.S. assistance both in resettlement within U.S. borders, and in encouraging other countries to increase their aid in this area.

Thailand

The A.I.D. program assists in strengthening Thailand's stability by activities which help provide the basis for economic growth in the northern and northeastern regions of the country where poverty is the most pervasive. A.I.D. activities in the hill areas of the North are helping to achieve the most beneficial use of limited land resources in opium-growing areas. The ESF program's objective has been to counter the negative effects on the Thai populations in border areas resulting from the heavy influx of Kampuchean and Laotian refugees.

A.I.D. Development Strategy

The focal point of A.I.D.'s current development assistance strategy is the poor farmers of northeast Thailand. The Northeast has been and remains the poorest area of the country. It has the worst natural resource endowment and the largest concentration of absolute poor (6 million). The majority of the region's inhabitants farm under highly variable rainfed conditions and traditionally have had limited access to Government development programs. A.I.D.'s efforts in the Northeast center upon improvement in the equity and efficiency of RTG development programs at the service delivery end. Combining A.I.D.'s comparative institutional advantage in agriculture with the fact that most of the Northeast poor are farmers of rainfed land, A.I.D.'s regional strategy seeks to raise farm incomes through improved agricultural productivity.

The second major program is lowering of the birth rate. Control of population growth is critical if Thailand's increasing economic well-being is not to be drained off. Success in this area has the clear potential for freeing-up the RTG to focus more of its attention and finances on improving the quality of life of a more limited but still needy population. Population growth rate declines have been dramatic over the past decade. A modest amount of targeted A.I.D. assistance should continue to help make satisfactory progress in this area.

Finally, A.I.D. is providing limited support to meet selected health, education and energy requirements.

More recent emphases in A.I.D.'s present strategy in Thailand include: (a) stimulating the private sector to play a more vigorous role in Thai economic development; (b) encouraging the streamlining and decentralization of RTG program planning and implementation; (c) enhancing policy formulation capabilities of the RTG; and (d) increasing the transfer of scientific and technological knowledge and skills.

This strategic approach will continue through FY 1985. Beyond that point, A.I.D. anticipates modification of its assistance program to respond more fully to the changing character of

Thailand

Thailand's needs as the country progresses from low to middle-income status.

A.I.D. Program (FYs 1983-84)

A. Agriculture, Rural Development and Nutrition

Institutional strengthening during FY 1983-84 is a key facet of the Northeast Rainfed Agricultural Development project (493-0308). At the local level, cropping trials were designed, implemented and assessed in full collaboration with farmers in nine sub-districts of the project's four provinces. At the regional level, institutional strengthening is being accomplished through technical assistance provided to the Agriculture Ministry's regional office and the eight Government departments transferring technologies under the project. Tripartite cooperation among the Governments of the United States, Thailand and Japan underlies the Khon Kaen University Research Development project (493-0332). Funds from all three parties support efforts to upgrade the research capabilities of the northeast region's most important academic institution. The University is already contributing its talents to other A.I.D.-supported agricultural projects in the region. The Decentralized Development Management project (493-0315) is active in 10 districts of northeastern Thailand. Project activities are focused on building the Thai Government's capacity to achieve its policy commitment to a decentralized development process, utilizing local level decision-making in the formulation and management of development programs. Project staff provide policy and operational recommendations to the RTG on a regular basis. Late in FY 1983 the findings and recommendations of project experience to date were presented to the National Committee for Rural Employment Generation, chaired by the Prime Minister. Changes in national program policy in the areas of resource allocation, project selection and follow-on maintenance requirements are directly attributable to this set of recommendations.

A Private Sector in Development project (493-0329) has been initiated to promote small and medium-scale investment outside Bangkok. Initial activities include technical assistance for the Board of Investment, establishment of a U.S.-Thai Joint Agricultural Consultative Committee, and selected studies on constraints to private sector expansion which will serve as the basis for Cabinet-level recommendations to the National Public/Private Sector Consultative Committee.

An evaluation of PVO Co-Financing I (493-0296) has confirmed the project's effectiveness in reaching the rural poor. All but one of the 15 A.I.D. grants to PVOs reviewed have left behind a sustained level of effectiveness ranging from establishment of new institutions to the continuation of income-generating

Thailand

programs. Among activities supported by the project are non-formal education for disadvantaged women, educational programs for hilltribe minorities, day care centers, and efforts to improve dietary habits and village food production. The Mae Chaem Watershed project (493-0294) was also evaluated during FY 1983. A need was identified to improve management and financial systems at the field level. Necessary adjustments have been made, and expanded activities were begun in FY 1984. The project helps 40,000 residents of the Mae Chaem watershed to improve agricultural productivity within upland areas in ways which minimize environmental destruction. Assistance in such programs as land terracing and alternative cropping systems is being provided.

The new FY 1984 Agricultural Technology Transfer project (493-0337) is a direct response to recommendations contained in the report of the U.S. Presidential Agricultural Mission to Thailand. Through technical assistance and training, this project will accelerate the Agricultural Ministry's capacity to manage the introduction of modern agricultural technologies essential to increase yields, production and farm income. Thai private enterprise, represented on the project's Executive Committee, has an explicit role to play both as a producer and consumer of agricultural innovation. Another new FY 1984 project, Rural Development Monitoring and Evaluation (493-0339), provides institutional and policy support for one of Thailand's two largest rural development efforts. The Thai Government has begun a Rural Poverty Alleviation Program centered on 12,000 of the nation's poorest villages, with a population of about 10 million people. The poverty program consists of 33 activities to provide basic social services and ways to increase farm production and incomes. A.I.D. funds will be used to upgrade program data collection and analysis as a means to guide policy-making and improve implementation. Greater efficiency and equity in the manner Thailand deploys its growing resources are paramount concerns of A.I.D.'s strategy.

B. Population Planning

A.I.D.'s Population Planning II project (493-0325) provides major technical and institutional support for intensification of the family planning service program in rural Thailand. The program's objective is to reduce the annual rate of population growth from about 1.9% at present to 1.5% by the end of 1986. A recent program innovation was use of a commercial marketing firm to develop new promotional and motivational approaches. A computerized management information system for use of program managers has also been introduced. Use of mobile units offering family planning education and direct services will be emphasized during FY 1984/85, especially in underserved areas.

Thailand

C. Health

An FY 1983 impact evaluation of the Malaria Control and Vector project (493-0305) confirmed significant progress in RTG measures to deal with a major health problem: (a) the population covered by malaria surveillance increased from 42 to 46 million persons through project assistance; (b) malaria incidence is being reduced (from 9.1 cases per 1,000 population in 1982 to a projected seven cases in 1983). A principal reason for the reduction of malaria incidence has been early detection and prompt treatment by clinic personnel and Village Voluntary Collaborators whose numbers have increased dramatically during 1980-83. A.I.D. funds supported the training of over 22,000 of those volunteers.

A new FY 1984 project has been designed to assist the Provincial Waterworks Authority (PWA) to increase the availability of safe water. The Provincial Waterworks project (493-0331) is intended to expand services and improve cost effectiveness. A.I.D. funds will address unmet needs for policy planning, management and administration, and the testing of different types of water system technologies. Successful implementation of this project is expected to reduce, and eventually eliminate, the need for Government subsidies for PWA.

D. Education and Human Resources Development

Full and equitable development of the economic potential of each of Thailand's regions is critically important to national growth. The Khon Kaen University Research Development project (493-0332) provides expanded support of research and outreach to the surrounding community. The university is a major yet under-utilized source of people and programs to foster regional growth and development. A.I.D. resources will be utilized to raise university technological and managerial skills directed toward development research and action programs in the regions.

E. Selected Development Activities

Evaluation of the Remote Sensing for Development project (493-0314) in FY 1983 produced a number of useful guidelines for projects assisting the transfer of rapidly changing high technologies: (a) allow flexibility for "mid-course corrections" during implementation; (b) examine all design assumptions rigorously; and (c) plan for close attention to institutional and management aspects. The largest component of the Emerging Problems of Development project (493-0309), a program to assist the RTG to integrate its national development planning, budgeting and accounting processes, was also the subject of an evaluation in FY 1983. The evaluation showed that a step-by-step process was developed to translate the generalities of the Five-Year Plan

Thailand

into projects compatible with developmental priorities and resource constraints. A.I.D. assistance was also instrumental in effecting major improvement in budgetary policies, practices and procedures, the most important being firm planning within expenditure ceilings and relaxation of unnecessary controls.

F. Other

The A.I.D. Housing Guarantee (HG) program in Thailand supports sites and services projects in Bangkok and regional cities, and slum upgrading in Bangkok. HG funds have helped finance the construction of 38,000 units through FY 1983. In FY 1984 a \$15 million second phase of the program will be authorized. This phase will concentrate on regional city housing development, continued efforts to rationalize the housing finance sector, and promotion of increased private sector participation in low-cost housing activities.

G. Economic Support Fund

Economic Support Funds are used to contribute to a special RTG program which combines RTG and other donor contributions for the purpose of stabilizing rural communities along Thailand's border with Kampuchea and Laos. The Thai residents of these communities, numbering some 200,000 people, are adversely affected by recurring civil strife and refugee inflows. Under this program the RTG is restoring homesites, building or repairing roads, providing community health systems, schools, adult skills training and other services to communities disrupted by border conditions. Initially centered on the border with Kampuchea, the program was expanded during FY 1983 to include disrupted villages along the Thai-Lao border.

Requested Year Program (FY 1985)

A. Agriculture, Rural Development and Nutrition

Evaluation of PVO Co-Financing I activities determined that the project was effective and should continue into a second phase. A.I.D. is requesting \$1 million to begin the PVO Co-Financing II project (493-0342). Consonant with A.I.D. strategy, emphasis and funding support over the project's life will increasingly support Thai non-governmental organizations. The project will build upon past experience in institution building, and continue a focus on meeting basic needs of the economically and socially disadvantaged.

B. Population Planning

A total of \$2.4 million is requested in further funding support of the Population Planning II project (493-0325). A.I.D.

Thailand

involvement in and support of Thailand's national family planning program is essential to achievement of the country's demographic objectives.

C. Education and Human Resources Development

Thailand's modernizing economy requires an increasingly advanced scientific and technological base for sustained growth. One critical element needed to bring this about is the provision of technical assistance and advance education and training to improve planning, integration and management of national resources devoted to the acquisition and spread of scientific and technological innovation. A sum of \$10.6 million is requested under a new Science and Technology project (493-0340) for this purpose.

D. Selected Development Activities

The new Science and Technology project (493-0340), for which education and human resources development funds are also requested, is intended to upgrade existing scientific and technological institutions, develop new ones as necessary, and strengthen overall public-private sector capabilities to acquire and use new technologies. Ten million dollars is requested for this aspect of the project.

Three million dollars is requested for another second-phase project, Emerging Problems of Development II (493-0341). This activity will continue to provide a flexible means to meet the changing needs of Thailand as the country begins to move up the middle-income scale. The new project is designed to mobilize the best expertise the United States can offer to assist Thailand to formulate national economic development policies, plan effective programs, and better manage resources.

E. Economic Support Fund

A further contribution of \$5 million is planned to support RTG efforts to stabilize economic and social conditions of Thai villagers located in disrupted areas along the borders with Kampuchea and Laos.

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

PROGRAM: THAILAND

CP 85

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT AUTHD	PROJECT COST PLANNED	-THROUGH FY83- OBLIG ACTIONS	FY83- EXPENDI TURES	-ESTIMATED OBLIG ACTIONS	FY84- EXPENDI TURES	-PROPOSED OBLIG ACTIONS	FY85- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
LAM NAM OON ON-FARM DEVELOPMENT	G 493-0272	77	77	100	100	100	58	---	20	---	22
LAM NAM OON ON-FARM DEVELOPMENT	L 493-0272	77	77	4,500	3,500	3,500	2,559	---	573	---	368
LAND SETTLEMENTS	G 493-0289	79	80	200	200	200	119	---	81	---	---
LAND SETTLEMENTS	L 493-0289	79	80	4,000	4,000	4,000	682	---	2,934	---	384
MAE CHAEM WATERSHED DEVELOPMENT	G 493-0294	80	86	10,000	10,000	4,400	1,367	2,500	1,830	---	1,172
PVO CO-FINANCING	G 493-0296	80	84	3,600	3,600	2,530	1,233	1,000	1,186	---	811
RENEWABLE NON-CONVENTIONAL ENERGY	G 493-0304	79	80	5,000	5,000	5,000	2,365	---	2,385	---	---
NE RAINFED AGRICULTURE DEVELOPEMENT	G 493-0308	81	83	3,700	3,700	3,700	395	---	755	---	800
NE RAINFED AGRICULTURE DEVELOPEMENT	L 493-0308	81	83	6,300	6,300	6,300	314	---	1,512	---	1,011
NORTHEAST SMALL SCALE IRRIGATION	G 493-0312	80	81	2,800	2,800	2,800	985	---	430	---	193
NORTHEAST SMALL SCALE IRRIGATION	L 493-0312	80	80	5,800	5,800	5,800	333	---	1,422	---	1,747
DECENTRALIZED DEVELOPMENT MANAGEMENT	G 493-0315	81	83	3,100	3,100	3,100	763	---	877	---	960
DECENTRALIZED DEVELOPMENT MANAGEMENT	L 493-0315	81	83	7,500	7,500	7,500	2,498	---	1,700	---	1,900
AGRICULTURAL PLANNING	G 493-0317	80	82	3,200	3,200	3,200	712	---	1,095	---	848
MICRO/MINI HYDROELECTRIC	G 493-0324	82	82	100	100	100	---	---	---	---	30
MICRO/MINI HYDROELECTRIC	L 493-0324	82	82	8,000	8,000	8,000	---	---	356	---	2,000
SEED DEVELOPMENT II	G 493-0326	82	82	100	100	100	3	---	35	---	30
SEED DEVELOPMENT II	L 493-0326	82	82	6,100	6,100	6,100	633	---	700	---	3,183

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

CP 85

PROGRAM: THAILAND

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO PLANNED	-THROUGH FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY85- EXPENDI TURES	
PRIVATE SECTOR IN DEVELOPMENT PROJECT	G 493-0329	83	83	3,000	3,000	---	---	---	---	686	
KHON KHAEN UNIVERSITY	G 493-0332	83	83	---	2,000	---	---	278	---	381	
AGRICULTURAL TECHNOLOGY TRANSFER	L 493-0337	84	84	---	5,000	---	5,000	150	---	500	
RURAL DEVELOPMENT MONITORING/EVALUATION	L 493-0339	84	84	---	5,000	---	5,000	215	---	2,110	
PVO CO-FINANCING II	* G 493-0342	85	92	---	8,000	---	---	---	1,000	200	
TOTAL FOR ACCOUNT				77,100	96,100	71,430	15,024	13,500	18,534	1,000	19,336
GRANTS				34,900	44,900	30,230	8,000	3,500	8,972	1,000	6,133
LOANS				42,200	51,200	41,200	7,024	10,000	9,562	---	13,203
POPULATION PLANNING											
POPULATION PLANNING II	G 493-0325	82	85	8,500	8,500	3,400	1,200	2,700	1,044	2,400	1,500
POPULATION PLANNING II	L 493-0325	82	85	9,900	9,900	9,000	921	900	1,574	---	1,063
TOTAL FOR ACCOUNT				18,400	18,400	12,400	2,121	3,600	2,618	2,400	2,563
GRANTS				8,500	8,500	3,400	1,200	2,700	1,044	2,400	1,500
LOANS				9,900	9,900	9,000	921	900	1,574	---	1,063
HEALTH											
RURAL PRIMARY HEALTH CARE EXPANSION	L 493-0291	78	84	5,500	6,500	4,983	4,321	2,000	662	---	---
PVO CO-FINANCING	G 493-0296	82	82	437	437	437	263	---	116	---	58
MALARIA AND VECTOR CONTROL	G 493-0305	79	79	500	500	500	435	---	65	---	---
MALARIA AND VECTOR CONTROL	L 493-0305	79	79	4,000	4,000	4,000	3,594	---	406	---	---
PWDA INSTITUTIONAL DEVELOPMENT	L 493-0331	84	84	---	6,000	---	---	6,000	800	---	1,900
TOTAL FOR ACCOUNT				10,437	17,437	9,920	8,613	8,000	2,049	---	1,958
GRANTS				937	937	937	698	---	181	---	58
LOANS				9,500	16,500	8,983	7,915	8,000	1,868	---	1,900

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized data. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

CP 85

PROGRAM: THAILAND

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-ESTIMATED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	FY85- EXPENDI TURES	
EDUCATION AND HUMAN RESOURCES											
PVO CO-FINANCING	G 493-0296	80	81	795	795	675	612	---	41	---	22
HILL AREA EDUCATION	G 493-0297	80	81	1,600	1,600	1,600	797	---	424	---	379
KHON KHAEN UNIVERSITY	L 493-0332	84	84	---	3,000	---	---	3,000	---	---	2,500
SCIENCE AND TECHNOLOGY DEVELOPMENT	L 493-0340	85	85	---	10,600	---	---	---	10,600	---	---
TOTAL FOR ACCOUNT				2,395	15,995	2,275	1,409	3,000	465	10,600	2,901
GRANTS				2,395	2,395	2,275	1,409	---	465	---	401
LOANS				---	13,600	---	---	3,000	---	10,600	2,500
SELECTED DEVELOPMENT ACTIVITIES											
EMERGING PROBLEMS OF DEVELOPMENT	G 493-0309	80	84	4,000	5,200	4,000	1,863	1,200	1,400	---	1,937
PRIVATE SECTOR IN DEVELOPMENT PROJECT	G 493-0329	83	83	500	500	500	---	---	223	---	277
SCIENCE AND TECHNOLOGY DEVELOPMENT	L 493-0340	85	85	---	10,000	---	---	---	10,000	---	---
EMERGING PROBLEMS OF DEVELOPMENT II	G 493-0341	85	90	---	26,000	---	---	---	3,000	---	1,500
TOTAL FOR ACCOUNT				4,500	41,700	4,500	1,863	1,200	1,623	13,000	3,714
GRANTS				4,500	31,700	4,500	1,863	1,200	1,623	3,000	3,714
LOANS				---	10,000	---	---	---	---	10,000	---
ECONOMIC SUPPORT FUND											
LAN NAM ODY ON-FARM DEVELOPMENT	G 493-0272	77	77	100	100	---	---	---	20	---	22
AFFECTED THAI PROGRAM	G 493-0327	80	85	14,000	24,000	14,000	4,000	5,000	5,000	5,000	5,000
TOTAL FOR ACCOUNT				14,100	24,100	14,000	4,000	5,000	5,020	5,000	5,022
GRANTS				14,100	24,100	14,000	4,000	5,000	5,020	5,000	5,022
LOANS				---	---	---	---	---	---	---	---

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized data.

For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PROGRAM: THAILAND

CP 95

PROJECT TITLE	* L PROJECT / NUMBER / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY83-		-ESTIMATED FY84-		-PROPOSED FY85-	
					OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
TOTAL FOR COUNTRY			126,932	213,732	114,525	33,030	34,300	30,309	32,000	35,494
GRANTS			65,332	112,532	55,342	17,170	12,400	17,305	11,400	16,828
LOANS			61,600	101,200	59,183	15,860	21,900	13,004	20,600	18,666

The above total for FY 1984 excludes \$103,000, which has not yet been notified for reobligation.

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

PROGRAM: THAILAND

PLANNED PROGRAM SUMMARY SHEET

Title PVO Co-Financing II		Funding Source	AG, RD & N 1,000	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Number 493-0342		<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	FY 1985 1,000	Life of Project Funding 8,000
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING						Initial Obligation FY 1985	Estimated Final Obligation FY 92
							Estimated Completion Date of Project FY 93

Purpose: To expand local level development efforts by promoting private, voluntary organization (PVO) development activities.

Project Description: Thailand has extremely limited resources to apply to national development in relation to the needs of the population, particularly when there are rapidly rising expectations for better living conditions. If economic and social development is to receive added stimulus beyond limited injections of Government development assistance, there must be increased initiative by private groups to better their own welfare within their own communities. To encourage and support the spread of local initiative, a previous A.I.D. project worked with both U.S. and Thai PVOs to promote community participation in development. A project evaluation noted that the work of the PVOs was effective in benefitting the rural poor and activities would continue after USAID assistance was terminated. This follow-on project will continue to support collaborative efforts between U.S. and Thai PVOs, with the ultimate goal of increasing Thai PVO capacities for maximizing their development investments through improved design and implementation of local development projects.

A.I.D. will provide funds to U.S. and Thai PVOs to finance sub-project personnel costs, local and overseas training costs, commodities, supplies, technical and managerial assistance, direct and indirect administrative costs, and evaluations. PVOs will continue to be required to arrange for contributions from private resources amounting to a minimum of 20% of the cost of each sub-project, or a total of about \$2 million of non-A.I.D. support. The project will build on the experience of its predecessor and follow evaluation recommendations to improve sub-project impact through greater attention to project design. A variety of needs

ranging from women's economic status to village level nutrition needs can be met through assistance provided by this project.

Relationship of Project to A.I.D. Country Strategy: Fostering the growth of alternative institutions for development purposes is an important element of A.I.D.'s strategy. By encouraging a diversity of development-oriented institutions, additional resources are brought into play which complement Government programs. Expanding Thailand's capacity to manage its resources and programs is also a central element of A.I.D.'s strategy. To this end, resources will increasingly be shifted to Thai PVOs over the project's life.

Host Country and Other Donors: Other donors, such as Australia, Canada, and the Federal Republic of Germany have programs to support non-governmental organizations in Thailand. Though many projects are undertaken, the amount of resources available is minimal. For support of PVO Co-Financing II, various Royal Thai Government agencies are expected to contribute approximately \$1 million.

Beneficiaries: Evaluation results showed the poor and poorest of the poor were primary beneficiaries of previous sub-project activities. Direct beneficiaries are estimated to be in the range of 100,000 to 200,000 rural persons with indirect beneficiaries, some two to three times as great.

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Science and Technology Development					FY 1985 20,600	Life of Project Funding 22,600	
Number 493-0340	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input type="checkbox"/> GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING			10,600	10,000	FY 1985	FY 85	FY 92

Purpose: To facilitate the transfer of U.S. technology appropriate to the social and economic needs of an emerging, middle-income country.

Project Description: One of the constraints to sustained economic growth in Thailand is lack of systematic means to utilize modern technologies relevant to national needs. Thailand is in a position, with its pool of trained technical and managerial resources, to take greater advantage of the knowledge available to the industrialized world and apply it to the country's national development. The project will enhance the administrative, technical, and institutional capabilities of Thailand's science and technology organizations, including leading universities and technical institutes, to introduce, adapt and diffuse relevant scientific and technical innovations. The project places emphasis on accelerated science and technology applications for key problems of national development where proven American expertise has demonstrated a comparative advantage.

A representative list of activities to be supported includes such fields as remote sensing for natural resource planning, environmental protection, biogenetics in agricultural research, computer applications to improve efficiency of public services, adaptation of international standards and quality control for agricultural commodities and manufactured goods, and applications in the health sciences to improve public health service efficiency. The project, based upon preliminary work carried out under the auspices of the U.S. Office of the Science Advisor to the President, and working through a proposed non-governmental scientific and technological foundation or institute to be developed as a result thereof, would support the procurement of advanced technology hardware, scientific instruments and software. Adaptation and diffusion of scientific and technological advances will constitute a major element in this project.

Technical assistance, advanced education, and training will be supported under this project to facilitate better planning, integration and management of scientific and technological developments as they occur. The project will also support development of interchange between leading research and development institutions in the U.S. private sector along with consultative assistance from U.S. universities and scientific bodies such as the U.S. National Academy of Sciences. The project will also benefit from and contribute to the work of A.I.D.'s centrally-funded research efforts.

Relationship of Project to A.I.D. Country Strategy: The project supports several key components of A.I.D.'s strategy in Thailand. Thailand's future economic growth will depend increasingly on more modern scientific and technological applications to expand its agriculture and growing industrial base. This project will broaden opportunities for new private and public sector cooperation efforts recently initiated in Thailand and strengthen institutions involved in various scientific and technological fields. The project fits with AID's strategy of providing assistance consistent with Thailand's changing economy and managerial capacities.

Host Country and Other Donors: Several other donors provide specific scientific and technological assistance to the RTG on a bilateral basis, but not in the comprehensive manner envisioned by this project. A.I.D. seeks to rationalize the scientific and technological community including private as well as public sector institutions. The RTG will contribute approximately \$7 million.

Beneficiaries: Beneficiaries directly affected include those employed in agriculture and related industries, businesses too small to have their own research and development capabilities, Thai scientists and researchers, and RTG service agencies.

PROGRAM: THAILAND

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Emerging Problems of Development II					FY 1985 3,000	Life of Project Funding 26,000	
Number 493-0341	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING				3,000	FY 1985	FY 90	FY 93

Purpose: To facilitate the planning and implementation of policies and programs designed to address emerging development problems.

Project Description: Thailand is experiencing very rapid social and economic change as a result of its continuing development. Today's problems, completely unanticipated a decade ago, are now matters of urgent Government concern: rapid urban growth; environmental degradation; depletion of natural resources; scarcity of arable land; over-exploitation of coastal waters and unemployment. These economic distortions and social transformations, many of which are associated with modernization, threaten to overwhelm the Royal Thai Government's (RTG's) present capacity to gather and assess relevant data, prepare policy options for decision-makers based on sound information and analysis, and to develop and manage programs for action. Virtually all of the problems which Thailand is now facing have already been experienced by industrialized countries. This experience can be transferred directly to concerned RTG agencies to help formulate required policies and solutions.

The Emerging Problems of Development II project will support RTG initiatives to systematize problem identification, formulate policies, set national priorities, and improve overall management of the development process. This project is a follow-up to the successful Emerging Problems of Development I project and its favorable evaluation in FY 1983. U.S. technical assistance and training resources will be used to respond to annual requests received from the RTG. Each such request will be evaluated against a set of mutually agreed criteria and reflect common priorities. Through this mechanism A.I.D. can, with a relatively small investment, provide assistance of immediate relevance and long-term importance. Examples of activities supported under the predecessor

project are regional environmental planning, civil service reform, national planning and budgeting systems, and feasibility studies for international commodity marketing.

Relationship of Project to A.I.D. Country Strategy: A.I.D.'s strategy for Thailand emphasizes greater efficiency and equity in resource management. This project is designed to be responsive to the RTG's efforts to manage a rapidly changing economy by providing assistance which can be readily absorbed by a relatively small, but well-trained, managerial force which will be molding Thailand's modernization policies into the 1990s.

Host Country and Other Donors: The RTG makes requests to other donors for expertise in specialized technical fields, particularly where a certain country may have a distinct comparative advantage. Donors are usually responsive to these requests; however, the requests and responses are often on an ad hoc basis. There are no other-donor programs which offer comprehensive support for developing a systematic, cross-sectoral capacity to meet identified needs as they arise. The planned RTG contribution for this project is \$8 million.

Beneficiaries: Specific beneficiaries cannot be forecasted with any accuracy. Primary beneficiaries are RTG agencies which are able to save time and funds through application of tested solutions to common problems. Ultimately, more efficient RTG services will benefit the national population as a whole.

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

PROGRAM: ASIA REGIONAL

CP 85

PROJECT TITLE	• L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY33- OBLIG ATIONS	EXPENCI TURES	-ESTIMATED FY84- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
PROGRAM DEVELOPMENT AND SUPPORT	G 498-0249	75	C	---	---	19,072	17,503	3,140	2,100	3,300	2,000
PRIVATE AND VOLUNTARY ORGANIZATIONS	G 498-0251	76	C	---	---	9,585	9,104	300	400	300	400
ASEAN PLANT QUARANTINE	G 498-0258.02	80	83	5,400	5,400	4,742	1,328	---	1,000	---	1,000
ASEAN WATERSHED PROJECT	G 498-0258.03	83	85	3,000	3,000	1,205	---	700	800	1,095	---
ASEAN AIT SCHOLARSHIP AND RESEARCH	G 498-0258.04	79	84	1,100	1,600	1,100	500	500	---	---	---
ASEAN AGRICULTURE DEV PLANNING CENTER	G 498-0258.11	80	84	3,000	3,000	2,600	1,268	400	500	---	500
EXTENSION OF SMALL SCALE AG EQUIPMENT	G 498-0265	76	85	4,350	4,350	3,818	1,651	---	1,500	590	500
WATER MANAGEMENT SUPPORT	G 498-0274	84	86	---	3,000	---	---	1,000	900	1,000	900
NOVFARM ENTERPRISE PROGRAM DEVELOPMENT	G 498-0275	83	86	3,600	3,600	300	---	700	500	600	700
FORESTRY AND BIO-RESOURCE SYSTEM MGT.	G 498-0276	84	88	---	2,500	---	---	300	---	500	200
SMALL PROJECT ASSISTANCE - PEACE CORPS	G 498-0279	33	C	---	---	---	---	160	180	160	180
TOTAL FOR ACCOUNT GRANTS				20,450	26,450	42,522	31,354	7,200	7,830	7,545	6,330
LOANS				---	---	---	---	---	---	---	---
POPULATION PLANNING											
PROGRAM DEVELOPMENT AND SUPPORT	G 498-0249	75	C	---	---	569	490	150	100	200	150
TOTAL FOR ACCOUNT GRANTS				---	---	569	490	150	100	200	150
LOANS				---	---	---	---	---	---	---	---

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized data.

For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PAGE 33
01/23/84

PROGRAM: ASIA REGIONAL

CP 85

PROJECT TITLE	• L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY33- OBLIG ACTIONS	FY33- EXPENDI TURES	-ESTIMATED FY84- OBLIG ACTIONS	EXPENDI TURES	-PROPOSED FY85- OBLIG ACTIONS	EXPENDI TURES
HEALTH											
PROGRAM DEVELOPMENT AND SUPPORT	G 498-0249	75	C	---	---	4,898	3,883	1,600	900	1,300	1,000
ASEAN HEALTH SCHOLARSHIPS	G 498-0258.07	78	83	3,000	3,000	2,000	371	---	500	---	1,000
TOTAL FOR ACCOUNT GRANTS LOANS				3,000	3,000	6,898	4,259	1,600	1,400	1,300	2,000
				3,000	3,000	6,898	4,259	1,600	1,400	1,300	2,000
				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
PROGRAM DEVELOPMENT AND SUPPORT	G 498-0249	75	C	---	---	2,181	1,983	300	200	300	200
PRIVATE AND VOLUNTARY ORGANIZATIONS	G 498-0251	76	C	---	---	6,303	5,840	---	---	---	---
ASEAN AIT SCHOLARSHIP AND RESEARCH	G 498-0258.04	79	84	3,125	5,125	1,725	530	500	1,000	---	---
ASEAN HEALTH SCHOLARSHIPS	G 498-0258.07	78	83	500	500	545	300	---	245	---	---
ASIAN AMERICAN FREE LABOR INSTITUTE	G 498-0263	30	87	8,000	30,600	16,200	12,238	4,100	4,100	4,100	4,100
TOTAL FOR ACCOUNT GRANTS LOANS				11,625	36,225	26,954	20,891	4,900	5,545	4,400	4,300
				11,625	36,225	26,954	20,891	4,900	5,545	4,400	4,300
				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
PROGRAM DEVELOPMENT AND SUPPORT	G 498-0249	75	C	---	---	5,002	4,339	750	300	700	500
PRIVATE AND VOLUNTARY ORGANIZATIONS	G 498-0251	76	C	---	---	4,486	4,275	300	200	300	200
REGIONAL REMOTE SENSING CENTER	G 498-0253	79	85	5,600	5,600	4,110	2,295	400	1,000	550	1,000
ACCELERATED IMPACT PROGRAM	G 498-0256			---	---	200	140	---	---	---	---
ASEAN PLANT QUARANTINE	G 498-0253.02	80	83	600	600	600	67	---	400	---	---

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

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

PAGE 34
01/23/84

PROGRAM: ASIA REGIONAL

CP 85

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY83- OBLIG ACTIONS	FY83- EXPENDI TURES	-ESTIMATED OBLIG ACTIONS	FY84- EXPENDI TURES	-PROPOSED OBLIG ACTIONS	FY85- EXPENDI TURES
ASEAN AIT SCHOLARSHIP AND RESEARCH	G 498-0258.04	78	84	300	300	147	---	100	---	---
ASEAN ENERGY ACTIVITIES	G 498-0253.12			---	---	440	---	---	---	---
ASEAN-ENERGY COOPERATION IN DEVELOPMENT	G 498-0272	82	82	1,000	1,000	532	---	400	---	---
ASEAN SMALL-MEDIUM BUSINESS IMPROVEMENT	G 498-0277	84	86	---	2,750	---	1,700	200	1,000	1,000
HUMAN RIGHTS	G 498-0280	84	C	---	---	---	400	300	800	600
ASEAN REGIONAL PROGRAM SUPPORT	G 498-0281	84	C	---	---	---	700	600	2,705	2,000
TOTAL FOR ACCOUNT GRANTS				7,500	10,250	16,138	12,235	4,250	3,500	6,055
LOANS				7,500	10,250	16,138	12,235	4,250	3,500	6,055
TOTAL FOR COUNTRY GRANTS				42,575	75,925	93,081	69,229	18,100	18,425	19,500
LOANS				42,575	75,925	93,081	69,229	18,100	18,425	19,500

Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1983 are based on the authorized date. For all projects with an initial obligation date after December 31, 1983 the FY of final obligation is based on a planned date.

ASIA

ADDITIONAL PROGRAM REQUIREMENTS*

TITLE	ESTIMATED LENGTH OF PROJECT	ESTIMATED 1ST YEAR COST	PURPOSE
<u>Bangladesh</u> Social Forestry and Fuelwood (388-0064)	4 years	\$1 million (G)	To improve the availability of biomass fuels produced in homesteads and villages through an integrated farming systems approach involving planting trees and other woody crops thus increasing both soil stabilization and production for both homestead use and cash crops, ensuring the best economic return to the small farmer.
<u>Indonesia</u> Rural Roads Operations and Maintenance	5 years	\$5 million (L)	To improve maintenance of provincial road systems by developing the capacity of the District Public Works offices to plan, implement and manage road maintenance.
<u>Nepal</u> Development Training (367-0152)	5 years	\$.5 million (G)	To respond to Nepalese professional, technical basic training needs in sectors related to the A.I.D. strategy and program. This project will continue third country training formerly funded by foreign currency appropriations which cease in FY 1985.
<u>Sri Lanka</u> Agricultural Planning (383-0083)	8 years	\$2 million (G) \$1 million (L)	To improve the Government of Sri Lanka's resource allocation and management capabilities in the agricultural and rural development sectors, both at the national organizations such as the National Planning as well as local level organizations. The objective is to improve their capacity to develop resource allocation strategies, appraise specific projects and programs, monitor implementation and evaluate results.

*Projects identified for implementation if additional funds become available. ("Shelf Projects")