

AGENCY FOR INTERNATIONAL DEVELOPMENT



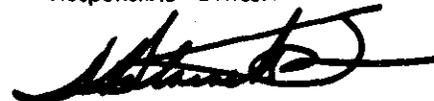
**Congressional Presentation
Fiscal Year 1985**

ANNEX IV

Near East

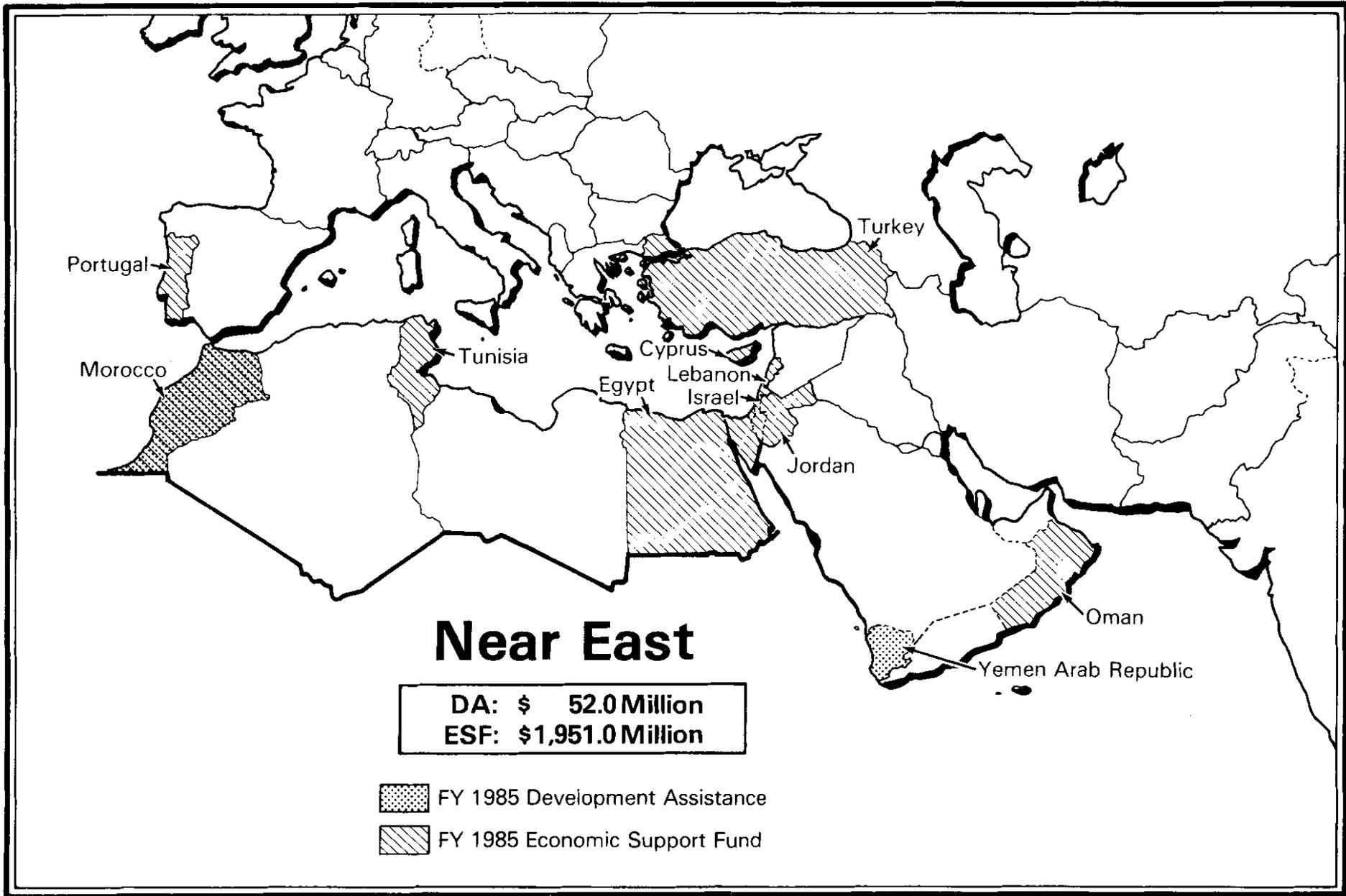
NEAR EAST

Responsible Officer:

A handwritten signature in black ink, appearing to read 'W. Antoinette Ford', written over a horizontal line.

W. ANTOINETTE FORD

*Assistant Administrator
Bureau for Near East*



ANNEX IV

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

The annex begins with a summary table which provides a breakout by country and appropriation account of Near East funding from FY 1982 to FY 1985 for both ESF and DA. There is also a regional summary table showing economic and social data for countries that receive A.I.D. assistance. Immediately following these tables is an overview of ESF and DA programs following, in alphabetical order, by country narratives which describe the total A.I.D. program, including the projects for which funds are being requested in the eleven countries and two regional programs for FY 1985. The narratives are followed by planned project summary sheets which present in detail requests for proposed new projects in FY 1985. Note that the regional projects presented in this Annex are different from centrally funded activities, which are described in Annex V.

Annex IV concludes with tables summarizing terminating programs.

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*Receives both Development Assistance Funds and Economic Support Funds.

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

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REGION: BURFAD FOR NEAR EAST

C O U N T R Y	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
CYPRUS								
1982	15,000	---	---	---	---	---	15,000	---
1983	15,000	---	---	---	---	---	15,000	---
1984	15,000	---	---	---	---	---	15,000	---
1985	3,000	---	---	---	---	---	3,000	---
EGYPT								
1982	771,000	---	---	---	---	---	771,000	---
1983	750,000	---	---	---	---	---	750,000	---
1984	750,000	---	---	---	---	---	750,000	---
1985	750,000	---	---	---	---	---	750,000	---
ISRAEL								
1982	800,000	---	---	---	---	---	800,000	---
1983	785,000	---	---	---	---	---	785,000	---
1984	910,000	---	---	---	---	---	910,000	---
1985	850,000	---	---	---	---	---	850,000	---
ITALY								
1982	52,196	---	---	---	---	---	---	52,196
1983	13,156	---	---	---	---	---	---	13,156
1984	---	---	---	---	---	---	---	---
1985	---	---	---	---	---	---	---	---
JORDAN								
1982	15,000	---	---	---	---	---	15,000	---
1983	20,000	---	---	---	---	---	20,000	---
1984	20,000	---	---	---	---	---	20,000	---
1985	20,000	---	---	---	---	---	20,000	---
LEBANON								
1982	5,000	---	---	---	---	---	3,000	3,000
1983	55,167	---	---	---	---	---	55,167	45,500
1984	141,343	---	---	---	---	---	142,420	903
1985	20,489	---	---	---	---	---	22,000	169
MOROCCO								
1982	11,371	7,528	1,700	530	1,763	100	---	---
1983	11,227	6,857	1,150	1,000	2,220	---	---	---
1984	26,000	9,900	4,970	---	3,000	1,130	7,000	---
1985	34,000	10,000	3,700	---	1,800	3,500	13,000	---
OMAN								
1982	15,000	---	---	---	---	---	15,000	---
1983	15,000	---	---	---	---	---	15,000	---
1984	15,000	---	---	---	---	---	15,000	---
1985	20,000	---	---	---	---	---	20,000	---

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

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REGION: BUREAU FOR NEAR EAST

C O U N T R Y	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUNDS	OTHER PROGRAMS
EGYPT								
1982	5,000	---	---	---	---	---	5,000	---
1983	---	---	---	---	---	---	---	---
1984	---	---	---	---	---	---	---	---
1985	---	---	---	---	---	---	---	---
PORTUGAL								
1982	20,000	---	---	---	---	---	20,000	---
1983	20,000	---	---	---	---	---	20,000	---
1984	40,000	---	---	---	---	---	40,000	---
1985	60,000	---	---	---	---	---	60,000	---
TUNISIA								
1982	5,000	---	---	---	---	---	5,000	---
1983	5,000	---	---	---	10	---	5,000	15
1984	1,500	---	---	---	---	---	1,500	---
1985	3,000	---	---	---	---	---	3,000	---
TURKEY								
1982	300,000	---	---	---	---	---	300,000	---
1983	285,000	---	---	---	---	---	285,000	---
1984	138,500	---	---	---	---	---	138,500	---
1985	175,000	---	---	---	---	---	175,000	---
YEMEN								
1982	23,270	11,779	---	4,800	6,720	---	---	---
1983	28,092	15,135	---	5,079	7,868	---	---	---
1984	27,500	12,301	520	3,540	6,150	---	---	---
1985	30,227	17,220	1,022	6,000	19,200	---	---	---
NEAR EAST REGIONAL - EA								
1982	4,420	772	45	155	3,135	321	---	---
1983	4,474	352	552	78	3,200	224	---	---
1984	3,755	320	1,555	400	480	720	---	---
1985	3,222	320	1,200	300	560	622	---	---
NEAR EAST REGIONAL - ESE								
1982	11,480	---	---	---	---	---	11,000	---
1983	12,480	---	---	---	---	---	12,480	---
1984	14,200	---	---	---	---	---	14,000	---
1985	15,000	---	---	---	---	---	15,000	---
TOTAL 2/								
1982	2,053,655	20,076	1,746	5,515	11,621	421	1,959,060	55,196
1983	2,015,554	22,344	1,700	5,157	17,288	224	1,917,040	68,791
1984	2,122,599 3/	22,721	7,125	6,940	11,632	1,850	2,051,440	903
1985	2,023,480	23,300	5,900	5,300	12,360	4,127	1,951,000	489

- 1/ Reflects actual obligations from \$150 million supplemental appropriation in FY 83 of no-year funds.
- 2/ (a) Excludes \$12.0 million ESF for Spain, requested and administered by the State Department (FYs 83-85).
(b) Excludes \$10.0 million ESF for Italy from Syria reobs.
- 3/ Excludes \$1.65 million of reobligated funds which have not yet been notified by project.

ECONOMIC AND SOCIAL DATA
REGIONAL SUMMARY

REGION: NEAR EAST

COUNTRY	ECONOMY		EDUCATION		POPULATION				HEALTH		
	GNP PER CAPITA (DOLLARS)	LITERACY RATE (PERCENT)	TOTAL (THOUSANDS)	ANNUAL GROWTH RATE (PERCENT)	DENSITY (PERSONS / SQUARE MILE)		% IN URBAN AREAS	LABOR FORCE IN AGRICULTURE (PERCENT)	PEOPLE PER DOCTOR	LIFE EXPECTANCY (YEARS)	INFANT DEATHS PER 1,000 BIRTHS
					POP/AGR LAND	POP/TOTAL LAND					
CYPRUS	3,740		653	1.3	305	173	48	35	1,282	72.8	17
EGYPT	650	38	45,851	2.7	3,535	101	46	36	1,046	57.2	69
ISRAEL	5,160	88	3,960	1.7	796	472	90	7	314	72.8	14
JORDAN	1,620	68	3,420	3.1	551	83	58	20	1,956	62.1	69
LEBANON	.	68	2,598	0.1	1,926	663	78	11	1,299	66.8	37
MOROCCO	860	21	22,889	2.9	87	113	42	52	11,037	57.3	126
OMAN	5,920	.	978	3.1	215	7	20	62	1,908	49.1	120
PORTUGAL	2,520	71	10,008	0.4	620	275	32	24	698	71.4	26
TURKEY	1,540	60	49,155	2.1	301	145	49	54	1,762	62.9	96
YEMEN ARAB REP (SANA	460	20	5,744	2.6	181	91	11	74	11,673	43.9	152
SUMMARY	1,313	47	145,256	2.3	296	51	46	44	1,123	60.3	86

NEAR EAST

ECONOMIC SUPPORT FUND AND DEVELOPMENT ASSISTANCE PROGRAMS

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OVERVIEW OF NEAR EAST ECONOMIC SUPPORT
FUND AND DEVELOPMENT ASSISTANCE PROGRAMS

NEAR EAST REGIONAL OVERVIEW

PROGRAM SUMMARY (In millions of dollars)			
	FY 1983 Actual	FY1984 Estimated	FY1985 Request
<u>MIDDLE EAST</u>			
Egypt ESF	750.0	750.0	750.0
Israel ESF	785.0	910.0	850.0
Jordan ESF	20.0	20.0	20.0
Lebanon ESF	150.0 ^{1/}	-	20.0
Morocco DA	11.2	19.0	19.0
ESF	-	7.0	15.0
Oman ESF	15.0	15.0	20.0
Tunisia ESF	5.0	1.5	3.0
Yemen DA	28.1	27.5	30.0
Sub-Total Middle East	1764.3	1750.0	1727.0
ESF	1725.0	1703.5	1678.0
DA	39.3	46.5	49.0
<u>EUROPE</u> ^{2/}			
Cyprus ESF	15.0	15.0	3.0
Portugal ESF	20.0	40.0	80.0
Turkey ESF	285.0	138.5	175.0
Sub-Total Europe	320.0	193.5	258.0
ESF	320.0	193.5	258.0
<u>REGIONAL</u>			
DA Regional Activities	4.4	3.8	3.0
ESF Regional Activities	12.5	14.0	15.0
(Reg. Cooperation)	(5.0)	(4.5)	(5.0)
(West Bank/Gaza)	(6.5)	(8.5)	(9.0)
(Proj. Dev./Support)	(.5)	(.5)	(.5)
(Reg. Environment)	(.3)	-	-
(Reg. Population)	(.2)	(.5)	(.5)
Sub-Total Regional	16.9	17.8	18.0
DA	4.4	3.8	3.0
ESF	12.5	14.0	15.0
Near East Total ^{3/}	2101.2	1961.3	2003.0
ESF	2057.5	1911.0	1951.0
DA	43.7	50.3	52.0

^{1/} Supplemental appropriation covering FYs 1983 and 1984

^{2/} Excludes \$12.0 million ESF for Spain, requested and Administered by the State Department and USIA (FYs 1983 - 1985).

^{3/} Does not include other programs (i.e., disaster relief)

For FY 1985, A.I.D. is requesting \$1,951.0 million in Economic Support Funds (ESF) and \$52.0 million in Development Assistance (DA) for bilateral and regional aid activities in the Middle East and Europe. As in past years, the overriding objective of our assistance is to help bring peace to the Middle East and to help resolve some of the economic problems faced by countries in the region. The Middle East portion of the request is \$1,727.0

NEAR EAST REGIONAL OVERVIEW

million, i.e. 87.1% of the total Near East Bureau request. By supporting long-term social and economic development, as well as shorter term economic stabilization and reconstruction where required, A.I.D. helps governments meet the reasonable expectations of their people that peace will bring greater prosperity and an improved quality of life. Recent events, particularly the violence in Lebanon and the Iran - Iraq war, underscore the urgency of maintaining our efforts to promote security and peace in the Middle East. U.S. assistance contributes to the stability and longer term economic development of the region, and meets the basic human needs of the people in this crisis-torn area. A.I.D. thereby seeks to strengthen the groundwork for achievement of peace in the region.

In addition to the Middle East, the requested program addresses important economic and security needs in the less-developed countries of Europe. \$175.0 million is requested for balance of payments support for Turkey, and \$80 million for economic assistance to Portugal (especially the Azores) related to a military facility arrangement there.

For Egypt, A.I.D. requests \$750 million in ESF and \$237.8 million in PL 480 Titles I and II. Of the \$750 million in ESF, \$300 million is requested for balance of payments support through the Commodity Import Program. \$450 million is requested for projects in four areas: \$220 million for economic infrastructure, including water and sewerage programs and continued rehabilitation of the Alexandria electrical distribution system; \$75 million for the decentralization program, to enhance the growth of popular participation in local government processes; \$45 million for social infrastructure, including family planning, science and technology, skill training, feasibility and sector studies, and private voluntary organization activities; \$40 million to increase industrial productivity, especially in the private sector; and \$70 million for agricultural development through approved private sector input supply and marketing, small farmer credit, improved irrigation management, and better research and extension activities.

For Israel, \$850 million is requested, of which \$785 million is a cash transfer for balance of payments support to help ensure continued political and economic stability. These funds directly support Israel's civilian economy and help Israel manage its large current account balance of payments deficit. In addition, \$65.0 million is requested for four U.S. - Israeli binational foundations for research and development activities in science, industry, and agriculture, and for educational exchange.

In Jordan, \$20 million is requested for projects which concentrate on highland agriculture, rural community development, training of Jordanians in the U.S., and the delivery of technical services. The emphasis of this program has shifted from capital development projects, principally in the water resource area, to institution building, technology transfer, and enhancing the role of the private sector in addressing key economic and social development concerns.

For Lebanon, \$20 million is requested in FY 1985 to help the Government of Lebanon rebuild this war-torn country. As the \$150 million appropriated in FY 1983 will have been committed for relief and reconstruction activities

NEAR EAST REGIONAL OVERVIEW

during Fiscal Years 1983 and 1984, additional funds are requested for health services (\$10 million), housing programs of private voluntary organizations (\$5 million), and technical assistance to help the Government of Lebanon generate additional revenues to meet its budget and balance of payments deficits (\$5 million). In addition, a \$15 million Housing Investment Guarantee program is planned to help rebuild and repair damaged low-cost houses.

In Morocco, A.I.D. is encouraging the Government's efforts to meet the basic needs of the poor majority of the population and is helping to alleviate substantial economic difficulties caused by severe droughts and other factors. In FY 1985, \$24.0 million (\$19.0 million in DA and \$5.0 million in ESF) is requested to provide continued support to development efforts in rainfed agriculture, education, family planning, energy development, low-cost housing and weather modification. An additional \$10 million in ESF is requested to alleviate Morocco's balance of payments problem, by financing U.S. equipment and supplies essential to Morocco's agricultural development. In addition, \$40.0 million in P.L. 480 Title I is proposed to help meet the government's cereal import requirements and to support efforts to increase cereal production; and \$9.7 million in Title II commodities is requested for programs focussed on low-income, nutritionally-deficient children.

In Oman, \$5 million is requested in grants and \$15 million in loans for the activities of the Oman-American Joint Commission. The Commission is undertaking a variety of technical assistance and capital investment projects emphasizing the transfer of United States technology appropriate to Oman's economic development, and the training of Omanis in the United States. The Commission has contributed to the design and development of projects in water resources, the fishing industry, participant training, and the construction of rural schools.

For Tunisia, \$3 million in ESF is requested to continue giving evidence of U.S. interest in Tunisian economic progress by further supporting graduate-level education of Tunisians in the United States in development-related fields.

A.I.D. assistance to Yemen is focused on helping the Government develop the human resources and institutional capabilities needed to achieve broad-based and sustained development which can meet the basic human needs of the least developed country in the region. A \$30.0 million DA program is proposed, principally in agricultural development, basic education, and rural health and water.

For Cyprus, \$3 million is requested in FY 1985 to continue a scholarship program now in its fourth year. This project is administered by a U.S. private voluntary organization.

NEAR EAST REGIONAL OVERVIEW

In FY 1985, A.I.D. requests \$80 million for Portugal in support of a mutual security agreement reached in December 1983 concerning the use of the Lajes Air Base in the Azores. The Government of Portugal intends to use these funds primarily for the economic and social development of the Azores, a comparatively under-developed region of the country, for similar purposes on the mainland, and for further funding of the Luso-American Development Foundation, being established to continue a technical cooperation relationship between Portugal and the United States.

For Turkey, A.I.D. is requesting \$175 million in FY 1985 to continue critically needed balance of payments support. Turkey is a close and valued NATO ally with serious economic problems. It is making vigorous efforts to restore economic stability and growth, and is making good progress, but needs continued economic support from its allies in the Organization for Economic Cooperation and Development (OECD).

In FY 1985, \$15 million is requested for Regional Economic Support Fund activities, including development projects in the West Bank and the Gaza Strip, technical and other forms of cooperative programs involving Israel and its Arab neighbors, a regional population project, and activities related to the design, evaluation, and support of ESF projects. Development Assistance Regional funds of \$3.0 million are requested for project development and support requirements, and for continuing regional projects in population, environmental protection, private enterprise development, legal education and training related to human rights concerns, provision of technical information services, and small-scale project assistance to Peace Corps activities in the region.

Terminating Programs: In November, 1983, the Second Continuing Resolution of FY 1984 and the Department of State Authorization Act were enacted containing similar provisions prohibiting A.I.D. from making any further payment or reimbursement, or delivery of goods or services to the Government of Syria. The legislation stipulated that all funds provided to Syria under the Foreign Assistance Act were to be deobligated, other than (1) funds needed to finance the training in the United States of students whose course of study had already begun, and (2) funds needed to meet legitimate obligations and termination expenses arising from contracts with United States or third-country contractors which would be terminated under the legislation. A.I.D. has established a working group to implement this phaseout legislation and has notified the Syrian government and all affected contractors of termination of A.I.D. funding. All remaining funds not required for the foregoing purposes will be deobligated during FY 1984. See the Syria "Summary of Active and Proposed Projects" table under the "Terminating Programs" section of this volume for details as to the current status of deobligations.

NEAR EAST REGIONAL OVERVIEW

Deobligations and Reobligations

PREVIOUSLY DEOBLIGATED FUNDS
TO BE REOBLIGATED IN THE NEAR EAST IN
FY 1984
(In Actual Dollars)

<u>Program</u>	<u>Project Title and Number</u>	<u>Appropriation Loan/Grant</u>	<u>FY 84 Obligation</u>
Egypt	Balance of Payments Support	ESF (G)	\$103,027,754
Morocco	Family Planning Support III 608-0171	POP (G)	290,000
Yemen	Small Rural Water System 279-0044	Health (G)	<u>1,358,305</u>
Total for the Near East			\$104,676,059

The deobligation/reobligation authority provided initially in the Supplemental Appropriations Act, FY 1983, and continued under the Second Continuing Resolution, FY 1984, has been utilized by several Near East Missions to reinvest deobligated funds in priority areas. The Egypt reprogramming will provide urgently needed balance of payments support. The Morocco reprogramming will be used to support a new family planning project. The Yemen reprogramming will be used to expand reconstruction of rural water systems damaged by the Dhamar earthquake.

FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (233) CYPRUS

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 653
 PER CAPITA GNP..... (DOLLARS,1981) 3,740
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 5.5%
 ANNUAL RATE OF INFLATION (1970-81) 5.9%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1970) 7.9%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 72.8 MALE 70.9 FEMALE 74.8
 (1970) TOTAL 70.9 MALE 69.3 FEMALE 72.4
 ADULT LITERACY RATE (.) TOTAL .% MALE .% FEMALE .%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) 2.7%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 10%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 305
 MAJOR CROPS) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT ,BARLEY , 35% (1982)
 CASH: GRAPES ,CITRUS FRUIT ,POTATOES 15% (1982)
 MAJOR AGRICULTURAL EXPORTS:(1982) POTATOES ,CITRUS FRUIT ,GRAPES
 MAJOR AGRICULTURAL IMPORTS:(1982) BARLEY ,SORGHUM ,WHEAT
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 35%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1979) 386 (80) 492 (81) 485
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1979) 499 (80) 640 (81) 627
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1979) -113 (80) -148 (81) -142
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1979) 7.1% (80) 4.8% (81) 6.7%
 AS % OF GNP..... (1979) 1.9% (80) 1.4% (81) 2.0%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 388 (81) 443 (82) 538
 EQUIVALENT TO 5.1 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1981) CITRUS FRUIT ,RAISINS ,POTATOES
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 7 (1981) 6 (1982) 6
 AS % OF TOTAL EXPORTS (1979) 1% (1980) 1% (1981) 1%
 MAJOR IMPORTS....(1981) MANUFACTURES ,MACHIN*Y/TRANSP ,FUELS
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980) 72 (1981) 85 (1982) 86
 AS % OF TOTAL IMPORTS (1979) 6% (1980) 7% (1981) 8%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1979) -485(80) -587(81) -535
 TRADING PARTNERS: UNITED KINGDOM ,ITALY ,WEST GERMANY
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 32.0%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 76
 AS % OF EXPRT EARNINGS (DEBT SERVICE RATIO).... (1981) 15.0%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 0.8% (1978) 0.8% (1983) 1.3%
 POPULATION IN URBAN AREAS.....(1970) 41% (1982) 48%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 19 (1983) 21
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (.) . %
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 25.9% (15-64YRS) 64.0% (65+ YRS) 10.0%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 7
 PEOPLE PER PHYSICIAN..... (1977) 1,282
 MAJOR CAUSES OF
 DISEASE (1981) CHICKEN PDX ,TUBERCULOSIS ,SCARLET FEVER
 DEATH.. (1974) CIRCULATORY ,HEART DISEASE ,
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 139%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 95%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1980) TOTAL 84.0% MALE 83.0% FEMALE 85.0%
 SECONDARY..... (1980) TOTAL 66.0% MALE 66.0% FEMALE 66.0%
 POST SECONDARY.. (1977) TOTAL 1.6% MALE 1.4% FEMALE 1.7%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) . %

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY **CYPRUS**

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	15.8	16.5	15.2	14.0	15.0	178.3	0.6	177.7
Loans	-	-	-	-	-	1.2	0.5	0.6
Grants	15.8	16.5	15.2	14.0	15.0	177.1	-	177.1
a. A.I.D. and Predecessor Agencies	15.0	15.0	15.0	14.0	15.0	147.0	-	147.0
Loans	-	-	-	-	-	-	-	-
Grants	15.0	15.0	15.0	14.0	15.0	147.0	-	147.0
(Economic Support Fund)	15.0	15.0	15.0	14.0	15.0	90.6	-	-
b. Food for Peace (PL 480)	0.8	1.5	0.2	-	-	31.0	0.6	30.4
Loans	-	-	-	-	-	1.2	0.5	0.6
Grants	0.8	1.5	0.2	-	-	29.8	-	29.8
Title I - Total Sales Agreements	-	-	-	-	-	1.2	0.5	0.6
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	1.2	0.5	0.6
Title II - Total Grants	0.8	1.5	0.2	-	-	29.8	-	29.8
Emerg. Relief, Econ. Develop. & World Food Program	0.8	1.5	0.2	-	-	29.1	-	29.1
Voluntary Relief Agencies	-	-	-	-	-	0.7	-	0.7
c. Other Economic Assistance	-	-	-	-	-	0.3	-	0.3
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	0.3	-	0.3
Peace Corps	-	-	-	-	-	0.3	-	0.3
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	-	-	-
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	15.8	16.5	15.2	14.0	15.0	178.3	0.6	177.7
Loans	-	-	-	-	-	1.2	0.5	0.6
Grants	15.8	16.5	15.2	14.0	15.0	177.1	-	177.1
Other U.S. Government Loans and Grants	9.1	8.2	2.3	-	-	28.6	23.1	0.5
a. Export-Import Bank Loans	-	3.9	2.3	-	-	5.9	1.5	4.4
b. All Other Loans	9.1	4.3	-	-	-	22.7	21.6	3.9

* LESS THAN \$50,000.

	FY 1981	FY 1982	FY 1983	FY 1946-83
TOTAL.....	14.4	27.0	34.2	244.5
IBRD	14.0	12.2	26.2	198.9
IFC	0.0	2.5	0.0	6.1
IDA	0.0	0.0	0.0	3.0
IDB	0.0	0.0	0.0	0.0
AD3	0.0	0.0	0.0	0.0
AF33	0.0	0.0	0.0	0.0
UNDP	0.4	0.3	0.0	18.7
OTHER-UN	0.0	0.0	0.0	0.8
EEC	0.0	12.0	8.0	20.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

CYPRUS	CY 1981	CY 1982	CY 1978-82
United States	1.0	-	51.0
Germany Fed. Rep.	8.0	11.3	33.5
Austria	14.8	0.2	15.3
France	0.7	2.2	7.9
United Kingdom	1.9	1.1	6.5
Other	0.4	-	1.1
Total	26.8	14.8	115.3

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

	CY 1981	CY 1982	CY 1978-81
	1.3	N.A.	3.1

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1981	CY 1982	CY 1954-82
USSR	-	-	15
Eastern Europe	-	-	10
China	-	-	-
Total	-	-	25

CYPRUS

ECONOMIC SUPPORT FUND PROGRAM SUMMARY			
<i>(In millions of dollars)</i>			
	FY 1983 Actual	FY 1984 Estimated	FY 1985 Request
Grants	15.0	15.0	3.0

Development Overview

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

Both the International Committee of the Red Cross (ICRC) and the United Nations High Commission for Refugees (UNHCR) immediately initiated emergency humanitarian assistance to both Greek Cypriots (south) and Turkish Cypriots (north). As the immediate humanitarian needs were met, the emphasis of the UNHCR program -- which for the past several years has been solely funded by the United States -- changed from relief to longer range reconstruction and development activities. In FY 1981, a scholarship program was started by A.I.D to enable Cypriots to study at United States educational institutions.

The Government of Cyprus (GOC) has done an excellent job in managing its economic problems. After sharp economic reversals in 1974 and 1975, production for export grew rapidly. Per capita GNP in 1983 for the south is estimated to be about \$4,000 (compared to \$1,500 in 1973 for the whole island). Unemployment has dropped from a 1974 high of about 30% to less than 3%, and labor shortages exist in several skill areas.

In the north, living standards are below those of the south, and unemployment is believed to be higher. While there is little reliable data on economic conditions, we do know that GNP has increased rapidly since 1974 and was estimated at \$1,580 per capita in 1978. Production and exports are rising and more developmental needs are being met. Progress is being made despite shortages of entrepreneurial and managerial skills.

U.S. Interests and Objectives

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

A.I.D. Development Strategy

A.I.D. assistance is now focused on providing higher education in the United States in the absence of a university in Cyprus. The program also offers an alternative to the large number of training opportunities available in the

FY 1985
PROGRAM HIGHLIGHTS

- Continuing assistance for the Cyprus-America Scholarship Program.

Soviet Union and Eastern Europe.

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

Between FY 1975 and FY 1983, the United States provided \$161.5 million to Cyprus. Of this amount \$16.5 million was committed for the scholarship program. The remainder was used to support UNHCR-administered programs of housing construction, construction and equipping of health and education facilities, agricultural development and social services. Additional funding will be provided for scholarships and UNHCR programs in FY 1984.

UNHCR projects were designed by the Cyprus Red Cross for both the Greek and Turkish Cypriot communities and submitted for review and approval to UNHCR in consultation with the United States and other donors. Funds were divided on the basis of population, with 19.05% for the Turkish Cypriot north and 80.95% for the Greek Cypriot south.

The Cyprus scholarship program is administered jointly by American-Mideast Educational and Training Services, Inc. (AMIDEAST) and the Fulbright Commission of Cyprus. The first 59 students entered 49 American educational institutions in the fall of 1982. A second group of 41 scholars entered United States institutions in the fall of 1983. The scholarships are for both undergraduate and graduate study and range from two to four years in length. With the addition of FY 1984 funds, the scholarship program will continue into the 1990's.

Requested Year Program (FY 1985)

Three million dollars is requested for FY 1985 to continue the scholarship program initiated in FY 1981.

CYPRUS

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans	-	-	-
Grants	15,000	14,500	10,000
Total AID	15,000	14,500	10,000
P.L. 480**			
Title I (of which Title III is)	()	()	()
Title II			
Total P.L. 480			
Total AID and P.L. 480	15,000	14,500	10,000

*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			
PASA ^c			
Contract	-	-	-
Total			
Participants ^d	-	-	-
Noncontract	59	98	130
Contract	59	98	130
Total			

^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	S	MT	S	MT	S
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						

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

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PROGRAM: CYPRUS

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PROJECT TITLE	L PROJECT / NUMBER	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	
ECONOMIC SUPPORT FUND											
RELIEF AND REHABILITATION ACTIVITIES	G 233-0001	75	83	140,000	145,000	145,000	114,325	5,000	10,000	---	5,000
SCHOLARSHIP PROGRAM	G 233-0002	81	85	19,500	34,500	16,500	---	10,000	4,500	3,000	5,000
TOTAL FOR ACCOUNT GRANTS				159,500	179,500	161,500	114,325	15,000	14,500	3,000	10,000
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				159,500	179,500	161,500	114,325	15,000	14,500	3,000	10,000
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.

FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (263) EGYPT

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 45,851
 PER CAPITA GNP..... (DOLLARS,1981) 650
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 5.5%
 ANNUAL RATE OF INFLATION (1970-81) 9.0%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1975) 5.1%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 57.2 MALE 55.6 FEMALE 59.0
 (1970) TOTAL 51.3 MALE 50.3 FEMALE 52.3
 ADULT LITERACY RATE (1976) TOTAL 38% MALE 54% FEMALE 22%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) -0.3%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 17%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 3,535
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: CORN ,WHEAT ,SORGHUM 53% (1982)
 CASH: COTTON ,RICE ,VEGETABLES 24% (1982)

MAJOR AGRICULTURAL EXPORTS:(1982) COTTON ,ORANGES ,POTATOES
 MAJOR AGRICULTURAL IMPORTS:(1982) WHEAT ,CORN ,SUGAR
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1981) 36%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1979) 6,695 (80) 10,429 (81) 10,714
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1979) 9,501 (80) 14,000 (81) 17,286
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1979) -2,806 (80) 3,714 (81) 6,286
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1979) 6.2% (80) 10.2% (81) 11.6%
 AS % OF GNP..... (1979) 3.0% (80) 5.7% (81) 6.3%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 1,149 (81) 1,491 (82) 1,276
 EQUIVALENT TO 2.3 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1981) CRUDE OIL ,COTTON ,COTTON FABRICS,
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 234 (1981) 123 (1982) 517
 AS % OF TOTAL EXPORTS (1979) 3% (1980) 6% (1981) 3%
 MAJOR IMPORTS....(1981) FOODSTUFFS ,MACHINERY ,FERTILIZERS
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980) 938 (1981)1,737 (1982)3,163
 AS % OF TOTAL IMPORTS (1979) 11% (1980) 14% (1981) 22%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1979) -3,579(80) -2,960(81)-3,920
 TRADING PARTNERS: UNITED STATES ,ITALY ,USSR
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 54.6%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 2,065
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981) 22.0%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 1.9% (1978) 2.9% (1983) 2.7%
 POPULATION IN URBAN AREAS.....(1970) 42% (1982) 46%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 39 (1983) 38
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1981) 18.6%
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 39.8% (15-64YRS) 56.7% (65+ YRS) 3.5%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 69
 PEOPLE PER PHYSICIAN..... (1977) 1,046
 MAJOR CAUSES OF
 DISEASE (1981) HEPATITIS ,TYPHOID FEVER ,MEASLES
 DEATH.. (1981) GASTROINTESTINAL ,CIRCULATORY ,ACUTE RESP. INFE
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 118%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 66%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1979) TOTAL 75.0% MALE 88.0% FEMALE 61.0%
 SECONDARY..... (1979) TOTAL 48.0% MALE 59.0% FEMALE 36.0%
 POST SECONDARY.. (1976) TOTAL 12.0% MALE 16.3% FEMALE 7.4%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 190%

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY EGYPT

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 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	943.0	1083.1	1166.4	1130.4	1064.9	8525.0	720.8	7804.2
Loans	797.1	483.7	565.3	342.5	262.0	4871.1	720.8	4150.3
Grants	145.9	507.4	601.1	787.9	802.9	3653.9	-	3653.9
a. A.I.D. and Predecessor Agencies	750.7	835.0	865.0	829.0	771.0	6065.3	203.0	5862.3
Loans	617.4	250.0	280.0	70.0	-	2781.7	203.0	2578.7
Grants	133.3	585.0	585.0	759.0	771.0	3283.6	-	3283.6
(Economic Support Fund)	750.3	835.0	855.0	829.0	771.0	5834.7	-	-
b. Food for Peace (PL 480)	192.2	253.1	301.4	301.4	293.9	2448.5	507.1	1941.4
Loans	179.7	230.7	285.3	272.5	262.0	2078.7	507.1	1571.5
Grants	12.5	22.4	16.1	28.9	31.9	369.8	-	369.8
Title I - Total Sales Agreements	179.7	230.7	285.3	272.5	262.0	2114.6	507.1	1607.5
Repayable in U.S. Dollars - Loans	179.7	230.7	285.3	272.5	262.0	1619.6	204.2	1415.6
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	494.8	302.9	191.9
Title II - Total Grants	12.5	22.4	16.1	28.9	31.9	333.9	-	333.9
Emerg. Relief, Econ. Develop. & World Food Program	3.3	6.8	3.3	6.4	17.9	75.6	-	75.6
Voluntary Relief Agencies	9.2	15.6	12.8	22.5	14.0	258.3	-	258.3
c. Other Economic Assistance	0.1	-	-	-	-	11.2	10.7	0.5
Loans	-	-	-	-	-	10.7	10.7	-
Grants	0.1	-	-	-	-	0.5	-	0.5
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	0.1	-	-	-	-	0.1	-	0.1
Other	-	-	-	-	-	0.4	-	0.4
II. MILITARY ASSISTANCE - TOTAL	0.2	1500.4	0.8	550.8	902.4	2954.6	312.5	2642.1
Credits or Loans	-	1500.0	-	550.0	700.0	2750.0	312.5	2437.5
Grants	0.2	0.4	0.8	0.8	202.4	204.6	-	204.6
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	1500.0	-	550.0	700.0	2750.0	312.5	2437.5
c. Military Assistance Service-Funded (MASF) Grants	0.2	0.4	0.8	0.8	2.4	4.6	-	4.6
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	200.0	200.0	-	200.0
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	943.2	2583.5	1167.2	1681.2	1967.3	11479.6	1033.3	10446.3
Loans	797.1	1930.7	565.3	392.5	962.0	7621.1	1033.3	6587.8
Grants	145.1	637.8	601.9	788.7	1005.3	3858.5	-	3858.5
Other U.S. Government Loans and Grants	1.2	91.4	9.5	18.0	44.4	291.3	256.3	34.5
a. Export-Import Bank Loans	-	91.4	9.5	17.3	41.7	153.4	99.8	53.6
b. All Other Loans	1.2	-	-	0.7	2.7	137.9	157.0	19.1

* LESS THAN \$50,000.

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1981	FY 1982	FY 1983	FY 1946-83
TOTAL	315.9	507.1	488.9	3585.5
IBRD	89.0	465.0	350.0	2129.0
IFC	5.3	12.2	110.9	197.6
IDA	197.6	0.0	0.0	980.6
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	19.4	16.7	0.0	60.8
UNDP	2.3	8.2	0.0	94.6
OTHER-UN	3.3	5.0	0.0	29.9
EEC	0.0	0.0	28.0	93.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

EGYPT	CY 1981	CY 1982	CY 1978-82
United States	897.0	928.0	3,986.0
Japan	72.7	72.4	520.1
Germany Fed. Rep.	70.9	125.7	516.6
France	69.9	49.1	233.1
United Kingdom	16.8	13.1	102.9
Other	78.2	86.6	309.1
Total	1,205.5	1,274.9	5,667.8

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

	CY 1981	CY 1982	CY 1978-81
	12.3	N.A.	842.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1981	CY 1982	CY 1954-82
USSR	-	-	1,440
Eastern Europe	-	85	1,310
China	-	-	190
Total	-	85	2,940

EGYPT

ECONOMIC SUPPORT FUND PROGRAM SUMMARY			
<i>(In millions of dollars)</i>			
	FY 1983 Actual	FY 1984 Estimated	FY 1985 Request
Grants	750	750	750
Loans	-	-	-
Total	750	750 ^{1/}	750

The above obligation total for FY 1984 excludes \$103 million of previously deobligated Security Supporting Assistance and Economic Support Funds which are intended for reobligation for balance of payments support.

DEVELOPMENT OVERVIEW

In FY 1985, renewed U.S.-Egyptian economic cooperation will have spanned a decade. From FY 1975 through FY 1983, \$8.5 billion of U.S. economic assistance was obligated, of which \$6.0 billion has been expended for a wide range of development programs and for balance of payments support.

Egypt has benefitted greatly, and U.S. interests have been well served by the program. Egypt's commitment to peace with Israel and to the Middle East peace process has been maintained. Egypt also has been steadfast in its support of free world interests in the Middle East and Horn of Africa, and in its opposition to destabilizing influences in those areas.

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

However, these economic and social policies were costly, well beyond the capacity of the economy to sustain. Resources were inadequate to finance consumption for a fast growing population, let alone adequate new investment. The industrial structure reflected a hot-house strategy of import substitution and inefficient State-run enterprises. The agricultural sector was virtually ignored and farmers were taxed to pay for industrialization. Diversion of resources to defense expenditures left social and industrial infrastructure inadequately developed, with huge operating costs and deferred maintenance needs.

The "Open Door" policies promulgated by President Sadat to revive the Egyptian economy, ensuing economic liberalization measures, and the establishment of peace with Israel as part of the regional peace process, set the stage for Egypt's entry into a period of economic transition.

^{1/} The above total for FY 1984 does not include \$103 million available for reobligation in FY 1984.

FY 1985
PROGRAM HIGHLIGHTS

A total of \$750 million is requested to finance programs in five priority areas:

	\$ Millions
Commodity Imports	300
Economic Infrastructure	220
Industry and Agricultural Production	110
Decentralization	75
Social Infrastructure	45

The key requirements for this transition are movement toward market oriented systems for establishing prices and allocating resources, and the rehabilitation and expansion of Egypt's infrastructure and capital plant. As enunciated by Sadat's successor, President Mubarak, the nation's commitment to equity and social welfare remains strong, but Egypt's policymakers are increasingly aware that sustainable social programs must be financed through economic growth. However, translating this into action is a slow and difficult process, and progress in policy change must be balanced with equity and political stability needs.

Despite the slow pace of needed reform, a much stronger Egypt has emerged over the decade. The annual rate of growth of GNP exceeded 8% per year over a six year period ending in 1981. The rate of annual investment steadied at around 25% of GNP, rising from a low of 16% in 1974. Value-added in construction increased seven-fold to about a billion dollars in 1982/83. Foreign exchange receipts exceeded \$9 billion in 1983 - up from \$2 billion in 1974. More than seventy-five foreign and Egyptian banks are now in operation as compared to six in 1974. Most importantly, the vast majority of Egyptians have a much higher standard of living today than they did in 1974. Wages, especially in agriculture and construction, have risen by more than 20% a year. Remittances from Egyptian workers abroad have provided additional income to both rural and urban households. According to Ministry of Planning estimates, real per capita income has continued to rise since 1980 at approximately 4% per year.

Egyptian accomplishments during the decade are noteworthy:

- The Government of Egypt (GOE) has improved its foreign exchange regulations. The establishment of a free foreign exchange market for some transactions, while only a partial move toward a unitary rate system, has permitted a large expansion in imports through

EGYPT

private channels. The government also has allowed the opening of convertible foreign exchange accounts.

- New laws for private investment, income tax, companies, capital markets, and housing have been introduced to facilitate and strengthen investment.
- The private sector is a vigorous, fast growing part of the Egyptian economy in housing, small enterprises, horticulture and construction.
- Foreign private investment flows have increased substantially and now are averaging about \$650 million a year. Through the end of 1982, approximately 1,500 new investment projects, both foreign and domestic, were approved by the Government of Egypt Investment Authority.
- The Egyptian Government has initiated steps to reduce the underpricing of food, energy and industrial products, public services and utilities. Price controls have been eliminated completely on some products. The coverage of food subsidies is being targetted for the poorer members of society.

The United States' contribution to this record of achievement has been significant. A.I.D. is the principal financier for some 1,600 megawatts of new electric power - an amount equal to the annual output of the Aswan High Dam. A.I.D. has financed two, million-ton annual capacity private sector cement plants that will be essential to the construction industry over the next decade. Important relationships have been built between Egyptian and American agricultural research institutions. Joint agricultural research has contributed substantially to the agricultural technology base in Egypt as well as to the development of agricultural institutions, increasingly capable of identifying and solving Egyptian development problems on their own. A.I.D. projects touch the lives of millions who now attend schools, visit medical clinics, or use other facilities built, expanded, or refurbished with U.S. assistance.

The A.I.D. program has directly contributed to strong and expanding commercial ties between Egypt and the United States. Many American banking, accounting, management, and engineering firms are operating in Egypt; also numerous American construction firms, manufacturers of electric generators, suppliers of telecommunications systems, rail and vehicle manufacturers, and computer corporations have found markets in Egypt, most initially through A.I.D. funding. With the entree provided by the PL 480 program, American agriculture has built a substantial annual business in Egypt. These activities, in total, are reflected in the fact that the United States is now Egypt's largest trading partner.

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United States Interests and Objectives

The overriding objectives of the United States are to achieve regional peace, stability, and security, broaden the base of the present Egyptian-Israeli peace agreement, and bring all of the principal countries of the Arab-Israeli dispute into a comprehensive peace settlement. Egypt is central to these objectives. Accordingly, while both countries recognize the desirability of an eventual phase-down in A.I.D. assistance, an additional period is anticipated of undiminished U.S. economic assistance to Egypt to support stability and growth.

The essential political premises remain those articulated in the joint communique issued in February, 1982 on the occasion of the first meeting between President Reagan and President Mubarak:

- "-- Egypt and the United States are full partners in the pursuit of regional stability and in the continuation of peace in the Middle East;
- "-- The United States has cooperated in the economic development of Egypt through a program of assistance to the Egyptian Government in recognition of the sacrifices made by the Egyptian people;
- "-- The Government of Egypt has announced its intentions to undertake its own program of economic reform that utilizes the initiative and capabilities of the Egyptian people;
- "-- Egypt has, with substantial U.S. assistance and the infusion of other external resources, strengthened its economy and rebuilt much of the capital and social infrastructure base;
- "-- Egypt has entered a period of economic progress that will require its own management of substantial external resources, including continued U.S. assistance;
- "-- It is in the interest of both nations to ensure the success of the economic reform program in Egypt in a manner that recognizes the substantial capabilities of the Government of Egypt to accomplish its intentions and the continuing commitment of the U.S. to provide resources that may be utilized to this end."

Economic Considerations

While Egyptian institutions are now more professionally competent to deal with the economic requirements of the country, increasingly difficult economic problems are crystallizing. For example, rapidly rising domestic energy consumption will likely cause oil revenues to decline, overseas worker remittances and earnings from tourism may level off, and

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Egyptian export earnings are likely to fall. These trends will tax Egypt's economic leadership.

A positive aspect of Egypt's economic performance during the past year, 1982/83, was the relatively smooth adjustment of the Egyptian economy to a lower level of import growth. The official balance of payments showed a decline in the current account deficit from about \$2.1 billion in 1981/82 to \$1.4 billion in 1982/83. This was due to a \$400 million drop in imports occasioned partially by falling world commodity prices and a surge in worker remittances flowing through official channels. Remittances now are expected to be level over the next few years, and little growth is expected from non-petroleum exports. With only limited proven oil reserves (5 to 6 billion barrels) and rapidly increasing domestic energy consumption (stimulated by unrealistically low domestic energy prices), medium and longer-term oil export revenues may decline substantially in the next decade. Since export receipts are expected to be level in the short term, the pent-up demand for imports and the rising trend in interest payments imply a deteriorating balance of payments over the next few years.

Import demand has been sustained by growing fiscal deficits. The total budget deficit rose from \$5.3 billion in 1981/82 to \$5.7 billion in 1982/83 and is expected to expand to \$6.0 billion in 1983/84, or 21% of GNP. Significant elements of the expansion in current expenditures are a 35% rise in military spending in 1982/83 followed by a projected 22% rise in 1983/84, and a 90% jump in interest payments on the domestic public debt in 1982/1983, followed by a projected 38% rise during 1983/1984. A gradual reduction in the overall budget deficit over the next few years is essential in order to reduce inflationary pressures and to facilitate economic growth. Through policy dialogue and A.I.D. activities structured to ease the transition to newer, more prudent, economic policies, Egyptian decision-makers gradually are becoming more aware of the implications of balance of payments and fiscal deficits and are becoming more confident of their ability to promote change with stability.

The GOE has initiated pricing reforms over the last year. A series of modest increases in electricity tariffs (including the first increases for most industrial users since 1976) were instituted. Cairo water tariffs were raised for the first time since the 1950s. Price controls were removed on some agricultural products, including grapes and oranges. The government forecasts that increased electricity tariffs and petroleum product prices will raise revenues by as much as \$300 million in CY 1984. Recent Government actions to increase prices to Egyptian farmers as a production incentive and to eliminate retail price controls on a number of non-staple crops are in part a result of the policy dialogue with A.I.D. Through numerous A.I.D.-sponsored studies on food policy and consultations with key GOE officials, A.I.D. also has made a significant contribution in the consumer subsidies area. Policy options

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have been clarified, and debate has been stimulated. The GOE budget for 1983/84 targets a \$400 million reduction in food subsidies from the 1982/83 level.

Favorable developments in the balance of payments during 1975-1980 pushed the real rate of growth in the GDP to above 8% a year compared to 3% during the previous decade. Much less favorable future prospects in the balance of payments mean that more vigorous efforts to mobilize domestic resources will be needed if growth at that level is to continue. One projection foresees the real rate of economic growth over the near-term at about 5.5% per year if vigorous economic reform measures are implemented, and a significantly lower rate of growth without such measures.

A.I.D. ASSISTANCE STRATEGY

The past ten years marked a major shift of the Egyptian economy from one that was inward looking and almost completely public-sector dominated to one that opened itself to outside influence and began to promote private sector initiatives and investments.

During the past decade the A.I.D. program demonstrated U.S. support for Egypt's engagement in the peace process and its new, increasingly market-based economic orientation. U.S. financial resources partially replaced those lost from other sources because of the new directions of Egyptian policy.

U.S. assistance repaired war-damaged Egyptian infrastructure, helped feed Egypt's people, rehabilitated other infrastructure that was neglected as a result of Egypt's extraordinary defense expenditures, sustained Egypt's industrial production with the provision of raw materials and equipment, and modernized the critical Suez Canal and Port of Alexandria.

Program Characteristics

Over the past two years, A.I.D. and the Egyptian Government have undertaken an intensive review of the content and structure of the U.S. assistance program to Egypt. As a result, A.I.D. intends to give the following emphasis to its program:

- The U.S. assistance program will continue to encourage, support, and respond to specific Government of Egypt policy changes, particularly in the area of economic reforms. Where effective, sector rather than project assistance will be used to support such reforms.
- The program will fit within the general priorities of the Egyptian Five Year Plan (1982/83 - 1986/87), which emphasizes production,

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efficiency based on productivity gains, and basic human needs. More specifically, A.I.D. will help achieve Egypt's highest priority within the Plan -- improvement and expansion of water and wastewater systems.

- The program will attempt to increase investments in sectors where economic policy reforms are made and where U.S. financing can achieve a significant development impact, particularly in agriculture and energy.
- U.S. assistance will concentrate in fewer areas and have fewer projects, building on the most successful and highest priority projects of the current program.
- Egypt's Five-Year Plan includes \$40.5 billion of investment capital, some \$9.5 billion of which is expected to be private sector investment. A.I.D. will support these investment aims in the private sector while encouraging the movement of the public sector into a "market economy" framework.
- Based on past experience with problems in construction, future investment largely will be limited to those areas in which American abilities are decisive: erection of power and telecommunications facilities and major water and sewage systems. Egyptian consultants will be used increasingly for surveys, analyses, and design, architectural, and engineering studies.
- U.S. assistance increasingly will emphasize the application of appropriate technological innovations. Building on local research institutions' capabilities, on existing professional ties established through projects involving U.S. - Egyptian collaborative research, and on policy changes that recognize appropriate resource allocations, A.I.D. will assist Egypt in its efforts to identify and solve its priority development problems.
- The program will continue to build on the lessons learned in recent years to improve the performance and the impact of A.I.D. activities in Egypt.

Sectoral Interventions

To promote stability, Food For Peace assistance and the Commodity Import Program (CIP) remain the principal balance of payments tools. they provide direct support of near-term economic stability, and will be increasingly shaped to play a role in attaining the Mission's longer-term productivity objectives. While the A.I.D. strategy has been effective since 1975 in supporting short-term economic stability, the United States and the Government of Egypt recognize that policy changes will be

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required to ensure self-sustaining growth and stability over the longer term.

Overly centralized state management of the economy, statutory rigidities in the financial system, inadequate support to the private sector, "pricing by fiat" rather than market prices, inadequate investments in maintenance activities to sustain capital and institutional investments, and an unbalanced approach to welfare and economic objectives contribute to present low levels of productivity. Consistent with its strategy of recent years, and building on the lessons learned in implementing that strategy to improve future performance, A.I.D. will continue to support development activities that address these problems and will yield a more permanent, self-sustaining impact on Egypt.

To promote gains in productivity, A.I.D. investments will concentrate on financing the rehabilitation, modernization, and expansion of Egypt's existing economic infrastructure. In conjunction with the infrastructure activities, A.I.D. will support technical assistance and training to Egyptian institutions, so that once physical changes and improvements have been made, there will be a strengthened domestic capability to maintain and operate the infrastructure. A.I.D. investments also will promote private-sector investment in new productive facilities, seek to expand productive capacity, and encourage a shift in public sector decision making increasingly toward a market orientation. A.I.D. will also support a number of management training activities. Through these programs, A.I.D. will endeavor to foster a greater degree of liberalization of the economy and a more balanced mix between the public and private sectors.

With respect to capital projects and investment financing for public sector industry, A.I.D. believes that any new projects must be linked to efforts to reduce the economic and managerial inefficiencies of public sector enterprises in Egypt. The economic inefficiencies are a reflection of the wide-ranging input and output price distortions in the Egyptian economy. The managerial inefficiencies are due to the lack of managerial autonomy for public sector enterprise managers. The system of industrial licensing by the Ministry of Industry and the General Organization for Industry (GOFI) adds to market distortions by restricting the entry of the private sector into product lines that would compete with existing or planned public sector enterprises.

In the agricultural sector, A.I.D.'s interventions will support research and extension activities, develop improved technologies and facilitate the adoption by farmers of these improved technologies and others already available. Significant steps have already been taken to test and transfer appropriate technologies in support of increased agricultural production to Egyptian farmers. New activities will build and expand on these experiences to promote further technological transfers, perhaps

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through national crop campaigns, and to address other constraints to increased agricultural production (e.g., by improving farmer access to critical farm inputs and marketing outlets). The benefits of many government investments in agriculture will be only gradual and partial as crop price incentives and the development of private marketing channels for farm inputs and outputs slowly come into being.

A.I.D.'s extensive activities in the area of decentralization build on and encourage national policy changes that promote the delegation of greater authority to provincial and local jurisdictions. Significant progress already has been made in building self-sustaining legal, political, and administrative institutions for decentralized development. A.I.D. and the Government of Egypt will focus on stimulating more self-supporting development throughout Egypt by generating adequate local revenues and stimulating the growth of local private enterprises and their integration into local development activities.

In health and population, A.I.D. resources will continue to improve the delivery of services which help reduce infant mortality and the population growth rate.

In education, A.I.D. resources improve access to primary schooling, upgrade professional training through Peace Fellowships, and expand vocational education. A.I.D. programs contribute to an improved foundation for Egyptian growth and development, including adaptation and application of appropriate technologies and improvements in institutional capabilities and productivity.

PROGRAM ADMINISTRATION:

As a result of both Egyptian and U.S. concerns, several measures have been taken to streamline program planning and implementation and give the program increased funding flexibility. Decentralization projects have been successfully grouped as a portfolio of activities and the design of similar programs is underway for agriculture and water and wastewater activities. The recently enacted deobligation and reobligation authority is an important management tool and will allow greater funding flexibility. The program portfolio review system and a new computerized accounting and control system will provide for speedier and more efficient project implementation and accountability.

In 1982 the GOE and A.I.D. brought five closely related activities under a single umbrella -- the Decentralization Sector Support program. The program has been successful with some 4,700 discrete subactivities completed or underway by the end of FY 1983, touching the lives of an estimated 32.5 million people. It has also advanced the wider decentralization goal of delegating development decision authority and

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control over resources to local government entities. Decentralization activities have also promoted a modest boom in rural private sector construction and service activities. These accomplishments were achieved without adding a single new unit of government.

Design of other sectoral programs, particularly for agriculture and water and wastewater activities, is under way. These initiatives involve organizational, policy and implementation changes about which A.I.D. and the GOE have divergent views. Organizational, operational and maintenance considerations, and longer term system-wide financial viability issues are at the heart of the discussions on the water and sewerage initiative. The agricultural initiative will require GOE agreement to relax pricing controls and mandatory cropping practices in order to achieve its full potential. Nevertheless, A.I.D. remains hopeful of reaching agreement with the GOE for sector programs in both areas. Concentration of A.I.D. activities in fewer sectors should result both in an easier-to-manage program and longer-term contributions to Egyptian development.

Another important step toward improved and more flexible program administration was taken late in FY 1983 when, exercising the authority just then provided, A.I.D. and the GOE deobligated \$103.2 million from 13 project loans and grants and eight CIP agreements. This action conforms with the bilateral agreement to improve program implementation and to achieve greater flexibility in the use of assistance funds. It also permitted the orderly closing of several projects. Finally, the authority is an important tool by which the Ministry of Investment and International Cooperation (MIIC) and A.I.D. have been able to take corrective action on slow-moving activities.

With respect to internal management, A.I.D. control and program management improved significantly during FY 1983. Utilizing newly installed word processing and computer equipment, a detailed portfolio review system was put into full use. This system provides a highly reliable flow of information on the implementation status of all activities and allows early identification of problems. This system calls for semi-annual full portfolio reviews with the MIIC, followed by a series of individual technical ministry meetings at a high level to deal with continuing implementation problems and policy-oriented issues not easily resolved at the project level. Finally, a portfolio review committee of senior A.I.D. and MIIC officials reviews overall performance and special problems on a monthly basis.

Internal management, particularly in financial data terms, is being further improved by the introduction of the new computer-based Mission Accounting and Control System. The level of detail of financial data covered in this system and its ease of retrievability further enhances portfolio management control and vulnerability assessments.

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In FY 1983, program implementation improved dramatically over prior years' performance. ESF expenditures totalled \$867.4 million against a projected level of \$866.7 million, and total expenditures including PL 480 totalled \$1.035 billion. For the first time since resumption of U.S. assistance in 1974, expenditures exceeded new obligations. For the first time, growth of the pipeline was reversed and from a peak of nearly \$2.7 billion at the end of FY 1982, it dropped to a little under \$2.5 billion at the end of FY 1983. FY 1983 combined CIP and project expenditures were up 45% above FY 1982 and project expenditures alone were up 60%. While some of this success is due to the maturing of the program, part also is due to the full implementation of the portfolio review process earlier described and to more aggressive monitoring by A.I.D. staff.

Performance in FY 1984 and 1985 should be similar. Expenditures from CIP loans and grants should continue at reasonably high levels. Some capital infrastructure activities, e.g. Shoubra Power and Telecommunications, are in their peak implementation periods and others are entering mid-life. The current package of water and wastewater projects have passed through the design and engineering study stages and construction is largely contracted for and well underway. Decentralization activities will remain a strong contributor to both the development of local infrastructure and a high level of expenditures.

Program Evaluation

Evaluations serve to point out problems, solutions and patterns both within and across projects. They are one of the means by which A.I.D. strives to improve the performance of its projects and to enhance their development impact.

During FY 1983, several evaluations assisted A.I.D. in identifying project specific problems and their solutions. For example, the evaluation of the University Linkages (263-0118) project showed that in the original design, the project had been expected to move more rapidly than was reasonable or desirable for high quality institutional development to take place. The evaluation served to support A.I.D. in its decision to deobligate \$10 million until the project begins to move more quickly. In the evaluation of the Vehicle Maintenance Training (263-0114) project, a number of management problems were found to be inhibiting the overall implementation of the project. Within a month of the evaluation, a new training center director was hired and adjustments were undertaken to enhance Egyptian, A.I.D. and contractor cooperation. As a result, overall progress has improved.

In other evaluations, progress toward achieving project objectives have encouraged A.I.D. to amend projects in order to expand and enhance impacts. For example, the Small Farmer Production (263-0079) evaluation showed that farmer demand for credit is high and that a credit program

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responsive to farmer needs (e.g., including extension services and an improved bank management system) is an important means by which agricultural production can be raised. At the same time, the evaluation pointed out that the optimal mix of credit, extension, other farm inputs, and bank management is as yet unknown. A.I.D. now is designing a project amendment which will test and verify this optimal combination in the project areas so that nation-wide replication of improved farm credit institutions can be facilitated. The evaluation of Suez Community Health Personnel Training (263-0136) demonstrated that the project is making very good progress toward its purpose of institutionalizing an innovative medical education program that seeks to draw the university closer to its community's health needs and resources. Recommendations to enhance the potential impact of the remainder of the project are currently being incorporated into a project amendment.

Where project progress has been evaluated as satisfactory and on target, A.I.D. has been able to continue implementation with confidence. This has been true of the Tax Administration (263-0115) and Development Support Fund (263-K-605.5) projects. In both cases, some minor problems were found, and modest recommendations were made to resolve them, but overall the projects were considered to be progressing well and have been continued more or less unchanged.

In the coming year, A.I.D. will continue to focus on themes and patterns that have emerged in the evaluations of the past few years. These themes can be divided into two basic categories -- implementation and development impact -- both of which offer invaluable information for use in future project design. Regarding implementation, A.I.D. will be looking for solutions for non-project specific problems such as those arising with respect to contracting modes, A.I.D. procedures, and A.I.D.-GOE communications. Over time A.I.D. expects to learn with greater certainty what mechanisms and approaches work best under particular circumstances. Based on evaluations of the last few years, A.I.D. is aware of some common problems that can be avoided -- for example, scheduling insufficient time for contract negotiations and procurement actions; inappropriate sequencing of project components; and inadequate articulation of A.I.D. and GOE regulations and procedures.

There are also broader development objectives running across projects, and progress and problems in achieving these objectives emerge as concurrent themes. During the coming year we will use evaluations to look at the following:

- Progress to date in drawing the private sector more effectively and actively into Egypt's development. A.I.D. will evaluate this objective through the decentralization sector assessment, through evaluation of the private sector CIP Activities, and through the

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Small Scale Agricultural Activities (263-0096) and Private Sector Feasibility Studies (263-0112) project evaluations.

- Contributions to appropriate research and technology transfer to date and identification of Egypt's near-term research and technology needs with which A.I.D. can reasonably and efficiently assist. A science and technology assessment will be performed during the coming year to address this topic directly; the Applied Science and Technology (263-0016) and Rice Research and Training (263-0027) projects, among others, also will be evaluated.

- Progress, problems, and solutions in helping to build self-sustaining Egyptian institutions in the many A.I.D. projects that serve, directly or indirectly, to strengthen existing institutions or to build new ones. Those upcoming evaluations that will contribute to our existing knowledge of experience in institution building include: the science and technology assessment, the decentralization sector assessment, and the Provincial Cities (263-K-605.3) and Basic Village Services (263-K-605.2) project evaluations.

A.I.D. PROGRAM (FY 1983-1984)

In FY 1983, \$1,012 million was obligated in support of U.S.-Egyptian program activities (ESF \$750 million and PL 480 \$262 million); \$1,011 million is planned for FY 1984 (ESF \$750 million and PL 480 \$263 million). The program is concentrated in five broad areas: Commodity Imports, Economic Infrastructure; Social Infrastructure; Decentralization; and Industry and Agricultural Production.

Commodity Import Program and P.L. 480

Over 50% of U.S. economic assistance to Egypt in FY 1983 was provided under the CIP and PL 480 programs. A similar percentage is planned for 1984. These programs are fast disbursing and provide much needed balance of payments support. They also serve humanitarian and developmental purposes.

The Title I PL 480 program provided \$250 million of wheat and wheat flour in FY 1983 and another \$250 million is planned for FY 1984. The Title II program provided \$11.6 million of food commodities in FY 1983 and \$12.9 million is planned for FY 1984.

With respect to the CIP, A.I.D. and the Egyptian Government are making a conscious effort to expand the program beyond its traditional balance of payments role to include support of the capital needs of the GOE development budget. Reflecting this transitional nature of the program, funding is provided primarily for two distinct categories: (1) grains

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and industrial raw materials, and (2) capital goods. The grains and raw materials group of commodities currently includes such items as corn, tallow, sulphur, coking coal, tobacco, wood pulp, polyester fiber, tinplate, and industrial chemicals. Capital goods in support of the GOE development budget include machinery, equipment, spare and repair parts, and other such items that are essentially targeted toward modernization and enhanced efficiency and productivity of commercial and manufacturing ventures. For FY 1983, \$300 million was provided, and in FY 1984 another \$300 million is planned for the CIP.

PROJECT ASSISTANCE

Since 1975, basic investments have been made through project assistance in economic infrastructure, decentralization, social infrastructure, and industrial and agricultural production.

Economic Infrastructure

In this category, A.I.D. obligated just over \$304 million in FY 1983 (plus \$98 million from the C.I.P.) to rehabilitate, modernize, and expand Egypt's capital infrastructure base. A fourth electric generating unit was financed at Ismailia with the commitment of \$109 million. An additional \$182 million was committed to the already extensive program to rehabilitate and expand the water and sewerage systems of Cairo, Alexandria and the Suez Canal cities. Finally, \$13.5 million was obligated for grain silo facilities in Alexandria.

In FY 1984, an additional \$200.0 million will be committed to the water and sewerage sector. \$18.0 million will be obligated to complete the construction of the Shoubra el Kheima thermal power plant in Cairo and \$20.0 million will be provided to continue the program of rehabilitation and expansion of the electrical distribution systems of Cairo, Alexandria, Shibin el Kom and Beni Suef. A final tranche of \$15.0 million will complete financing for the rehabilitation and modernization of the hydro-turbines of the Aswan High Dam. The Energy Policy and Renewables project will require increased funding of \$4.5 million.

Decentralization

The on-going decentralization program received \$98 million in FY 1983 to support Egyptian efforts to shift administrative and development decisions from central authorities to local jurisdictions. In almost all of the infrastructure activities, technical assistance designed to strengthen the administrative and managerial skills of the responsible Egyptian institutions was included in order to ensure that the physical improvements are maintained and operated properly over time.

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Under the decentralization program in FY 1984, \$78 million will be obligated. The decentralization portfolio can be expanded with confidence based on GOE support and on the FY 1983 sector assessment that demonstrates significant progress to date in the existing activity.

Social Infrastructure

Social infrastructure activities in FY 1983 and FY 1984 include investments in health, population and education, as well as technical assistance for improvement of the tax administration system.

In health and population the two basic objectives are a reduced fertility rate and a reduction in infant mortality. A.I.D. resources are concentrated on efforts to improve the delivery of services in rural and urban areas, particularly to the most vulnerable maternal and child groups. In 1984, \$9.1 million will be used to fund additional activities under the Suez Community Health project (\$6.5 million) and Rural Health Delivery Systems project (\$2.6 million), building on lessons learned in these projects to date. For the family planning program, \$20 million was obligated in 1983. The Government of Egypt is increasingly sensitive to the dimensions of the population problem. High birth and population growth rates have seriously affected Egypt's ability to provide sufficient goods and services, which in turn has a direct and detrimental impact on the quality of life of the poor. Individual awareness of the importance of smaller families to family health and welfare has heightened in recent years, and there is a growing demand for and use of family planning services.

In education, A.I.D. intends to obligate \$46 million in FY 1984 for the Basic Education project. The project is improving access to primary schooling, particularly for females in rural areas.

The Tax Administration project required increased funding in FY 1983 of \$1.6 million to continue efforts to streamline the institutional and operational structure of the tax administration system.

Support for Increased Production

In industry, A.I.D. has implemented projects to increase overall production and productivity in both the public and private sectors through rehabilitation and expansion of existing ventures and establishment of new ones, primarily in the private sector, and through management development to improve resource allocation and plant operations. Private sector growth is being encouraged through a continuation of our short term credit arrangements and technical assistance, either exclusively or substantially targeted at private sector ventures. In FY 1983, \$9.1 million was obligated to support private and public sector efforts to improve and modernize the financial,

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legal and administrative environment within which the private sector operates. As the policy environment gradually liberalizes to permit greater private sector investment, assistance to the private sector will grow and expand to support the new policies.

U.S. assistance to agriculture has centered on research and development of technology, training of field staff, and widespread dissemination of technology to farmers. As a result, many of Egypt's agricultural institutions have been improved substantially through the upgrading of staff technical skills and administrative and managerial capabilities. Research and development projects have been directed at improving small farmer output and income through better management of water, easier access to improved technologies and research results on rice and other major cereals, timely credit availabilities, cooperative activities, aquaculture development, and poultry production. Projects such as Irrigation Pipe and Irrigation Management Systems are aimed at improving the efficiency of specific elements of the agricultural infrastructure base.

In 1982, a Presidential Mission led by Dr. E.T. York, Vice-Chairman of BIFAD, completed a study, "Strategies for Accelerating Agricultural Development." The team did an in-depth analysis of the constraints to increased production, focusing particularly on pricing policies, and outlined options for improvements in the system. The report was well received by the Government of Egypt. A.I.D. is now working with the Ministry of Agriculture in a joint effort to design a program aimed at eliminating or ameliorating the constraints to production identified by the report. In late FY 1983 another team, again under Dr. York's direction, looked at the Egyptian agricultural research system, its potential and priorities. The team has recommended an integrated approach to increasing the efficiency of research and agricultural extension. As a follow-up to the team's efforts, and drawing on previous evaluations of specific agricultural projects, A.I.D. proposes in FY 1984 to finance the first part (\$20.0 million) of an effort to integrate the work of a number of agricultural institutions for more effective research and extension and to increase agricultural production through national campaigns for key crops.

Two on-going programs in the agricultural sector will require additional funds in FY 1984: the Small Farmer Production project (\$17.4 million) will continue to build on its experience in assisting the Principal Bank for Development and Agricultural Credit in improving and expanding its credit program from 18 village banks to 27 other locations; and the Irrigation Management Systems project (\$15.0 million) will continue to improve the operating efficiency of the total irrigation system. Both of these projects can be expanded with confidence based on the growing institutional capabilities and the enthusiasm for continued improvements displayed by the Egyptian implementing agencies.

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FY 1985 REQUEST

For FY 1985, \$238 million for PL 480 Food for Peace programs and \$750 million in ESF funds are requested.

The \$225 million PL 480 Title I program will provide approximately 1.4 million metric tons of wheat and wheat flour equivalent against estimated import requirements in excess of 5 million tons. In addition, \$12.8 million is requested for Title II commodities to continue support of private voluntary agency activities, CARE and Catholic Relief Services.

The \$750 million requested in Economic Support funds will be obligated to meet CIP requirements and to finance new or on-going programs in the four areas of economic infrastructure; decentralization; social infrastructure; and industry and agricultural production.

COMMODITY IMPORT PROGRAM

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

ECONOMIC INFRASTRUCTURE

\$220 million is requested for economic infrastructure support to assist the Government of Egypt in its continuing efforts to rehabilitate, modernize, and expand the country's capital infrastructure base. Funding in this area includes \$200 million for water and sewerage programs and \$20 million for continued financing for the rehabilitation of the Alexandria electrical distribution system.

DECENTRALIZATION

To continue U.S. efforts to enhance the growth of popular participation in local government processes, \$75 million is requested for the decentralization program.

SOCIAL INFRASTRUCTURE

\$45 million is requested for projects that assist the Government of Egypt to expand and ameliorate essential social development programs. Requests for funding include \$10 million for science and technology application and \$25.0 million for the critical and increasingly successful family planning program. Five million dollars is requested to equip the Egyptian private and public sector to identify and fulfill skill and training requirements and improve worker productivity. Finally, \$5

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million is requested to support selected pre-project, feasibility and sector studies and private voluntary organization activities.

INDUSTRY AND AGRICULTURAL PRODUCTION

The \$40 million requested for Industry Sector Support primarily will be used to finance private sector credit programs. The intent is to increase overall industrial production by encouraging and supporting an increase in the private sector's productivity. A portion of the funds requested (\$10 million) will be used to establish product recovery and by-product recovery programs in public and private sector firms. This program will help reduce water-borne pollution and complements our wastewater system improvement investments in Alexandria and Cairo.

For agriculture, \$70 million is requested (a) to launch a new program to provide capital resources to improve inputs and product marketing performance (\$10 million), primarily through private sector input supply and post harvest activities; and (b) to finance on-going programs including: \$20 million to support agricultural activities under the Small Farmer Production Credit project; \$20 million for the Irrigation Management Systems project; and \$20 million to support research and extension activities that, in turn, encourage improved crop production and water supply management.

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RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans	182,618	56,900	26,842
Grants	673,630	854,009	965,210
Total AID	856,248	910,909	992,052
P.L. 480**			
Title I	250,000	250,000	225,000
(of which Title III is)	(15,000)	(-)	(-)
Title II	11,640	12,977	12,808
Total P.L. 480	261,640	262,977	237,808
Total AID and P.L. 480	1,129,021	1,173,886	1,229,860

*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	107	132	133
PASAC ^c	3	10	13
Contract	50	52	50
Total	165	194	196
Participants ^d			
Noncontract	290	300	400
Contract	442	800	350
Total	732	1,100	750

^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 Flour	494	89,000	327	90,000	348	78,000
Wheat	995	161,000	1,110	160,000	942	147,000
Feedgrains						
Vegoil						
Non-food						
Title I Total (of which Title III is)		250,000 (15,000)		250,000 -		225,000 -
Title II						
Voluntary Agencies		11,640		12,977		12,808
World Food Programs		5,174		6,340		5,541
Gov't-to-Gov't		-		-		-
Title II Total		16,814		19,317		18,349
Total P.L. 480		266,814		269,317		243,349

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

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PROGRAM: EGYPT

CP 85

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH OBLIG ATIONS	FY 23- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY 84- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY 85- EXPENDI TURES
ECONOMIC SUPPORT FUND										
COMMODITY IMPORT PROGRAM VI	L 263-K036	77	77	440,000	440,000	437,446	435,662	---	---	---
COMMODITY IMPORT PROGRAM VII	L 263-K040	78	78	300,000	300,000	297,676	295,757	---	---	---
COMMODITY IMPORT PROGRAM VII	L 263-K052	79	79	250,000	250,000	250,000	244,304	---	4,000	1,500
COMMODITY IMPORT PROGRAM IX	L 263-K063	80	80	30,000	30,000	30,000	29,069	---	900	---
COMMODITY IMPORT PROGRAM XI	L 263-K054	80	80	250,000	250,000	250,000	237,431	---	7,500	500
COMMODITY IMPORT PROGRAM XII	L 263-K055	81	81	70,000	70,000	70,000	62,659	---	7,000	---
COMMODITY IMPORT PROGRAM	G 263-K601	79	79	65,000	65,000	65,000	63,717	---	1,200	---
COMMODITY IMPORT PROGRAM	G 263-K602	80	80	55,000	55,000	55,000	53,004	---	1,950	---
COMMODITY IMPORT PROGRAM	G 263-K603	81	81	230,000	230,000	230,000	155,902	---	62,000	---
COMMODITY IMPORT PROGRAM	G 263-K604	82	82	350,000	350,000	350,000	133,017	---	96,500	30,000
DECENTRALIZATION SECTOR SUPP	G 263-K605	82	84	455,200	455,200	357,200	203,063	73,000	119,592	---
COMMODITY IMPORT PROGRAM	G 263-K606	83	83	300,000	300,000	300,000	---	---	93,950	98,000
COMMODITY IMPORT PROGRAM	G 263-K607	84	84	---	300,000	---	---	300,000	---	100,000
COMMODITY IMPORT PROGRAM	* G 263-K609	85	85	---	300,000	---	---	---	300,000	---
DECENTRALIZATION SECTOR SUPP	* G 263-K611	85	88	---	300,000	---	---	---	75,000	---
ISMAILIA ELECTRIC POWER PLAN	G 263-0009	76	83	250,000	250,000	250,000	123,123	---	11,585	9,750
MAHALLA TEXTILE PLANT REHAB	L 263-0010	76	76	96,000	93,000	96,000	90,605	---	760	---
SUEZ CEMENT PLANT	G 263-0012	76	80	100,000	100,000	100,000	97,360	---	484	---
STRENGTHENING RURAL HEALTH C	G 263-0015	76	84	14,900	14,900	12,300	7,292	2,600	857	961
APPLIED SCIENCE AND TECHNOLO	G 263-0016	77	80	24,400	24,400	24,400	11,024	---	4,369	2,434
WATER USE AND MANAGEMENT	G 263-0017	76	81	13,000	13,000	13,000	10,294	---	2,032	---
DEVELOPMENT INDUSTRIAL BANK	L 263-0018	76	76	32,000	32,000	32,000	24,711	---	4,300	1,100
PVC PIPE DRAINAGE	L 263-0019	76	76	31,000	31,000	23,025	15,237	---	4,786	---

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

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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)

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PROGRAM: EGYPT

CP 85

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
INTEGRATED SOCIAL WORK TRAIN	G 263-0020	77	79	4,000	4,000	2,516	2,362	---	---	---	---
NATIONAL ENERGY CONTROL CENT	G 263-0023	76	80	2,500	2,500	2,500	21	---	309	---	1,300
NATIONAL ENERGY CONTROL CENT	L 263-0023	76	80	41,000	41,000	41,000	36,473	---	409	---	4,127
TECHNOLOGY TRANSFER AND MANP	G 263-0026	77	82	34,500	34,500	34,500	24,126	---	4,000	---	4,000
RICE RESEARCH AND IRRIGATION	G 263-0027	77	81	21,767	21,767	21,767	4,753	---	5,908	---	11,106
GRAIN STORAGE FACILITIES	G 263-0028	75	83	13,500	13,500	13,500	60	---	3,621	---	2,750
GRAIN STORAGE FACILITIES	L 263-0028	75	83	44,275	44,275	44,275	38,797	---	3,859	---	1,211
FAMILY PLANNING	G 263-0029	77	82	67,400	67,400	67,400	44,328	---	17,046	---	6,000
SHOUBRA THERMAL POWER PLANT	G 263-0030	79	84	190,000	208,000	190,000	107,964	12,000	48,105	---	33,249
AGRICULTURAL MECHANIZATION	G 263-0031	79	80	40,000	40,000	40,000	13,043	---	13,560	---	13,397
URBAN ELECTRIC DISTRIBUTION	G 263-0033	77	85	51,188	51,188	10,000	369	20,000	4,324	20,000	14,321
URBAN ELECTRIC DISTRIBUTION	L 263-0033	77	85	46,012	46,012	46,012	41,700	---	527	---	3,000
CANAL DREDGING EQUIPMENT	G 263-0035	77	79	5,200	5,200	5,200	5,106	---	---	---	---
CANAL DREDGING EQUIPMENT	L 263-0035	77	79	26,000	25,000	25,000	24,637	---	---	---	---
FOOD GRAIN/VEG OIL STORAGE A	L 263-0037	77	77	42,000	42,000	37,000	32,954	---	1,947	---	---
CAIRO WATER SYSTEM	G 263-0038	77	82	61,400	61,400	61,400	2,776	---	22,956	---	24,800
CAIRO WATER SYSTEM	L 263-0038	77	82	30,000	30,000	30,000	29,054	---	611	---	200
IRRIGATION EQUIPMENT	G 263-0040	77	80	8,000	8,000	8,000	7,195	---	204	---	---
AGRICULTURAL DEVELOPMENT SYS	G 263-0041	77	83	12,900	14,900	14,900	12,331	---	2,059	---	---
TECHNICAL AND FEASIBILITY ST	G 263-0042	78	80	31,000	31,000	31,000	13,736	---	3,500	---	2,500
DEVELOPMENT INDUSTRIAL BANK	G 263-0045	78	78	2,000	2,000	2,000	691	---	190	---	---
SUEZ PORT DEVELOPMENT	L 263-0047	78	73	30,000	11,321	11,321	1,831	---	7,276	---	---
CANAL CITIES WATER AND SEWAG	G 263-0048	78	83	109,000	109,000	109,000	1,402	---	34,179	---	38,300
CANAL CITIES WATER AND SEWAG	L 263-0048	78	83	60,000	60,000	60,000	59,119	---	634	---	53

* 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)

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PROGRAM: EGYPT

CP 85

PROJECT TITLE	* L / PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY33- OBLIG ACTIONS	FY33- EXPENDI TURES	-ESTIMATED FY84- OBLIG ACTIONS	FY84- EXPENDI TURES	-PROPOSED FY85- OBLIG ACTIONS	FY85- EXPENDI TURES
SOFTAMIA CEMENT PLANT	L 263-0052	70	78	95,000	95,000	75,534	---	8,480	---	8,551
POULTRY IMPROVEMENT	S 263-0053	77	81	12,542	12,542	5,509	---	---	---	---
DEVELOPMENT PLANNING STUDIES	S 263-0061	75	84	15,800	22,800	15,800	13,624	7,000	3,220	3,800
AGRICULTURE DEVELOPMENT	S 263-0064	78	80	27,500	27,500	27,500	9,713	---	1,998	4,770
URBAN LOW-COST HEALTH DELIVE	S 263-0065	79	81	37,253	37,253	37,253	7,700	---	6,220	14,159
URB INCOME HOUSING/COMMUNITY	S 263-0066	78	81	80,000	80,000	80,000	20,101	---	17,470	16,274
MAJOR CEREALS	S 263-0070	79	80	47,000	47,000	47,000	26,768	---	12,030	8,202
PORT SAID SALINE PRODUCTION	S 263-0072	77	77	13,000	13,000	13,000	10,249	---	2,092	---
TELECOMMUNICATIONS II	S 263-0075	79	79	20,000	20,000	80,000	31,234	---	36,382	11,884
SMALL FARMER PRODUCTION	S 263-0079	79	85	25,000	62,400	25,000	10,586	17,400	9,663	20,000
ALEXANDRIA SEWAGE I	L 263-0089	77	77	15,000	15,000	15,000	12,742	---	2,258	---
INDUSTRIAL PRODUCTIVITY IMPR	S 263-0090	80	81	39,000	39,000	39,000	4,990	---	11,407	10,980
CAIRO SEWAGE	S 263-0091	74	83	129,000	129,000	129,000	40,524	---	25,017	30,469
AGRICULTURE COOPERATIVE DEVE	S 263-0095	79	79	5,000	4,842	4,342	4,521	---	103	---
SMALL-SCALE AGRICULTURE ACTI	S 263-0096	79	79	1,700	1,700	1,700	654	---	708	4
PRIVATE INVESTMENT ENCOURAGE	S 263-0097	79	79	33,000	10,305	10,805	805	---	1,000	2,500
ALEXANDRIA SEWAGE SYSTEM EXP	S 263-0100	79	84	198,700	198,700	166,721	20,870	31,000	19,900	69,645
INDUSTRIAL PRODUCTION	S 263-0101	78	81	98,555	98,555	83,555	14,585	---	7,026	22,177
INDUSTRIAL PRODUCTION	L 263-0101	78	81	46,445	46,445	43,445	6,067	---	1,651	6,600
TECH TRANSFER AND FEASIBILIT	S 263-0102	85	86	10,000	40,000	10,000	---	---	500	5,000
MINERAL, PETROLEUM AND GROUND	S 263-0105	80	81	37,200	37,200	29,700	3,292	---	4,772	5,588
GRADUATE FELLOWSHIPS	S 263-0110	80	81	54,000	54,000	54,000	19,409	---	12,144	14,640
PRIVATE SECTOR FEASIBILITY S	S 263-0112	79	79	5,000	5,000	5,000	1,892	---	904	591
GENERAL PLANNING STUDY	S 263-0113	79	80	5,000	2,702	2,702	2,634	---	55	---

* Refers to the planned project summary sheet

C Level of effort activity

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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)

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PROGRAM: EGYPT

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PROJECT TITLE	* L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY33- OBLIG ATIONS	FY33- EXPENDI TURES	-ESTIMATED FY34- OBLIG ATIONS	FY34- EXPENDI TURES	-PROPOSED FY45- OBLIG ATIONS	FY45- EXPENDI TURES
VEHICLE MAINTENANCE TRAINING	G 263-0114	80	80	4,500	4,500	3,041	---	1,459	---	---
TAX ADMINISTRATION	G 263-0115	80	85	3,700	3,700	1,199	---	451	---	561
AGRICULTURAL MANAGEMENT DEVE	G 263-0116	80	80	5,000	5,000	1,635	---	1,299	---	2,056
TELECOMMUNICATIONS III	G 263-0117	80	82	122,000	122,000	12,987	---	30,604	---	29,500
UNIVERSITY LINKAGES	G 263-0118	80	80	17,500	17,500	4,069	---	6,126	---	5,916
UTILITY MANAGEMENT AND ENERS	G 263-0123	82	87	32,600	48,000	7,500	50	4,500	---	5,669
WORKFORCE PLANNING AND DEVEL *	G 263-0125	85	88	---	20,000	---	---	---	5,000	---
IRRIGATION WATER MANAGEMENT	G 263-0132	81	85	42,000	112,000	33,000	14,701	15,000	20,000	14,492
SUEZ CANAL UNIV - FACULTY OF	G 263-0135	80	85	3,100	14,500	3,100	3,777	5,500	---	2,127
CONTROL OF DIARRHEAL DISEASE	G 263-0137	81	81	26,000	26,000	26,000	932	---	---	9,162
BASIC EDUCATION	G 263-0139	81	84	35,000	35,000	39,000	13,552	45,000	11,396	24,607
MULTISECTOR SCIENCE AND TECH *	G 263-0140	85	89	---	100,000	---	---	---	10,000	---
AG DATA COLLECTION AND ANALY	G 263-0142	80	80	5,000	5,000	5,000	517	---	---	2,552
FAMILY PLANNING II	G 263-0144	83	87	102,600	102,600	20,000	---	---	15,750	25,000
PRIVATE SECTOR PRODUCTION CR	G 263-0147	82	85	60,000	148,000	63,000	---	---	19,248	30,000
SUPPORTING AGRICULTURAL SYST	G 263-0152	84	87	---	200,000	---	---	20,000	---	20,000
BUSINESS SPPORT AND IMPROVE	G 263-0159	83	83	9,100	9,100	9,100	---	---	---	370
ASHWAN HIGH DAM REHABILITATIO	G 263-0160	82	84	100,000	100,000	35,000	5,330	15,000	---	3,800
SAFAGA GRAIN SILOS	G 263-0165	82	82	80,000	80,000	80,000	221	---	---	7,995
INDUSTRIAL BY-PROJECT RECOVER *	G 263-0167	85	87	---	50,000	---	---	---	10,000	---
AG INPUTS AND POST HARVEST R *	G 263-0168	85	89	---	250,000	---	---	---	10,000	---
WATER AND SEWERAGE SUPPORT	G 263-0172	84	87	---	800,000	---	---	169,000	---	200,000

* Refers to the planned project summary sheet

C Level of effort activity

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

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PROGRAM: EGYPT

CP 85

PROJECT TITLE	L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY83-		-ESTIMATED FY84-		-PROPOSED FY85-	
					OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES
TOTAL FOR ACCOUNT			6,181,937	8,710,907	5,721,572	3,243,889	750,000	910,909	750,000	992,052
GRANTS			4,207,205	6,758,354	3,790,370	1,446,472	750,000	854,009	750,000	965,210
LOANS			1,974,732	1,952,053	1,931,202	1,797,417	---	56,900	---	26,842
TOTAL FOR COUNTRY			6,181,937	8,710,907	5,721,572	3,243,889	750,000	910,909	750,000	992,052
GRANTS			4,207,205	6,758,354	3,790,370	1,446,472	750,000	854,009	750,000	965,210
LOANS			1,974,732	1,952,053	1,931,202	1,797,417	---	56,900	---	26,842

The above obligation total for FY 1984 excludes \$103 million of previously deobligated Security Supporting Assistance and Economic Support Funds which are intended for reobligation for balance of payments support.

* Refers to the planned project summary sheet

C Level of effort activity

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PROGRAM: EGYPT

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Commodity Import Program		ESF			FY 85	Life of Project Funding	
					\$300,000	\$300,000	
Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
263-K-609	<input checked="" type="checkbox"/> NEW				FY 85	FY 85	FY 88
<input checked="" type="checkbox"/> GRANT	<input type="checkbox"/> LOAN	<input type="checkbox"/> CONTINUING					

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

Project Description: The Commodity Import Program (CIP) continues to provide valued balance of payments support (and assumes greater prominence as a stable factor in financing commodity imports). While significant increases in Egypt's foreign exchange earnings have taken place in recent years through petroleum exports, worker remittances, the Suez Canal, and tourism, such earnings levelled off in 1982 and their future growth potential is not buoyant. Supplements to these exogenous sources of earnings must be developed through expanded agricultural and industrial production. Imports of such categories of goods as capital equipment, raw materials, grains, and maintenance parts financed by this program help bring about this expanded production and increased employment.

Egypt is unable to import with its own foreign exchange all of the goods it needs to revitalize its economy and improve the daily life of its poor. It is expected that the current account deficit will remain around \$2.2 billion in 1983/84.

FY 1975-83 Commodity Import Program allocations centered on:

	\$ Millions
Industry	\$1,153
Infrastructure	833
Basic Human Needs	338
Agriculture	308
Private Business	137
Other	56
	<hr/>
	\$2,825

The FY 84 and FY 85 programs will finance such items as machinery, equipment, spare and repair parts, grains, and intermediary goods. Trade Financing Facility (TFF) transactions will be eligible for CIP financing, but no specific set-aside for the TFF will be made. The TFF is used to encourage Egyptian purchasers to utilize U.S. suppliers by matching concessional mixed-credits offered by non-U.S. suppliers for international tenders in situations where the U.S. suppliers are otherwise the lowest bidders.

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

Through this program, the United States demonstrates continued support of moderate Egyptian leadership, and helps to ensure domestic stability and development by encouraging domestic production, employment, and availability of basic goods at reasonable prices. Increasingly, the CIP will be used in FY 1984 and 1985 for capital goods and repair/maintenance parts to stimulate increased industrial productivity.

Host Country and Other Donors: In the past, CIP equivalent funding was provided by the Netherlands, Belgium, Finland, Japan, France, and West Germany. As of 1983, the U.S. is the only country known to be funding a Commodity Import Program.

Beneficiaries: The various activities of this program touch directly on the lives of a large percentage of the Egyptian people, either as consumers or as users of improved public services.

TITLE Decentralization Sector Support		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER R-611		POPULATION:	ED. & HR:	SEL. ACT.:	FY 85 \$75,000	LIFE OF PROJECT FUNDING: \$300,000	
GRANT <input checked="" type="checkbox"/>	LOAN <input checked="" type="checkbox"/>	NEW <input checked="" type="checkbox"/>	CONTINUING <input type="checkbox"/>	INITIAL OBLIGATION FY 85	ESTIMATED FINAL OBLIGATION FY 88	ESTIMATED COMPLETION DATE OF PROJECT FY 89	

Purpose: To establish a functioning system of decentralized decision-making and budgetary processes for local development.

Project Description: Over the past five years, A.I.D. has provided a total of \$530.2 million (grant and Title III funds) to assist the GOE in formulating and carrying out administrative decentralization policies and programs. These programs were designed to strengthen the capacity of local governments to provide basic services, and to plan, organize, finance, implement and maintain small self-help projects. An assessment of the sector and an evaluation of the Decentralization Support Fund showed that considerable progress was being made towards sector goals: (a) GOE policies for decentralizing authority and responsibility for local development have been implemented; (b) basic mechanisms of popular participation are in place and operating; (c) resources to implement decisions are being disbursed directly to local units; (d) considerable expenditure decentralization (but less revenue decentralization) is taking place; and (e) locally collected and administered funds are growing rapidly. The GOE commitment to decentralization has been clearly demonstrated.

Major constraints still exist, however; and funding provided under this new sector grant would focus on the following: (a) continued emphasis on decentralization policy development; (b) increased local contributions and cost-sharing for projects through the generation, retention, and utilization of more local revenues; (c) continued upgrading of management and technical skills of the elected and executive local councils, especially in the district centers and small towns not previously included in any sector activities; (d) stimulation of the local private sector, especially in the district centers and small cities by integrating them into local development activities; and (e) development of new sub-projects patterned after existing activities in the basic village services, neighborhood urban services, and other components.

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

Decentralization holds considerable promise for enhancing the growth of popular participation in local government processes and laying a firm base for economic progress in both the private and public sectors. Thus, decentralization is viewed as a key element in AID's strategy for greater productivity, equity, and stability in Egypt. The mid-term evaluation of the Decentralization Support Fund found that the Fund was making significant contributions to popular participation, and the impact appears to be spreading throughout the layers of local government. There is also clear and tangible evidence of public/private cooperation and direct encouragement and participation of the private sector. The Sector Assessment found that the performance of local institutions has improved. Their capabilities in setting development priorities, budgeting, managing, and implementing programs have been strengthened. At this stage of implementation, the Decentralization Program is making significant progress in institution building, increased participation of the private sector, technology transfer, and continued policy dialogue.

Host Country and Other Donors: Similar activities have been funded by the World Bank (IDA) in two Delta provinces, and UNICEF has small decentralization programs in five governorates. The Egyptian Government will continue to provide training facilities, budget, administration, and local staff support, maintenance and operations costs for all activities.

Beneficiaries: Sector activities will directly impact on 21 rural governorates (comprised of 172 autonomous towns, 145 districts, 835 combined units and more than 4,200 villages), benefitting 17.4 million rural Egyptians. The urban-based projects will directly benefit more than 15 million low-income residents of metropolitan Cairo and Alexandria.

TITLE Workforce Planning		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 85 \$5,000	LIFE OF PROJECT FUNDING: \$20,000	
NUMBER 263-0125 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 85	ESTIMATED FINAL OBLIGATION FY 88	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: The purpose of this project is to equip the Egyptian private and public sectors to identify and fulfill skill and training requirements for self-sustaining development, in order to improve the use of existing human resources, and ultimately to improve productivity and reduce unemployment.

Project Description: There is clear evidence that growth of the domestic labor force soon will overtake net employment increases. The public sector (currently accounting for about 90% of net job creation) cannot continue to grow fast enough to absorb the 300,000 to 500,000 entering the labor force annually. Education and training investments are currently only marginally related to meeting specific skill and managerial requirements, and job-related education and training suffers from inadequate coordination among the several public sector agencies involved in such training, and between them and the private and public sector enterprises that they are supposed to serve. As a result, public policies, subsidies and programs to catalyze private sector and public sector training are inadequate. Therefore, the first phase (approximately one year) of the project will be dedicated to developing an education and training resource allocation model that takes into account the shortcomings of employment forecasting, the limitations of the educational data base, the existing but largely unidentified human capital base in the country, and likely fiscal resources available to the nation. Project inputs for Phase I will be primarily technical assistance, commodities (e.g., informational system), and training related to developing and implementing the model. The second phase of the project (approximately three years) will assist the GOE to implement policy and program decisions through the provision of training (including modest amounts of technical assistance and

commodities) with particular emphasis given to employment and productivity determinants and the increased involvement of the private sector in meeting the education and training needs of the labor force. An expanded English language program also will be included.

Relationship of the Project to A.I.D. Country Strategy: This project relates directly to two main objectives: to increase equity within the society and to enhance productivity in both public and private sectors.

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

Beneficiaries: Immediate beneficiaries of the project will be those individuals (approximately 2,500) in public and private sector institutions who receive training under phases I and II of the project.

TITLE Multi-Sector Science & Technology		FUNDING SOURCE: ESF	AG. RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)			
					FY 85	\$10,000	LIFE OF PROJECT FUNDING: \$100,000	
NUMBER GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	263-0140	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 85	ESTIMATED FINAL OBLIGATION FY 89	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To generate and extend science and technology (S&T) research and training activities and intensify the cooperation between the Egyptian academic and research institutes and the productive sectors in solving national development problems in ways that will contribute to the long-term growth and self-sufficiency of the S&T community.

Project Description: A.I.D.'s support for S&T activities in a number of different sectors has not been fully integrated into a coherent strategy in support of Egypt's own somewhat diffuse efforts to relate S&T to national development in general and the Egyptian five-year plan in particular. This project builds on the joint Egyptian-American Assessment of Egyptian Science and Technology. The assessment is providing a clearer understanding of the organization and effectiveness of the national S&T system; identifying possible ways to improve the education and training of S&T personnel; and suggesting interventions that will ensure that maximum returns are obtained from the American financial and technical assistance provided to the S&T community to help it realize its development goals. S&T activities will be supported in a number of sectors with emphasis, where appropriate, on multidisciplinary endeavors.

The project will be in two phases. Phase I will provide transition funding allowing the USAID to continue certain activities (e.g., Applied S&T, 263-0016) and to re-configure its separate projects under a sector program. Phase II will build on the recommendations of the S&T sector assessment, evaluations of different projects (University Linkages, Applied S&T, Development Planning Studies), and experience in other projects (e.g., Industrial Technology Application, Management Development for Productivity) in providing support for project, institutional, and infrastructural components of a sector-wide strategy and program.

Existing S&T projects and the sector assessment have identified constraints to the realization of the project's goals. They include concentration on academic values and rewards; low

motivation and incentives; weak linkages with potential users of S&T; limited access to S&T information; and limited cooperation in the exchange of data, multi-disciplinary research, and inter-institutional collaboration. The new project will build on existing project efforts and address such constraints in a more systematic manner. It will provide an opportunity for developmental research between U.S. and Egyptian scientists, increasing professional exposure through the use of national information systems and improving academic curricula at universities and training of S&T personnel.

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

USAID's S&T goals are to integrate applied S&T across a wide range of fields and also to create, expand, and strengthen ties between producers and users of research, both Egyptian and American. This project also emphasizes technology transfer, institutional development, and increases in national productivity through the more efficient use of scarce S&T resources.

Host Country and Other Donors: Egypt's commitment to S&T is reflected in its landmark five-year plan for S&T, the first such effort to relate S&T resources to the national five-year plan. Individual productive sectors are also emphasizing more efficient and improved strategies for technology transfer. Several bilateral programs assist the S&T community in an ad hoc piecemeal manner. Also, UN agencies are supporting scattered S&T activities. System-wide developments and sustainability have not been addressed, hence the need for this project.

Beneficiaries: Immediate beneficiaries are the sizeable number of S&T personnel in universities, S&T research centers, and the productive sectors, estimated at about 200,000 professionals and para-professionals, whose productivity will be improved through this project. Secondary beneficiaries include graduate students in S&T (estimated at 100,000) and all those who consume the services and products that the S&T community will help make available.

TITLE Industrial By-Product Recovery		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (in thousands of dollars)		
					FY 85 \$10,000	LIFE OF PROJECT FUNDING: \$50,000	
NUMBER 263-0167 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 85	ESTIMATED FINAL OBLIGATION FY 87	ESTIMATED COMPLETION DATE OF PROJECT FY 87

Purpose: To provide public and private sector firms access to financial and technical resources necessary to establish product recovery and by-product processing programs at established industrial facilities. Target plants are those where current processes and procedures result in large losses of raw materials or intermediate products to the environment and result in dangerous pollution of air and water. The financed assistance will allow the recovery of these materials for recycling into the production process or use in by-product production resulting in improved industrial productivity at the target plants and an abatement of pollution, primarily water-borne.

Project Description: The project will make funds available through existing financial institutions. These funds will be lent to firms making application to the institution for product recovery or by-product processing programs. The project will provide technical assistance, where necessary, to interested firms for the prefeasibility studies needed in the application process. Technical assistance will be provided for the design and implementation of approved subprojects. Where appropriate, training in the use and maintenance of the new technology will be provided.

A preliminary survey of industries has been made, showing substantial interest in project activities. Criteria for subproject selection have been established. Further design work will concentrate on the selection of the appropriate financial institutions and technical assistance mode.

Relationship of the Project to A.I.D. Country Strategy: This project is directly supportive of AID's Policy Determination

for Environmental and Natural Resource Aspects of Development. It complements AID's major investments in the water and wastewater sector. It provides financial and technical support to industrial concerns that show concern for environmental protection and for increasing the efficiency of their operations.

Host Country and Other Donors: The GOE is increasingly aware that their expressed priority of promoting industrialization can have long term detrimental effects on the country's material resource base. Law 48 issued in June 1982 imposes new and more stringent requirements for protection of the environment from industrial pollution. Current GOE industrial sector interest in measures that will both decrease pollution and increase productivity is high. Other donors have not approached industrial pollution problems directly but have incorporated pollution control measures into new plant designs or rehabilitation work. The goal and approach of this project are unique in Egypt.

Beneficiaries: Direct beneficiaries of the project will be those public and private sector industries that receive financial and technical assistance under the project. In addition, populations in industrial areas will benefit from the decrease in air and/or water borne pollutants. Egyptian consumers will benefit from the increased productivity of the participating plants through greater availability of finished goods and availability of new goods from by-product production. Savings in foreign exchange will be realized through decreased raw materials imports, resulting in a general benefit to the economy.

TITLE Agricultural Inputs and Post-Harvest Resources		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars) FY 85 \$10,000			LIFE OF PROJECT FUNDING: \$250,000
NUMBER 263-0168 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 85	ESTIMATED FINAL OBLIGATION FY 89	ESTIMATED COMPLETION DATE OF PROJECT FY 90	

Purpose: To improve Egyptian small farmers' access to necessary agricultural inputs and markets.

Project Description: As the USAID and GOE have implemented agricultural projects, constraints have been found to exist in obtaining and using agricultural inputs. These constraints have become more severe, as improved technological packages that have been developed in projects are being introduced to farmers in national production campaigns for selected crops. Assistance will be required in securing the new and additional inputs (e.g. specialized fertilizer, foliar sprays, weed and pest control chemicals) that are part of the new technologies. In an earlier A.I.D.-funded project, Small Farmer Production (263-0079), the A.I.D. Mission also found that capital resources would be required to address post-harvest loss and marketing problems in the agricultural sector. It is generally agreed that marketing is currently the weakest part of the sector and that many benefits of Egypt's hardworking farmers and excellent natural resource base are lost as a result of deficiencies and gaps in the marketing systems.

As part of the project's design, constraints related to agricultural inputs and post-harvest product marketing will be identified and solutions proposed. A.I.D. and the GOE will examine the results of the first Agro-Industries Project sponsored by the World Bank and implemented through the Principal Bank for Development and Agricultural Credit. It is anticipated that resources would be provided through medium and long-term credit to private agri-business entrepreneurs willing to invest in and manage agricultural marketing activities. The Principal Bank would be the primary intermediate credit institution. Other intermediaries may also include

cooperatives and Islamic banks. On the marketing side, A.I.D. hopes to establish links with U.S. private agri-business and Egyptian entrepreneurs.

Relationship of the Project to A.I.D. Country Strategy: This project is related to broader USAID strategy:

-- in promoting increased production in areas in which Egypt has a comparative advantage (e.g., horticulture) and by helping Egypt to increase production and to market agricultural products better. Overall income also should be improved.

-- in promoting natural links among sectors (agro-industry) by providing credit for fertilizers and other inputs as well as post-harvest processing industries, and thereby strengthening the overall Egyptian economy and agro-industrial institutions.

-- in promoting private sector initiatives.

Host Country and Other Donors: Funds provided by A.I.D. to increase the amount of credit available to Egyptian farmers will be matched by the GOE. The GOE also will contribute in cash or kind not less than one-half of the value of the technical assistance and/or other services provided by A.I.D. While the World Bank has expressed interest in co-financing A.I.D. activities in agriculture, it is not clear whether the GOE would welcome Bank participation at prevailing interest rates for Bank loans.

Beneficiaries: The most immediate, direct beneficiaries would be farmers and agri-business owners participating in the project. Indirectly, consumers also would benefit from increased agricultural production and improved marketing.

FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (271) ISRAEL

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 3,960
 PER CAPITA GNP..... (DOLLARS,1981) 5,160
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 1.2%
 ANNUAL RATE OF INFLATION (1970-81) 45.5%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1970) 7.8%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 72.8 MALE 71.3 FEMALE 74.4
 (1970) TOTAL 71.2 MALE 69.7 FEMALE 72.8
 ADULT LITERACY RATE (1972) TOTAL 88% MALE 93% FEMALE 83%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) 0.2%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 4%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 796
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT , , 19% (1982)
 CASH: CITRUS FRUIT , , 9% (1982)
 MAJOR AGRICULTURAL EXPORTS:(1982) CITRUS FRUIT ,COTTON ,
 MAJOR AGRICULTURAL IMPORTS:(1982) SOYBEANS ,WHEAT ,CORN
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 7%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1978) 8,168 (79) 12,447 (80) 14,017
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1978) 10,007 (79) 15,151 (80) 17,955
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1978) -1,839 (79) -2,709 (80) -3,938
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1978) 33.3% (79) 36.5% (80) 36.8%
 AS % OF GNP..... (1978) 23.6% (79) 29.9% (80) 31.2%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 3,405 (81) 3,545 (82) 3,881
 EQUIVALENT TO 4.4 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1981) DIAMONDS ,CITRUS FRUIT ,TEXTILES
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 886 (1981)1,222 (1982)1,046
 AS % OF TOTAL EXPORTS (1979) 16% (1980) 15% (1981) 21%
 MAJOR IMPORTS....(1981) MILITARY EQUIPT ,DIAMONDS ,OIL PRODUCTS
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980)1,549 (1981)1,630 (1982)1,717
 AS % OF TOTAL IMPORTS (1979) 19% (1980) 17% (1981) 17%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1979) -3,423(80) -3,362(81)-3,747
 TRADING PARTNERS: UNITED STATES ,WEST GERMANY ,UNITED KINGDOM
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 63.3%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 2,075
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981) 35.0%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 3.2% (1978) 2.5% (1983) 1.7%
 POPULATION IN URBAN AREAS.....(1970) 84% (1982) 90%
 LIVE BIRTHS PER 1,000 POPULATION....(1970) 27 (1983) 24
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (.) . %
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 33.4% (15-64YRS) 58.4% (65+ YRS) 8.2%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 14
 PEOPLE PER PHYSICIAN..... (1980) 314
 MAJOR CAUSES OF
 DISEASE (1980) SHIGELLOSIS ,CHICKEN POX ,MUMPS
 DEATH.. (1978) ILL-DEFINED CAUS ,STROKE ,HEART DISEASE
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 123%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1971) 97%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1978) TOTAL 96.0% MALE 95.0% FEMALE 97.0%
 SECONDARY..... (1978) TOTAL 68.0% MALE 64.0% FEMALE 73.0%
 POST SECONDARY.. (1977) TOTAL 20.9% MALE 21.7% FEMALE 20.1%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 2.4%

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

COUNTRY	ISRAEL					TOTAL LOANS AND GRANTS 1946-82	REPAY- MENTS AND INTEREST 1946-82	TOTAL LESS REPAY- MENTS AND INTEREST 1946-82
	FOREIGN ASSISTANCE ACT PERIOD							
	1978	1979	1980	1981	1982			
PROGRAM								
I. ECONOMIC ASSISTANCE — TOTAL	791.8	790.1	756.3	764.3	806.0	7156.0	885.9	5270.1
Loans	265.9	255.1	261.0	-	-	2079.6	885.9	1193.7
Grants	525.0	525.0	525.0	764.3	806.0	5076.4	-	5076.4
a. A.I.D. and Predecessor Agencies	785.0	785.3	785.3	764.3	806.0	6491.8	433.5	5088.3
Loans	260.3	250.0	250.0	-	-	1539.3	433.5	1105.8
Grants	525.0	525.0	525.0	764.3	806.0	4982.5	-	4982.5
(Economic Support Fund)	735.0	735.0	735.0	764.3	806.0	5939.5	-	-
b. Food for Peace (PL 480)	5.5	5.1	1.0	-	-	554.1	482.4	181.7
Loans	5.8	5.1	1.0	-	-	570.3	482.4	87.9
Grants	-	-	-	-	-	93.8	-	93.8
Title I - Total Sales Agreements	6.8	5.1	1.0	-	-	501.7	482.4	119.3
Repayable in U.S. Dollars - Loans	5.8	5.1	1.0	-	-	323.1	216.5	106.6
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	278.6	265.9	12.7
Title II - Total Grants	-	-	-	-	-	52.4	-	62.4
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	2.2	-	2.2
Voluntary Relief Agencies	-	-	-	-	-	60.2	-	60.2
c. Other Economic Assistance	-	-	-	-	-	3.1	-	0.1
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	0.1	-	0.1
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	0.1	-	0.1
II. MILITARY ASSISTANCE — TOTAL	1000.0	4000.3	1300.3	1400.3	1400.0	15734.2	3306.6	12397.6
Credits or Loans	500.0	2700.3	500.3	900.3	850.0	9404.2	3306.6	6097.6
Grants	500.0	1300.0	500.0	500.0	550.0	6300.0	-	6300.0
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	500.0	2700.3	500.3	900.0	850.0	9404.2	3306.6	6097.6
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	-	-	-
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	500.0	1300.0	500.0	500.0	550.0	6300.0	-	6300.0
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	1791.8	4790.4	1766.3	2164.3	2206.0	20690.2	4192.5	13567.7
Loans	755.3	2955.4	761.0	900.0	850.0	11465.8	4192.5	7291.3
Grants	1025.0	1825.0	1025.0	1264.3	1356.0	11376.4	-	11376.4
Other U.S. Government Loans and Grants	5.4	68.7	305.9	217.4	24.0	1139.4	573.3	466.4
a. Export-Import Bank Loans	5.4	68.7	305.9	217.4	5.5	1121.9	571.1	450.8
b. All Other Loans	-	-	-	-	17.5	17.5	1.9	15.6

- 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 1946-83
TOTAL.....	3.0	30.0	0.0	341.3
IBRD	3.0	0.0	0.0	284.2
IFC	3.0	0.0	0.0	10.5
IDA	3.0	0.0	0.0	0.0
IDB	3.0	0.0	0.0	0.0
ADB	3.0	0.0	0.0	0.0
AFDB	3.0	0.0	0.0	0.0
JNDP	3.0	0.0	0.0	15.4
OTHER-UN	3.0	0.0	0.0	1.2
ECC	3.0	30.0	0.0	30.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

ISRAEL	CY 1981	CY 1982	CY 1978-82
United States	799.0	804.0	4,452.0
Germany Fed. Rep.	22.4	106.5	399.2
Netherlands	1.4	0.8	4.2
Switzerland	0.3	0.3	1.6
France	0.4	0.5	1.1
Other	0.6	0.6	2.3
Total	824.1	912.7	4,860.4

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

C. LOANS AND GRANTS EXTENDED BY COMMUNIT COUNTRIES

ISRAEL

ECONOMIC SUPPORT FUND PROGRAM SUMMARY			
<i>(In millions of dollars)</i>			
	FY 1983 Actual	FY 1984 Estimated	FY1985 Request
Grants	785	910	850
Loans	-	-	-
Total	785	910	850

Development Overview:

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

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

Initially, these restrictive policies succeeded in reducing the balance of payments deficit. However, when the Government relaxed some of the restrictions, the gap began to grow again in 1978, reaching \$4.7 billion in 1982. At the same time, inflation accelerated to triple-digit levels in 1979 through 1983.

Real economic growth, which had averaged about 9% per year during the 1960s, dropped to less than 2% in 1976 and 1977. It accelerated in the 1978-1981 period, but in 1982 there was no real growth for the first time in many years.

The Israeli invasion of Lebanon on June 6, 1982 and continuing occupation have resulted in additional burdens on the Israeli economy. While there is uncertainty about the cost of these efforts, they continue to mount and the total will likely exceed earlier estimates of \$1.2 to \$1.4 billion. A number of policy measures were undertaken to spread these costs over a three year period, and consequently the economic consequences have been considered manageable.

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

-- maintenance of a strong defense capability,

FY 1985
PROGRAM HIGHLIGHTS

- A \$785 million cash transfer from the Economic Support Fund plus an additional \$65 million for endowment of four U.S.-Israeli binational foundations.

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

The relative priorities accorded to these objectives and, in consequence, the means by which the Government has attempted to balance them, have changed as economic conditions have changed. The economic policies that Israel has adopted in trying to achieve its often competing and sometimes conflicting objectives have sometimes exacerbated Israel's economic problems. Thus, the pervasive system of indexation covering wages, savings, income tax brackets, welfare payments, etc., virtually guarantees the continuation of high rates of inflation, which in turn has contributed to a loss in investor confidence. The high level of subsidies on a number of consumer goods and services contributes to the government budget deficits and continuing high levels of consumer demand (despite the economic slowdown). The recent attempt to moderate the inflationary pressure deriving from import price increases by slowing down the rate of depreciation of the shekel resulted in reducing the profitability of exports, thus increasing the balance of payments deficit.

During October 1983, economic developments included a sharp loss of

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confidence in the stock market and a major devaluation of the shekel. The Finance Minister resigned in October. The new Minister indicated that he intends to deal with Israel's economic problems in part via a program of budgetary austerity by finding acceptable ways to delink the virtually total indexation of incomes to price changes. With U.S. assistance, and that of private institutions and individuals in the United States and elsewhere, Israel has achieved growth and levels of employment which exceed those of most countries. Most Israelis enjoy a good standard of living. Nevertheless, triple-digit inflation and large trade deficits persist and are a reminder that there are significant economic problems with which Israel must deal.

U.S. Interests and Objectives:

Israel's security is essential to achieving a comprehensive peace in the Middle East. U.S. assistance programs, both military and economic, tangibly reflect U.S. support and help give Israel the confidence it needs to take the risks necessary to reach a peace settlement with its Arab neighbors.

A.I.D. Assistance Strategy:

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

In FY 1985, in addition to a \$785 million cash transfer, A.I.D. proposes to provide on a one-time basis endowments totaling \$65 million for four U.S.-Israeli binational foundations to support their continued work in scientific and agricultural research, industrial development and educational exchange. These funds will be transferred after negotiation of changes designed to strengthen the financial status of the foundations. Interest earned on the ESF-funded endowments would accrue to the foundations.

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

In FY 1983 A.I.D. provided \$785 million and in FY 1984 A.I.D. plans to allocate \$910 million from the Economic Support Fund as a cash transfer to Israel, as required by legislative earmarks. A.I.D.'s program permits Israel to meet short-term balance of payments requirements, maintain budgeted foreign exchange expenditures, and import the goods and services it needs to avoid resorting to borrowing massive amounts at market terms or drawing down foreign exchange reserves to an undesirable level.

Requested Year Program: (FY 1985)

For FY 1985, A.I.D. proposes a \$785 million cash transfer. Provision of

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assistance in the form of a cash transfer is conditional upon receipt of satisfactory Israeli Government assurances that Israel will import from the United States an amount of non-defense goods at least equal to our level of economic assistance obligations, that U.S. exporters will continue to enjoy equal access to Israeli markets, and that Israel will follow procedures worked out in cooperation with the U.S. Government for bulk shipments of grain on dry bulk carriers. Israel has provided these assurances each year since FY 1979 when the commodity import program was terminated and replaced by a cash transfer, and has complied with them.

A.I.D. also proposes to make available \$65 million on a one-time basis for endowment of the following four U.S.-Israeli binational foundations: the Binational Industrial Research and Development Foundation; the Binational Science Foundation; the Binational Agricultural Research and Development Fund; and the U.S.-Israeli Educational Foundation.

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RESOURCE FLOWS			
<i>(In thousands of dollars)</i>			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans	-	-	-
Grants	786,949	914,713	851,081
Total AID	786,949	914,713	851,081
P.L. 480**			
Title I <i>(of which Title III is)</i>	()	()	()
Title II			
Total P.L. 480			
Total AID and P.L. 480	786,949	914,713	851,081

*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			
PASA ^c	1	-	-
Contract			
Total	1	-	-
Participants ^d			
Noncontract			
Contract			
Total			

^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	S	MT	S	MT	S
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total <i>(of which Title III is)</i>						
Title II						
Voluntary Agencies						
World Food Programs						
Gov't-to-Gov't						
Title II Total						
Total P.L. 480						

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

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PROGRAM: ISRAEL

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PROJECT TITLE	* L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO PLANNED	-THROUGH FY83- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY84- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	EXPENDI TURES
ECONOMIC SUPPORT FUND										
CASH TRANSFER	G 271-K612	84	84	785,000 3,960,000	---	---	910,000	910,000	785,000	785,000
LEVELING PLANT	G 271-0005	75	75	20,000 20,000	20,000	14,236	---	4,713	---	1,081
UNIVERSITY FOUNDATIONS	* G 271-0006	85	85	---	---	---	---	---	65,000	65,000
TOTAL FOR ACCOUNT GRANTS				805,000 4,045,000	20,000	14,236	910,000	914,713	850,000	851,081
LOANS				805,000 4,045,000	20,000	14,236	910,000	914,713	850,000	851,081
TOTAL FOR COUNTRY GRANTS				805,000 4,045,000	20,000	14,236	910,000	914,713	850,000	851,081
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.

PROGRAM: ISRAEL

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Assistance to Binational Foundations		ESF			FY 85 \$65,000	Life of Project Funding \$65,000	
Number 271-0006	<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 endowment funds to four U.S.-Israeli binational foundations to support their continued work in scientific and agricultural research, industrial development and educational exchange.

Project Description: The four existing U.S.-Israeli binational foundations each have different mandates, governing boards, and financial structures. Each has demonstrated ability to work in its own field and is an example of the kind of close cooperation possible between Israel and the United States. A.I.D. plans to make additional endowment funds available to the following foundations:

\$25 million to the Binational Industrial Research and Development Foundation (BIRD). The BIRD was created in 1977 and is designed to "promote and support joint, non-defense, industrial research and development activities of mutual benefit" by providing seed money for speculative research and development efforts conducted jointly by U.S. and Israeli firms. To date, it has financed 40 projects involving 119 companies, and nine of the projects have developed sufficiently to generate sales.

\$20 million dollars to the Binational Science Foundation (BSF). The BSF supports cooperation in scientific research between the United States and Israel. It began making grants for joint research projects in 1974. Through 1982, nearly 1,000 grants were awarded.

\$15 million dollars to the Binational Agricultural Research and Development Fund (BARD) to further its work of promoting and supporting agricultural research for the mutual benefit of both countries. The BARD has funded 241 projects to date in plant and animal production, soil and water, field crops and animal protection.

\$5 million dollars to the U.S.-Israeli Educational Foundation (USIEF). USIEF was established in 1956 and administers the Fulbright program in Israel. Its function is

to promote exchanges in the educational and cultural fields.

The foundations require new funding in part because below market interest rates paid on some of the original endowments have reduced the size of the programs which could be supported. The requested endowments will make it possible to fund larger programs. The USIEF is different. Previously it was funded by USIA. An ESF endowment will provide an alternative source of funds. Funds obligated for this project will be transferred to the foundations upon completion of negotiation of changes designed to strengthen the financial status of the foundations. Interest earned on the endowments will accrue to the foundations.

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

Assistance to the binational foundations supports close cooperation in technical research and educational exchange between the U.S. and Israel and provides tangible U.S. support for key Israeli economic objectives.

Host Country and Other Donors:

The Government of Israel (GOI) will match the re-endowments for the BIRD, BARD and BSF with an equivalent amount. The GOI has contributed to the USIEF on a cost-sharing basis, and its share will be determined in negotiating the endowment.

Beneficiaries:

The binational foundations currently provide direct support for the following each year: BIRD - Research grants to 30 companies; BSF - 700-750 U.S. and Israeli scientists (plus junior scientists and graduate students) involved in approximately 280 research projects; BARD - Researchers involved in 60 projects; USIEF - 30 U.S. and 30 Israeli grantees. The additional endowments will substantially increase the numbers of direct beneficiaries. To the extent that research supported by foundation grants results in new and improved products, the benefits will be widespread.

COUNTRY: (278) JORDAN

FY 85 CP ECONOMIC AND SOCIAL DATA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 3,420
 PER CAPITA GNP..... (DOLLARS,1981) 1,620
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 4.9%
 ANNUAL RATE OF INFLATION (1970-81) 12.2%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..() . %
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 62.1 MALE 60.3 FEMALE 64.1
 (1970) TOTAL 54.1 MALE 52.5 FEMALE 55.8
 ADULT LITERACY RATE (1976) TOTAL 68% MALE 81% FEMALE 54%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) 0.6%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 7%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 551
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT ,BARLEY ,LENTILS 70% (1982)
 CASH: OLIVES ,VEGETABLES ,FRUITS 25% (1982)
 MAJOR AGRICULTURAL EXPORTS:(1982) CITRUS FRUIT ,VEGETABLES ,EGGS
 MAJOR AGRICULTURAL IMPORTS:(1982) WHEAT ,CORN ,APPLES
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 20%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1978) 753 (79) 1,286 (80) 1,397
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1978) 1,276 (79) 1,535 (80) 1,765
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1978) -523 (79) -249 (80) -368
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1977) 23.5% (78) 22.7% (79) 24.9%
 AS % OF GNP..... (1977) 13.1% (78) 12.1% (79) 13.1%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1977) 724 (78) 967 (79) 1,248
 EQUIVALENT TO 8.6 MONTHS OF IMPORTS (1979)

FOREIGN TRADE

MAJOR EXPORTS... (1981) FRUITS/VEG ,PHOSPHATES ,
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 1 (1981) 2 (1982) 6
 AS % OF TOTAL EXPORTS (1979) 0% (1980) 0% (1981) 0%
 MAJOR IMPORTS....(1981) PETROLEUM ,TEXTILES ,MANUFACTURES
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980) 206 (1981) 509 (1982) 682
 AS % OF TOTAL IMPORTS (1979) 8% (1980) 10% (1981) 18%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1979) -1,339(80) -1,556(81)-2,110
 TRADING PARTNERS: SAUDI ARABIA ,UNITED STATES ,WEST GERMANY
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 61.8%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 182
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981) 24.4%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 3.2% (1978) 3.3% (1983) 3.1%
 POPULATION IN URBAN AREAS.....(1970) 50% (1982) 58%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 48 (1983) 45
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1976) 23.0%
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 46.5% (15-64YRS) 50.8% (65+ YRS) 2.7%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 69
 PEOPLE PER PHYSICIAN..... (1979) 1,956
 MAJOR CAUSES OF
 DISEASE (1981) CHICKEN POX ,MUMPS ,MEASLES
 DEATH.. (1975) HEART DISEASE ,ILL-DEFINED CAUS ,
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 62%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1979) 61%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1979) TOTAL 102% MALE 106% FEMALE 99.0%
 SECONDARY..... (1979) TOTAL 74.0% MALE 81.0% FEMALE 66.0%
 POST SECONDARY.. (1977) TOTAL 5.6% MALE 6.8% FEMALE 4.3%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) . %

U.S. OVERSEAS LOANS AND GRANTS — OBLIGATIONS AND LOAN AUTHORIZATIONS (U.S. Fiscal Years — Millions of Dollars)									ECONOMIC PROGRAMS OF ALL DONORS (Millions of Dollars)				
COUNTRY JORDAN									A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS				
PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-82	REPAY- MENTS AND INTEREST 1946-82	TOTAL LESS REPAY- MENTS AND INTEREST 1946-82	FY 1981	FY 1982	FY 1983	FY 1946-83	
	1978	1979	1980	1981	1982								
I. ECONOMIC ASSISTANCE — TOTAL	102.9	100.8	72.7	10.5	15.4	1453.1	47.2	1410.9					
Loans	54.0	63.1	31.0	-	10.0	329.1	47.2	281.9					
Grants	48.9	37.7	41.7	10.5	5.4	1129.0	-	1129.0					
a. A.I.D. and Predecessor Agencies	93.0	93.0	69.0	10.0	15.0	1255.9	17.6	1238.3					
Loans	48.0	58.0	30.0	-	10.0	266.2	17.6	248.6					
Grants	45.0	35.0	39.0	10.0	5.0	989.7	-	989.7					
(Economic Support Fund)	93.0	93.0	69.0	10.0	15.0	934.7	-	-					
b. Food for Peace (PL 480)	9.9	7.8	3.7	0.5	0.4	200.7	29.6	171.1					
Loans	5.0	5.1	1.0	-	-	52.9	29.6	33.3					
Grants	3.9	2.7	2.7	0.5	0.4	137.8	-	137.8					
Title I - Total Sales Agreements	5.0	5.1	1.0	-	-	62.9	29.6	33.3					
Repayable in U.S. Dollars - Loans	5.0	5.1	1.0	-	-	59.2	26.5	32.7					
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	3.7	3.1	0.6					
Title II - Total Grants	3.9	2.7	2.7	0.5	0.4	137.8	-	137.8					
Emerg. Relief, Econ. Develop. & World Food Program	1.5	0.8	0.5	-	-	91.9	-	91.9					
Voluntary Relief Agencies	2.4	1.9	2.2	0.5	0.4	45.9	-	45.9					
c. Other Economic Assistance	-	-	-	-	-	1.5	-	1.5					
Loans	-	-	-	-	-	-	-	-					
Grants	-	-	-	-	-	1.5	-	1.5					
Peace Corps	-	-	-	-	-	-	-	-					
Narcotics	-	-	-	-	-	0.2	-	0.2					
Other	-	-	-	-	-	1.3	-	1.3					
II. MILITARY ASSISTANCE — TOTAL	127.4	109.6	79.3	44.3	56.9	1076.2	294.7	801.5					
Credits or Loans	71.0	67.0	50.0	42.1	54.9	539.8	294.7	245.1					
Grants	56.4	42.6	29.3	2.2	2.0	536.4	-	556.4					
a. MAP Grants	55.0	41.0	28.3	1.4	-	497.3	-	497.3					
b. Credit Financing - FMS	71.0	67.0	50.0	42.1	54.9	539.8	294.7	245.1					
c. Military Assistance Service-Funded (MASF) Grants	1.4	1.5	1.0	0.8	2.0	13.1	-	13.1					
d. Transfers from Excess Stocks	*	-	-	-	-	46.0	-	46.0					
e. Other Grants	-	-	-	-	-	-	-	-					
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	230.3	210.4	152.0	54.8	72.3	2554.3	341.9	2212.4					
Loans	125.0	130.1	81.0	42.1	64.9	858.9	341.9	527.0					
Grants	105.3	80.3	71.0	12.7	7.4	1695.4	-	1685.4					
Other U.S. Government Loans and Grants	-	63.8	276.3	-	-	364.4	76.4	288.0					
a. Export-Import Bank Loans	-	63.8	276.3	-	-	359.7	71.0	288.7					
b. All Other Loans	-	-	-	-	-	4.7	5.4	0.7					
* LESS THAN \$50,000.													

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. D.A.C. COUNTRIES (Gross Disbursements)				
JORDAN	CY 1981	CY 1982	CY 1978-82	
United States	46.0	34.0	262.0	
Germany Fed. Rep.	20.7	19.4	115.6	
United Kingdom	14.4	5.8	65.9	
Japan	5.5	12.4	35.5	
Austria	19.5	0.4	20.8	
Other	16.6	5.1	36.0	
Total	122.7	77.1	535.8	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
JORDAN	CY 1981	CY 1982	CY 1978-81	
	695.5	N.A.	2,776.7	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
JORDAN	CY 1981	CY 1982	CY 1954-82	
USSR	-	-	30	
Eastern Europe	-	-	NA	
China	-	-	-	
Total	-	-	30	

JORDAN

ECONOMIC SUPPORT FUND PROGRAM SUMMARY			
<i>(In millions of dollars)</i>			
	FY 1983 Actual	FY 1984 Estimated	FY 1985 Request
Loans	10	7	7
Grants	10	13	13
Total	20	20	20

Development Overview

Effects of world recession and decreased aid from Arab countries have caused Jordan's rate of economic growth to decline. Real growth in gross domestic product (GDP) measured 5.5 - 6.0% in 1982 as compared to 7.5% in 1981 and an average of 9% from 1975-1980. Despite this showdown, Jordan remains a relatively well-off developing country. Over half of Jordan's 3.4 million population (including the West Bank) resides in urban areas, GNP per capita stands at \$1,156, unemployment remains minimal, and over 70% of Jordanian adults are literate. Jordan's economy is highly vulnerable, however, to forces outside its control. Further development continues to be dependent on: (1) political stability; (2) expansion and improvement of technical and administrative skills needed for a progressively more complex and diversified economy; (3) increased domestic revenues and foreign exchange earnings; (4) considerable amounts of foreign aid; (5) rational productive development of scarce water and land resources; and (6) very importantly, reduction of the high population growth rate.

In light of shortfalls in Arab aid and Jordan's trade deficit, the Government of Jordan (GOJ) moved in 1983 to reduce expenditures, postpone some development projects, and increase revenues by raising some customs and excise taxes and improving income tax administration. The GOJ also secured a \$225 million loan in the European money markets. Remittances (an estimated \$1 billion transferred through the banking system in 1982) from Jordanians working in Saudi Arabia and the Gulf states still play a major role in Jordan's economy, although the growth in remittances during 1982 appears to have been less than in previous years. Top GOJ development priorities are water, energy and transportation, with emphasis on services to lower income groups, narrowing regional disparities in income and access to opportunities, and encouraging private sector investment.

The services sector continues to dominate Jordan's economy, accounting for 64% of GDP in 1982. The mining, manufacturing and construction sectors represent 27.2% of GDP. Expansion of phosphate mining and initiation of potash production from the Dead Sea in 1982 contributed to growth in the mining sector; however, international demand for these products is down, curbing this sector's growth.

Water remains a major resource need and development constraint. Expansion of water supplies and distribution networks continues to be a priority. Emphasis is being given to the development of new groundwater resources and the management, allocation, and conservation of existing water resources in the face of competing demands by urban, industrial and agricultural users. Water is also important because of its relationship to public health; the lack of adequate potable water and of sewage disposal and treatment contributes directly to major health problems.

FY 1985
PROGRAM HIGHLIGHTS

- \$10 million for the Highland Agriculture Development project will increase agricultural production in the highland rainfed regions.
- \$3 million for the Rural Community Development project will stimulate local private investment.
- \$6 million Jordanian-American Scholarship Fund will assure continuing higher education opportunities for deserving students in the U.S.
- \$1 million for the final funding increment of Technical Services and Feasibility Studies IV - to continue high-priority technology transfers and technical assistance activities.

Jordan is almost totally dependent on imported oil. With oil prices likely to remain at high levels, meeting energy needs is a development priority. Feasibility studies indicate extraction of oil from Jordan's oil shale deposits is not currently viable. With one of the highest per capita oil consumption growth rates in the world, and with plans to extend the national electrical power grid, Jordan is focussing on energy planning, oil exploration, and development of alternative energy resources.

Although agriculture's share of GDP is only about 7%, agricultural exports (particularly fruits and vegetables grown in the Jordan Valley), rank second after phosphates in value of exports. However, expanding and diversifying production is inhibited by the limited amount of arable land, soil erosion, water availability, and inadequate technology. About 60% of the food consumed in Jordan is imported.

Jordan's comparatively abundant, well-educated, and trained labor force is a major asset. Demand for Jordanian workers at home and abroad has resulted in low unemployment rates and some technical skills shortages. An open labor emigration policy prevails and over 120,000 foreign laborers - mostly Egyptians - work in Jordan, while some 300,000 Jordanians work in semi-skilled and professional jobs in the oil-producing countries of the Arabian peninsula.

Jordan's population growth rate is currently estimated at 3.1% and constrains Jordan's development prospects. Reasons for rapid growth include a continuing high birth rate attributable to youthful marriages, continuous child bearing throughout a woman's reproductive years, and a continuing desire in the society for large families. The high growth rate is further attributable to a halving of the death rate between 1960 and 1978, and overall health improvements from which women especially have benefitted.

Existing conditions which favor a natural decline in Jordan's population growth rate over time are: higher educational levels for women (66% in secondary schools in 1980); greater participation of women in the labor

JORDAN

force (16% in 1980 versus 4% in 1975); and urbanization. Nevertheless, a well-defined and implemented official population policy would accelerate any natural decline in population growth. One objective of the current Five-Year Plan is "to adopt population policies consonant with available resources and Jordan's role in the Arab world." However, the GOJ is moving cautiously because of sensitivities to government involvement in family planning.

U.S. Interests and Objectives

Surrounded by Israel, Syria, Iraq, and Saudi Arabia, Jordan is geographically and politically important. King Hussein and his government have followed and encouraged moderate and constructive policies within the Arab World, where Jordan continues to play an important role. Jordan has long supported a comprehensive Middle East peace settlement. Jordan continues to seek a formula which will permit Jordanians and Palestinians to seize the opportunity for peace.

The primary objective of A.I.D.'s program in Jordan is to assist the continued development of a moderate, western-oriented state that is socially and politically stable. For thirty years, U.S. economic assistance has been an important component of the U.S. presence in Jordan, contributing to the formation of both the physical and human infrastructure which helped foster the rapid socio-economic growth of recent years. The A.I.D. program has generated much good will toward the United States through the successful realization of A.I.D.-supported activities.

A.I.D. Assistance Strategy

U.S. economic assistance is directed toward increasing Jordan's capability for self-sustaining growth, reducing dependence on foreign aid, and enhancing U.S.-Jordanian relationships. A.I.D.'s strategy is to finance projects and programs in areas which are important to Jordan's continued economic and social development and consistent with A.I.D.'s development assistance priorities.

Primarily through institution building and the transfer of technology, A.I.D. is assisting Jordan in: providing safe water and sewerage services to its people; fully exploiting, conserving and managing its limited water resources; increasing agricultural productivity and improving economic opportunities in rural areas; developing alternative energy sources and energy resource management; increasing public awareness of and action to ameliorate health and population problems; increasing the generation of domestic revenues; and meeting the requirements for technically trained labor in critical development areas.

A.I.D. Program: FY 1983 - 1984

A. FY 1983

JORDAN

1. Water:

In FY 1983, A.I.D. provided a \$3 million grant and a \$10 million loan as the first increment of a planned \$21 million contribution to the Water Systems and Services Management project (278-0259), the centerpiece of A.I.D.'s water sector program. A.I.D.'s contribution through the transfer of U.S. technology and training will strengthen Jordanian capabilities to protect, conserve and adequately manage known water resources. In this manner Jordan will be helped to realize its industrial and agricultural goals, extend and improve the distribution of water, collect and treat wastewater, and provide other related services in the nine secondary cities. The private sector's capability to design and construct water systems for public sector utilities will also be strengthened through the provision of technical assistance and training.

A.I.D. also contributed a \$5 million grant in FY 1983 for technical assistance and training, thus completing the Agency's funding commitment to the Zarqa-Ruseifa Water and Wastewater project (278-0234). This is a \$79 million effort to help Jordan construct water and wastewater treatment facilities in the Zarqa and Ruseifa urban corridor with a combined population of 250,000. Similar on-going projects cover the cities of Amman, Aqaba, and Irbid, and will provide more than 50% of Jordan's urban population with increased amounts of water, in addition to sewage collection and treatment services. Another on-going project, Groundwater Resources Investigation (278-0243) provides assistance to the GOJ to investigate the availability of groundwater resources in Jordan.

2. Health and Population:

In FY 1983, A.I.D. provided an additional \$1 million grant for the Health Management and Services Development project (278-0208). On the basis of evaluation findings, the project was extended to assist the Ministry of Health in strengthening management and delivery of primary health care services. The on-going Health Education project (278-0245) also provides technical assistance to help the Ministry in its efforts to improve its capacity and ability to disseminate information to the populace on health problems and measures to counteract them.

Jordan's limited resource base and high population growth rate require that efforts be directed to the distribution and limitation of population growth. As yet there is no official Jordanian population policy. A.I.D. maintains a continuing dialogue with GOJ policy makers on this problem and works with centrally-funded PVOs which serve as intermediaries in such areas as education, demography, medical training, family planning, and, in particular, child-spacing. A family planning donors' conference held in Amman during FY 1983 attracted considerable attention to population activities and provided an important forum for discussion of population issues.

JORDAN

3. Education:

The Development Administration Training III (DAT III) project (278-0257) received \$1 million in grant funds in FY 1983 to assist in providing training to Jordanian officials in the fields of management, public administration, finance, education, health, and other technical areas related to Jordan's development. In the past thirty years, A.I.D. has contributed to the training of over 2,500 Jordanians. The DAT III project, a follow-on to DAT I and II, will continue A.I.D.'s participant training effort, which has been one of the most important and successful elements of the A.I.D. assistance program in Jordan. Two other education sector projects, Vocational Training and Schools Construction II, expected to be completed in FY 1984, contribute to training of students in vocational trades and to the construction of additional and badly needed compulsory schools in Jordan.

4. Agriculture:

The Jordan Valley Agricultural Services project (278-0242) began a second year of activity in institutionalizing a program of applied research and extension in the Jordan Valley. A project evaluation conducted by A.I.D., the Ministry of Agriculture and the Title XII contractor, Washington State University, was held in FY 1983 to assess progress in achieving the project's institution building goals. Recommendations included establishing an integrated methodology for research and extension on a crop-by-crop basis, and formalizing the system of information exchange between researchers and extension workers and the Washington State contractors and Ministry of Agriculture officials. These recommendations, among others, have been implemented, furthering the prospects for success in developing an agricultural research and extension system which will benefit Jordanian farmers.

5. PL 480:

FY 1983 was the final year for A.I.D.'s PL 480 Title II program. CARE (the implementing agency) and the GOJ agreed to terminate the feeding program in light of Jordan's improved socio-economic status.

B. 1984

1. Water:

The A.I.D. program for FY 1984 includes \$7 million in loan and \$1 million in grant funds for the previously authorized Water Systems and Services Management project (278-0259). The Maqarin Dam Construction project (278-0225) is still included in A.I.D.'s potential water portfolio but must remain dormant until the resolution of riparian issues between Jordan, Syria, and Israel. As this project will have broad regional repercussions on development in the area, it will receive A.I.D.'s continuing support as conditions permit.

JORDAN

2. Public Administration:

A.I.D. plans to provide an additional \$1 million grant for the Income Tax Assistance project (278-0247) in FY 1984. This project, through technical assistance provided by the U.S. Internal Revenue Service, is assisting the GOJ Income Tax Department to improve its management, administration and information gathering procedures. A project evaluation conducted in FY 1983 revealed that, because of the substantial potential for additional progress, an increase in project funding and an extension of the project were merited. The FY 1984 funds will finance additional IRS assistance to the GOJ in income tax assessment, collection, data processing, and administrative services, in order to increase domestic revenues for development.

3. Education:

In FY 1984, A.I.D. plans to initiate the Executive Management Institute project (278-0261) through a \$5 million grant. A.I.D. funds will provide U.S. technical assistance advisors to help establish the Institute and train Jordanian staff required for its operation. The grant will also cover the cost of consultants to run special short-term seminars as well as provide some materials and training equipment. The Institute, designed to provide both long and short-term training, will assist senior managers, drawn from both the private and public sectors, in analyzing and resolving managerial problems and in refining their management skills. Jordanians will be the principal and initial beneficiaries of the Institute's courses. In the future, participants could be drawn from other Arab states. A.I.D. will also obligate in FY 1984 a \$2 million grant to complete funding of the DAT III participant training project which was authorized in FY 1983.

Technical Services and Feasibility Studies (TSFS). These projects (278-0224 and 0258) have been important vehicles for addressing development problems in a number of sectors. Through these grant-funded projects, A.I.D. has assisted the GOJ with such activities as: beginning a study of economic opportunities and infrastructure needs in Jordan's small towns and villages; establishing an accreditation system for Jordanian junior colleges; quickly controlling the flow from a newly drilled artesian well; initiating a seismic monitoring program; and analyzing potential flash flood problems in southern Jordan. These projects have also benefitted Jordan's private sector through the funding of a consultant to assess training needs of the Amman Financial Market and by providing funds for the travel of members of the Jordan Business and Professional Women's Association to attend the International Conference on Women in Development in Washington, D.C. A.I.D. proposes to continue these types of technology transfer and technical assistance activities in FY 1984 by providing a \$4 million grant for the Technical Services and Feasibility Studies IV project (278-0260).

Requested Year Program: FY 1985

A.I.D.'s FY 1985 program provides important support to select institution building and technology transfer needs of Jordan and will significantly

JORDAN

impact on the private sector. In support of Jordan's Five-Year Plan to stimulate more geographically balanced growth, A.I.D. has been requested to take a leading role in increasing agricultural production in the highland rainfed regions.

1. Agriculture and Rural Development:

The proposed Highland Agricultural Development project (278-0264), with a life-of-project cost of \$20 million, aims at improving agricultural productivity in Jordan's rainfed highlands. Agriculture in these areas has lagged behind production gains made in other countries because of the lack of a sustained and coordinated research and extension effort, land ownership fragmentation, farm labor shortages, and a failure of the private sector and cooperatives to promote new technology by making available appropriate inputs, machinery and services. The project loan funds would be used to encourage the provision of improved seed, nursery stock, fertilizer and other inputs to highland farmers through cooperatives and private firms. Grant funds would be used to provide technical assistance, training and commodities to strengthen the capabilities of the Ministry of Agriculture's Directorate of Research and Extension and to promote greater collaborative research efforts with the University of Jordan's Faculty of Agriculture and the International Center for Agricultural Research in Dry Areas.

The Rural Community Development project (278-0255) is designed to encourage income and revenue-generating projects in the small towns and villages located in two micro-regions. Based on analysis of linkages between communities in the two areas, this pilot effort, funded by an A.I.D. loan of \$2 million and a grant of \$1 million, would encourage the development of small-scale enterprises to meet local needs. The grant fund would finance technical assistance needed to coordinate and to advise local organizations and GOJ entities involved in local development on designing and implementing projects. Grant money would also be used to fund feasibility studies of potential projects. The loan would be utilized to fund public sector projects which directly benefit the expansion of private enterprise and increase town or village revenues, or to assist individuals or private organizations in starting up small businesses. A major objective is to test this approach for anticipated replication in other areas as part of GOJ efforts to foster more balanced growth in less urbanized areas.

2. Education:

A.I.D. is proposing a Jordanian-American Scholarship Fund project (278-0262) which would receive \$6 million in A.I.D. grant funds. Initially consisting of a bi-national undergraduate scholarship fund to help finance Jordanians wishing to study in the United States, this project will establish a mechanism for training Jordanians which is not dependent on continued A.I.D. financial assistance. The fund will have a Governing Board, composed of Jordanian and American public and private sector members, which will oversee the fund's operations.

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3. Special Activities:

Finally, A.I.D. proposes to provide an additional \$1 million grant to complete funding of the Technical Services and Feasibility Studies IV project (278-0260) in FY 1985.

A.I.D. DIRECTOR: WALTER BOLLINGER

JORDAN

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans	13,033	17,956	19,002
Grants	6,173	13,096	11,790
Total AID	19,206	31,052	30,792
P.L. 480**			
Title I (of which Title III is)	(-)	(-)	(-)
Title II	142	61	87
Total P.L. 480	142	61	87
Total AID and P.L. 480	19,348	30,713	30,879

*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	16	17	16
PASAC ^c	2	5	5
Contract	5	8	8
Total	23	30	29
Participants ^d			
Noncontract	77	96	132
Contract	18	14	10
Total	95	110	142

^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)						
Title II						
Voluntary Agencies		120		-		-
World Food Programs		22		61		87
Gov't-to-Gov't		-		-		-
Title II Total		142		61		87
Total P.L. 480		142		61		87

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

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PROGRAM: JORDAN

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PROJECT TITLE	* L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO PLANNED	THROUGH FY85- OBLIG	FY85- EXPENDI TURES	ESTIMATED FY84- OBLIG	FY84- EXPENDI TURES	PROPOSED FY85- OBLIG	FY85- EXPENDI TURES
ECONOMIC SUPPORT FUND										
JORDAN VALLEY FARMERS ASSOCIATION	G 273-0155	77	78	1,161	1,161	1,161	234	---	227	---
WATER MANAGEMENT TECHNOLOGY	G 273-0192	77	79	1,320	1,320	1,320	889	---	431	---
AQABA SEWERAGE	L 273-0206	79	79	7,500	7,500	7,500	2,333	---	3,500	1,667
HEALTH MGMT AND SERVICES DEVELOPMENT	G 273-0208	77	83	2,375	2,375	2,375	1,547	---	500	600
POTASH DESIGN AND CONSTRUCTION	L 273-0210	78	79	38,000	38,000	38,000	37,767	---	233	---
DEVELOPMENT ADMINISTRATION TRAINING II	G 273-0214	79	80	2,000	2,000	2,000	1,355	---	145	---
AMMAN WATER AND SEWERAGE	L 273-0220	78	79	39,000	39,000	39,000	23,665	---	6,000	7,335
VILLAGE DEVELOPMENT III	L 273-0221	79	79	7,000	7,000	7,000	3,777	---	1,223	---
TECH SERVICES AND FEASIBILITY STUDIES II	G 273-0224	77	80	5,700	5,700	5,700	4,904	---	796	---
SCHOOL CONSTRUCTION II	G 273-0230	80	80	6,700	6,700	6,700	6,293	---	407	---
IRSID WATER AND SEWERAGE	G 273-0233	80	80	2,500	2,500	2,500	---	---	1,000	1,000
IRSID WATER AND SEWERAGE	L 273-0235	80	80	21,000	21,000	21,000	---	---	2,000	4,000
ZARQA RUSEIFA WATER AND WASTEWATER	G 273-0234	83	83	5,000	5,000	5,000	31	---	1,000	1,700
ZARQA RUSEIFA WATER AND WASTEWATER	L 273-0234	82	82	10,000	10,000	10,000	---	---	2,000	4,000
VOCATIONAL TRAINING	G 273-0238	79	80	2,125	2,125	2,125	1,235	---	190	---
JORDAN VALLEY AGRICULTURAL SERVICES	G 273-0241	81	81	5,620	5,620	5,620	1,359	---	1,700	1,700
GROUNDWATER RESOURCES INVESTIGATION	G 273-0243	80	81	5,000	5,000	5,000	500	---	3,000	1,400
HEALTH EDUCATION	G 273-0245	80	81	980	980	980	90	---	500	390

Refer to the planned project summary sheet

* Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 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)

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PROGRAM: JORDAN

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PROJECT TITLE	* L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT AUTHO	COST PLANNED	-THROUGH OBLIG ATIONS	FY83- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY85- EXPENDI TURES
INCOME TAX ASSISTANCE	G 273-0247	81	84	1,000	2,000	1,000	500	1,000	500	---	500
RURAL COMMUNITY DEVELOPMENT	* G 273-0255	85	86	---	2,000	---	---	---	---	1,000	---
RURAL COMMUNITY DEVELOPMENT	* L 273-0255	85	86	---	5,000	---	---	---	---	2,000	---
DEVELOPMENT ADMINISTRATION TRAINING III	G 273-0257	83	84	1,000	3,000	1,000	19	2,000	1,000	---	1,000
TECH SERVICE AND FEASIBILITY STUDIES III	G 273-0258	82	82	5,000	5,000	5,000	604	---	1,000	---	2,000
WATER SYSTEMS AND SERVICES MANAGEMENT	G 273-0259	83	84	4,000	4,000	3,000	---	1,000	200	---	500
WATER SYSTEMS AND SERVICES MANAGEMENT	L 273-0259	83	84	17,000	17,000	10,000	---	7,000	1,000	---	2,000
TECH SERVC AND FEASIBILITY STUDIES IV	G 273-0260	84	85	---	5,000	---	---	4,000	400	1,000	500
EXECUTIVE MANAGEMENT INSTITUTE	G 272-0261	84	84	---	5,000	---	---	5,000	---	---	500
JORDANIAN-AMERICAN SCHOLARSHIP FUND	* G 273-0262	85	85	---	6,000	---	---	---	---	5,000	---
HIGHLAND AGRICULTURAL DEVELOPMENT	* G 273-0264	85	85	---	5,000	---	---	---	---	5,000	---
HIGHLAND AGRICULTURAL DEVELOPMENT	* L 273-0264	85	85	---	15,000	---	---	---	---	5,000	---
TOTAL FOR ACCOUNT				191,481	231,481	103,481	91,113	20,000	31,050	20,000	30,792
GRANTS				51,921	74,921	50,921	21,575	13,000	13,095	13,000	11,790
LOANS				139,560	156,560	132,560	69,542	7,000	17,955	7,000	19,002
TOTAL FOR COUNTRY				191,481	231,481	103,481	91,113	20,000	31,050	20,000	30,792
GRANTS				51,921	74,921	50,921	21,575	13,000	13,095	13,000	11,790
LOANS				139,560	156,560	132,560	69,542	7,000	17,955	7,000	19,002

* 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: JORDAN

PLANNED PROGRAM SUMMARY SHEET

Title Rural Community Development		Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Number 278-0255	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	FY 85	1,000 (G)	Life of Project Funding
						2,000 (L)	2,000 (G)
<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	FY 86	FY 88

Project Purpose: To encourage greater income-earning opportunities and services improvements in small towns and villages through the implementation of pilot local development programs in two micro regions of Jordan.

Project Description: Small towns and villages suffer from two major problems: the difficulty faced by farmers and herders in trying to earn an adequate income from agriculture in arid areas chronically subject to drought; and limited opportunities to earn non-farm income in villages and surrounding areas. Access to services remains limited, and villagers must commute to the cities or larger towns to obtain education, health and other services. The economic situation in rural areas, particularly in Jordan's highlands, is characterized by a diminishing agricultural pastoral sector and the gradual loss of capital and productive manpower to the cities. The provision of basic infrastructure depends on the ability of small town and village councils to raise local funds, to tap central government resources, and to compete for limited funds available from central ministries.

This project builds on a rural community study begun in FY 1983 to identify local infrastructure needs, obstacles to development, potential economic opportunities, and linkages between towns and villages in two areas of Jordan's highlands. The study will generate socio-economic profiles and economic development plans of the two micro-regions, and will involve personnel from institutions concerned with community development in Jordan, such as the Cities and Villages Development Bank (CVDB), the Industrial Development Bank (IDB), the Jordan Co-operative Organization (JCO) and the Ministry of Social Development. The project itself will help implement activities identified in the micro-region plans which promote increased income and employment in the areas.

The project's loan funding will be allocated between the CVDB and the IDB for lending to villages and private enterprises. In the case of CVDB, the money will be utilized to help

finance town and village council projects which provide revenue for local governments as well as encourage privately owned services to area residents. Examples of such projects are village-owned commercial centers and cold storage units which are then leased to private businesses to operate. Project loan money will also further the IDB's small business lending operation by offering entrepreneurs or private organizations an incentive to establish small businesses within the micro-regions. The \$1 million grant of the project will help finance technical assistance to the GOJ for project implementation. Community development consultants and/or PVOs (local or U.S.) are expected to assist in assessing the feasibility of proposed projects and providing advice on the activities' management and operation. The A.I.D.-financed consultants will also work with local institutions and private sector groups in identifying and implementing projects which could obtain financing from non-project sources.

Relationship of Project to A.I.D. Strategy: In helping develop a Jordanian capacity to carry our decentralized development efforts by stimulating and assisting local initiative, this project supports A.I.D.'s strategy of developing long-run institutional capabilities in areas of mutual development priority to A.I.D. and the GOJ.

Host Country and Other Donors: At this time, it is not anticipated that other donors will participate in the proposed project, although the project will be complementary to the World Bank's assistance to the Cities and Villages Development Bank. The GOJ's contribution to the project will be approximately \$1 million (equivalent).

Beneficiaries: Primary beneficiaries will be the approximately 31,000 residents of the micro-regions. Anticipated replication of this pilot program in other less developed areas would expand the number of beneficiaries.

PROGRAM: JORDAN

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Jordanian-American Scholarship Fund		ESF			FY 85	Life of Project Funding	
					6,000		6,000
Number	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
278-0262							
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN	<input type="checkbox"/> CONTINUING				FY 85	FY 85	FY 90

Project Purpose: To strengthen and expand Jordan's pool of well trained manpower in critical development areas, foster continuing close professional relationships between Jordanians and Americans, and institutionalize a permanent system to facilitate the education and training of enterprising, potentially influential Jordanians in the United States.

Project Description: A.I.D. has been providing assistance to Jordan for more than thirty years, a significant portion of which has been directed at training in the United States. These programs have been very successful, and many of Jordan's current leaders are beneficiaries of past A.I.D.-financed training programs. This has done much to foster continuing close relationships between Jordanians and Americans as well as contributing to Jordan's development efforts. This project will contribute to the continuation of this valuable development relationship by financing scholarships for Jordanians in selected academic fields related to national development. Training will cover a wide variety of professional areas related to Jordan's development needs.

The fund will have a Governing Board composed of Jordanian and American public and private sector officials which will oversee the Fund's operations. It is anticipated that one or more non-profit, education-oriented U.S. Private Voluntary Organization will help select, place and monitor the trainees.

The project will establish mechanisms and linkages for training Jordanians which are not dependent on periodic inputs of funds by A.I.D. The fund may be expanded in the future to provide broader types of training and/or to increase the number of trainees through additional resource inputs by A.I.D., the GOJ or other public and private sources.

Relationship of the Project to A.I.D. Country Strategy: Training is an integral part of the A.I.D. strategy with respect to Jordan. It is through training that many of our objectives in assisting Jordanian development process can be

furthered. Under this project, priority consideration will be given to training in A.I.D.-targeted development areas.

Host Country and Other Donors: The project will finance tuition, books and initial administrative costs. Other training costs will be financed by the trainees and/or the GOJ. A.I.D.'s contribution is expected to be about 50% of training costs. It is anticipated that other donors, most probably from the Gulf States, may in time contribute to the Scholarship Fund. Other countries, including the Soviet Union and many East European countries, are financing similar programs on a 100% grant basis. This project will, to some extent, compete with programs supported by these countries.

Beneficiaries: The direct beneficiaries of this project will be the estimated 225 Jordanians who will be the recipients of scholarships. The indirect beneficiaries will be the public institutions and private firms of Jordan which will employ them upon their return, and the U.S. at large through continuing mutually beneficial relationships in development fields.

PROGRAM: JORDAN

PLANNED PROGRAM SUMMARY SHEET

Title Highland Agricultural Development		Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Number 278-0264		<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input checked="" type="checkbox"/> GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING				Sei. Act.	FY 85	FY 86	FY 92
					FY 85	FY 86	FY 92
					5,000 (G) 5,000 (L)	Life of Project Funding	5,000 (g) 15,000 (L)

Project Purpose: Private sector component: To promote and facilitate the provision of inputs and services by the private sector, including private cooperatives, to highland farmers and related farm enterprises.

Public sector component: To strengthen the Government of Jordan's (GOJ) research and extension capabilities, principally the Ministry of Agriculture (MOA), Directorate of Research and Extension (DR & E), for agricultural development of the highlands areas of Jordan.

Project Description: In recent years Jordan has concentrated its agricultural development efforts on irrigated agriculture in the Jordan Valley. The highland area has received very little attention and production has stagnated or, for some crops, declined. The GOJ desires to reverse the situation in the highlands and has asked A.I.D.'s assistance. Highland (dryland) agriculture has potential for overall increased agricultural production. This project will concentrate on improving the institutional capacity of the MOA's Directorate of Research and Extension to support highland agricultural production, strengthen the capacity of the private sector and cooperatives to provide appropriate inputs and services to small farmers, and provide the technical assistance, training and commodity support required. The project will build upon existing research on dryland farming, and will utilize the farming systems approach in identifying problems and developing ways to solve them.

Relationship of Project to A.I.D. Country Strategy: A.I.D.'s strategy emphasizes private sector development, technology transfer, and institution building. This project directly addresses each of these priority areas.

Host Country and Other Donors: Two other donors are currently working in the highland areas - the German Agency for Technical Cooperation in the Zarqa watershed, and the Australian Government with a dryland agricultural project. The Highland Agricultural Development Project will complement the work being done by these donors. The project will work

through the private sector and cooperatives in implementing many of the recommendations of the Australian dryland project, which in turn draw heavily on the findings of an earlier A.I.D. Oregon State project.

Beneficiaries: The primary beneficiaries will be the Jordanian farmers and rural families in the highland regions. Private sector agri-businesses will benefit from increased business activity. Decreased imports of cereals, fruits and meat will improve foreign exchange balances and benefit the population in general.

FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (268) LEBANON

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 2,598
 PER CAPITA GNP..... (DOLLARS, .) .
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) . %
 ANNUAL RATE OF INFLATION (1970-81) 14.6%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1970) 4.0%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 66.8 MALE 64.9 FEMALE 68.8
 (1970) TOTAL 62.1 MALE 60.2 FEMALE 64.0
 ADULT LITERACY RATE (1970) TOTAL 68% MALE 79% FEMALE 58%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) -3.8%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1974) 9%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 1,926
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT ,PULSES ,BARLEY 10% (1982)
 CASH: CITRUS FRUIT ,APPLES ,TOBACCO 10% (1982)

MAJOR AGRICULTURAL EXPORTS:(1982) CITRUS FRUIT ,APPLES ,VEGETABLES
 MAJOR AGRICULTURAL IMPORTS:(1982) GRAINS ,MEATS ,RAW SUGAR
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 11%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (.) (.) (.)
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (.) (.) (.)
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (.) (.) (.)
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (.) . % (.) . % (.) . %
 AS % OF GNP..... (.) . % (.) . % (.) . %
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 1,978 (81) 1,906 (82) 2,997
 EQUIVALENT TO . MONTHS OF IMPORTS (.)

FOREIGN TRADE

MAJOR EXPORTS... (1982) , ,
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 31 (1981) 18 (1982) 18
 AS % OF TOTAL EXPORTS (.) .% (.) .% (.) .%
 MAJOR IMPORTS....(1982) , ,
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980) 333 (1981) 325 (1982) 323
 AS % OF TOTAL IMPORTS (.) .% (.) .% (.) .%
 TRADE BALANCE(\$ MILLIONS, U.S.)(.) .(.) .(.) .
 TRADING PARTNERS: SAUDI ARABIA ,ITALY ,UNITED STATES
 EXTERNAL PUBLIC DEBT AS % OF GNP (1973) 3.5%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 53
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (.) . %

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.7% (1978) -0.6% (1983) 0.1%
 POPULATION IN URBAN AREAS.....(1970) 62% (1982) 78%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 40 (1983) 29
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1971) 53.0%
 MAJOR AGRICULTURAL EXPORTS:(1982) CITRUS FRUIT ,APPLES ,VEGETABLES
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 39.7% (15-64YRS) 55.4% (65+ YRS) 4.9%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 37
 PEOPLE PER PHYSICIAN..... (1970) 1,299
 MAJOR CAUSES OF
 DISEASE (1975) DIABETES ,TUBERCULOSIS ,
 DEATH.. (1975) CANCER ,CIRCULATORY ,
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 112%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1970) 92%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1979) TOTAL 97.0% MALE 127% FEMALE 109%
 SECONDARY..... (1979) TOTAL 50.0% MALE 47.0% FEMALE 32.0%
 POST SECONDARY.. (1971) TOTAL 17.7% MALE 26.1% FEMALE 9.0%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 4.2%

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

COUNTRY LEBANON

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	32.9	3.4	0.5	4.0	11.2	199.5	20.7	178.8
Loans	7.6	-	-	-	-	33.0	20.7	12.3
Grants	25.3	3.4	0.5	4.0	11.2	166.5	-	166.5
a. A.I.D. and Predecessor Agencies								
Loans	20.9	0.4	0.5	4.0	9.0	111.2	6.4	104.8
Grants	20.9	0.4	0.5	4.0	9.0	106.3	6.4	1.5-
(Economic Support Fund)	20.0	0.4	0.5	4.0	6.0	30.9	-	106.3
b. Food for Peace (PL 480)								
Loans	12.0	3.0	-	-	2.2	86.6	12.5	74.0
Grants	7.6	-	-	-	-	26.5	12.6	13.9
Title I - Total Sales Agreements	4.4	3.0	-	-	2.2	60.1	-	60.1
Repayable in U.S. Dollars - Loans	7.6	-	-	-	-	26.5	12.6	13.9
Payable in Foreign Currency - Planned for Country Use	7.6	-	-	-	-	26.5	12.6	13.9
Title II - Total Grants	4.4	3.0	-	-	2.2	60.1	-	60.1
Emerg. Relief, Econ. Develop. & World Food Program	4.4	3.0	-	-	1.8	48.7	-	48.7
Voluntary Relief Agencies	-	2.7	-	-	0.4	11.4	-	11.4
c. Other Economic Assistance								
Loans	-	-	-	-	-	1.7	1.7	*
Grants	-	-	-	-	-	1.6	1.7	0.1-
Peace Corps	-	-	-	-	-	0.1	-	0.1
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	0.1	-	0.1
II. MILITARY ASSISTANCE — TOTAL	0.6	43.1	22.4	20.3	10.6	146.5	48.5	98.0
Credits or Loans	-	42.5	22.0	20.0	10.0	128.7	48.5	80.2
Grants	0.6	0.6	0.4	0.3	0.6	17.8	-	17.8
a. MAP Grants	-	-	-	-	-	13.6	-	13.6
b. Credit Financing - FMS	-	42.5	22.0	20.0	10.0	128.7	48.5	80.2
c. Military Assistance Service-Funded (MASF) Grants	0.6	0.6	0.4	0.3	0.6	3.9	-	3.9
d. Transfers from Excess Stocks	-	-	-	-	-	0.3	-	0.3
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	33.5	46.5	22.9	24.3	21.8	346.0	69.2	276.8
Loans	7.6	42.5	22.0	20.0	10.0	161.7	69.2	92.5
Grants	25.9	4.0	0.9	4.3	11.8	184.3	-	184.3
Other U.S. Government Loans and Grants								
a. Export-Import Bank Loans	-	-	-	-	-	93.2	82.7	0.5
b. All Other Loans	-	-	-	-	-	71.4	69.5	1.9
	-	-	-	-	-	11.8	13.2	1.4-

* LESS THAN \$50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS

	FY 1981	FY 1982	FY 1983	FY 1946-83
TOTAL	3.5	12.0	0.0	252.8
IBRD	0.0	0.0	0.0	166.6
IFC	0.0	0.0	0.0	9.3
IDA	0.0	0.0	0.0	0.0
IDS	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.5	0.0	0.0	33.9
OTHER-UN	0.0	0.0	0.0	8.0
EEC	3.0	12.0	0.0	35.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

LEBANON	CY 1981	CY 1982	CY 1978-82
United States	6.0	14.0	52.0
France	14.5	7.2	39.1
Austria	28.5	0.6	29.6
Germany Fed. Rep.	3.2	6.1	18.6
Switzerland	1.0	4.7	8.3
Other	8.8	27.5	45.2
Total	62.0	60.1	192.8

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

	CY 1981	CY 1982	CY 1978-81
	365.4	N.A.	765.7

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1981	CY 1982	CY 1954-82
USSR	-	-	-
Eastern Europe	-	-	10
China	-	-	-
Total	-	-	10

LEBANON

ECONOMIC SUPPORT FUND PROGRAM SUMMARY (In millions of dollars)			
	FY 1983 Actual	FY 1984 Estimated	FY 1985 Request
Grants	* \$150.0 <u>1/</u>	<u>1/</u> -	\$20.0

1/ Supplemental appropriation of no-year funds covering anticipated requirements for FYs 1983 and 1984 (FY 83 actual 83-9,560, FY 84 Est 140,440)

Development Overview

Reconstruction and economic revitalization in Lebanon remains subject to the vicissitudes of internal and regional politics. 1983 has seen terrorist bombing of the American Embassy in April, Phalange-Druze conflict in the Shuf Mountains, and continued tension through the summer, culminating in the nearly full-scale civil conflict of late August and early September. A fragile ceasefire for the greater Beirut area began September 26th and spawned a Reconciliation Conference held in Geneva, at which all of Lebanon's major confessional groups gathered to discuss possible solutions to the continued strife. This ceasefire failed to prevent long and bloody intra-Palestinian warfare in Tripoli, which caused tremendous human, structural, and economic loss to Lebanon's second largest city.

These circumstances have only increased what was an already towering bill for reconstruction--up to \$16 billion over the next eight to ten years. This figure could increase dramatically once access to the beleaguered areas of the Shuf and Tripoli allows an estimate of recent war damage.

Continued political instability has had a direct, deleterious effect on Lebanese morale and the economic climate of Lebanon. The pace of domestic production has slowed significantly, and agricultural and other trade markets have been seriously disrupted. The Lebanese people, renowned for their commercial and social resilience in prolonged conflict, are now considerably less sanguine about their future.

The widespread damage to investor confidence has been a key factor in a badly deteriorating economic situation. Roughly a quarter of the country's manufacturing industry has been destroyed by the fighting of recent years. Equally important has been the interdiction of foreign trade channels, which has meant the loss of vital Middle East markets. Even the banking sector, ordinarily the pillar of Lebanon's trade and finance-oriented economy, has been shaken by a combination of uncollectible loans and the lack of new investment opportunities.

With new investment activity and the economy as a whole near a standstill, wage earner remittances and exports have declined sharply. As a result, Lebanon incurred a 1983 balance of payments deficit approximating \$1 billion.

At the same time, the Government must cope with a severe budgetary crisis brought on by sharply rising defense expenditures and falling customs revenues. The Government deficit for the first ten months of 1983

* Excludes disaster relief funds.

FY 1985
PROGRAM HIGHLIGHTS

- \$10.0 million for a project to improve health services in the Greater Beirut area
- \$5.0 million to PVOs to continue reconstruction and rehabilitation of housing and other small-scale infrastructure
- \$5.0 million to assist the Government of Lebanon to improve its capacity to generate and collect domestic revenues

amounted to \$1.3 billion, pushing the country's internal debt to some \$3.8 billion. The monetization of most of the new debt will likely add impetus to price inflation, heretofore amounting to a relatively moderate 20 to 25 percent.

Nevertheless, the Government of Lebanon (GOL) made headway in implementing an overall reconstruction strategy. In the short-lived stability last winter and spring following the Israeli withdrawal from Beirut, the GOL made important starts on rebuilding the devastated central commercial district of Beirut, partial reconstruction of the Beirut port, repairing the airport and major roads, replacing destroyed telephone systems, and rebuilding and re-equipping schools and health facilities. In the South, the GOL worked closely with UNICEF to repair and install potable water systems and local health facilities.

In July, the World Bank convened a Lebanon donors' meeting, at which the major bilateral donors reviewed reconstruction needs. Pledges of \$230 million towards a World Bank-designed reconstruction package were received from seven bilateral and international donors. In addition, many of these same donors are committed to additional aid to other sectors of the economy.

United States Interests and Objectives

The United States objective in Lebanon is to help restore stability through the restitution of strength and autonomy to the Government of Lebanon. Autonomy and stability are dependent on the full withdrawal of all foreign forces and the political reconciliation of opponent elements within Lebanese society.

United States economic involvement with Lebanon seeks to assist the Government in reducing political tensions, alleviating hardships for the Lebanese people brought on by years of conflict, and supporting catalytically the reconstruction process.

In these efforts, the United States recognizes the ability of Lebanon's private sector to finance and carry out many of the reconstruction activities, and plans to capitalize on these strengths.

LEBANON

A.I.D. Assistance Strategy

United States assistance from the Economic Support Fund seeks to support national reconciliation through projects which enhance the capacity of the central government to meet the needs of the citizens it serves and which rebuild social institutions and provide economic opportunities for all of Lebanon's communities.

United States assistance will:

--finance construction, capital equipment and related technical services from the United States in such sectors as health, social welfare, and small-scale credit;

--stimulate the Lebanese private sector in the process of strengthening the economy, and engage United States and other countries' private capital in the reconstruction effort;

--ease individual hardship by helping economically disadvantaged Lebanese to obtain credit, technical skills, better education and better health care; and

--encourage active and substantial participation by the World Bank, the EEC and bilateral donors in a truly multilateral rebuilding effort.

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

Early in FY 1983, A.I.D.'s immediate task was to implement the \$50 million in supplemental FY 1982 Disaster Assistance Funds. These funds supported: emergency relief activities by international and private relief organizations (UN, International Committee of the Red Cross, private voluntary organizations, and State Department Refugee Programs); major repair to the damaged telephone system, potable water and waste management; reconstruction planning assistance with the Lebanese Government; and relief of war damages incurred by three American educational institutions in Beirut.

Concurrently, major work began which would respond to short-term reconstruction priorities. This work moved rapidly through March, 1983, but suffered several months' setback following the Embassy bombing in April. Project design was well advanced in most sectors when the security situation deteriorated late in September 1983, following the Israeli pullback to the Awwali River. Until that point, A.I.D. had obligated \$9.6 million from the \$150 million Supplemental Appropriation for: PVOs (Catholic Relief Services, Save the Children Federation, and the YMCA of Lebanon) to help in reconstructing physically damaged private welfare organizations, in providing small farmer and small business credit, and in vocational training in the building trades; and for technical assistance to the Council for Development and Reconstruction to improve the government's capabilities for planning, designing and managing the reconstruction process.

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Additional projects amounting to \$13.9 million in telecommunications repairs, water and sewerage systems repair, and emergency relief activities were ready for obligation by the end of the fiscal year, but the security breakdown delayed final agreement on them until the first quarter of FY 1984.

Assuming that sufficient security exists to carry out a program managed by United States contract and A.I.D. employees in Beirut, A.I.D. expects to undertake the following additional activities during FY 1984:

--\$54.5 million for a Capital Equipment Fund to provide equipment in sectors with high priority reconstruction needs and immediate absorptive capacity where significant technical assistance is not needed (to be divided between private and public sector users);

--\$17 million to continue the repair of water and sewerage networks and solid waste collection and disposal;

--\$14 million for the construction and equipping of two temporary hospitals for Beirut and Sidon and repair of institutions for the handicapped;

--\$13.3 million to continue the rehabilitation of the telecommunications systems and ministerial management;

--\$6 million to PVOs for continued reconstruction of schools, hospitals and orphanages;

--\$3 million for a government-sponsored credit mechanism for housing rehabilitation by low-income recipients;

--\$10 million for a national credit mechanism to support reconstruction of small-scale enterprises;

--\$7.6 million for American University of Beirut for war-related deficits; and

--\$1.0 million for a school health education program.

In addition, we expect to implement a \$15 million Housing Investment Guarantee (HIG) program to back United States private investment in Government of Lebanon housing loans for low-income recipients.

Requested Year Program (FY 1985)

On the assumption the reconciliation process will allow continued implementation of the United States economic assistance program,

LEBANON

A.I.D. is requesting \$20 million in ESF grant funding in FY 1985 for additional reconstruction activities.

The civil disturbances of the last decade have left Lebanon's people in dire need of health services (as provided for in FY 1984 by A.I.D.-financed hospitals) and a reorientation of the health sector's management. A.I.D. plans to use \$10 million in FY 1985 to help the Government of Lebanon transform its health care focus from curative, tertiary care to preventative, primary care through decentralizing an overburdened Ministerial administration. This will involve technical assistance, data management equipment and some construction, and will complement initiatives begun several years earlier by the Ministry of Health and called for by both the World Bank and the World Health Organization.

The efforts of United States private voluntary organizations (PVOs) have been successful in meeting urgent needs of all confessional groups. A.I.D. will channel \$5 million through two established PVOs for housing reconstruction. Security conditions permitting, these activities will focus on areas previously inaccessible such as Tripoli, the Shuf Mountains and Eastern Lebanon.

The conflicts of the last two years have seriously weakened the Lebanese government's balance of payments position and widened the budget deficit. The Government needs to improve its capability to generate domestic revenues to remain fiscally solvent and to increase its base for reconstruction. A.I.D. plans to grant \$5 million to the Government of Lebanon for technical assistance to the Central Bank and Ministry of Finance and for data management equipment to assist these public financial institutions in planning and implementing appropriate mechanisms for increasing government income.

In addition, A.I.D. intends to implement a second \$15 million Housing Investment Guarantee (HIG) program. This will continue to guarantee United States commercial investment in Lebanese Government housing loans, at least 90% of which benefit families with income at or below the urban median income.

ACTING MISSION DIRECTOR: LEE TWENTYMAN

LEBANON

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans			
Grants	5,653	99,607	61,926
Total AID	5,653	99,607	61,926
P.L. 480**			
Title I (of which Title III is)	()	()	()
Title II	1,400	-0-	-0-
Total P.L. 480	1,400	-0-	-0-
Total AID and P.L. 480	7,053	99,607	61,926

*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	11	12	10
PASA ^c	0	0	0
Contract	5	5	5
Total	16	17	15
Participants ^d			
Noncontract	4	0	15
Contract	2	0	0
Total	6	0	15

^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						
Non-food						
Title I Total (of which Title III is)						
Title II						
Voluntary Agencies						
World Food Programs		1,400				
Gov't-to-Gov't						
Title II Total						
Total P.L. 480		1,400				

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

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PROGRAM: LEBANON

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	
INTERNATIONAL DISASTER ASSISTANCE											
DISASTER ASSISTANCE ADMIN BY STATE	G 268-DRST	83	C	---	---	2,999	487	---	---	---	---
TECHNICAL SUPPORT	G 268-0000	83	83	5,000	5,000	5,000	---	---	---	---	
TECHNICAL ASSISTANCE FOR CDR	G 268-0312	83	83	---	2,000	---	---	1,500	---	---	
UNICEF	G 268-0323	83	83	10,000	10,000	10,000	---	---	---	---	
AMERICAN UNIVERSITY OF BEIRUT	G 268-0324	82	83	10,000	10,000	10,000	---	---	3,000	---	
SMALL VALUE PROCUREMENT	G 268-0326	83	85	250	1,000	---	---	500	500	489	
REHABILITATION PLANNING	G 268-0327	83	84	1,000	1,000	597	---	403	403	---	
BEIRUT UNIVERSITY COLLEGE	G 268-0328..1	83	83	1,500	1,700	1,500	---	---	---	---	
INTERNATIONAL COLLEGE	G 268-0328..2	83	83	800	800	800	---	---	---	---	
TELECOMMUNICATIONS REHABILITATION	G 268-0329	83	83	7,700	7,700	7,700	---	---	---	---	
POTABLE WATER AND ENVIRON SANITATION	G 268-0330	83	83	2,800	2,800	2,750	---	---	---	---	
EMERGENCY HOUSING REPAIR	G 268-0331	83	83	---	5,000	5,000	---	---	---	---	
REFUGEES - NON SHELTER	G 268-0338	83	83	3,000	3,000	---	---	---	500	---	
ECONOMIC AND DEV PLANNING ASSIST TO CDR	G 268-0341	83	83	2,250	2,250	2,250	---	---	---	---	
TOTAL FOR ACCOUNT				44,300	52,250	48,596	487	903	5,903	489	489
GRANTS				44,300	52,250	48,596	487	903	5,903	489	489
LOANS				---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND											
HOUSING	G 268-0002	84	84	---	3,000	---	---	3,000	3,000	---	---
TECHNICAL EDUCATION	G 268-0300	78	78	1,500	1,500	1,500	1,067	---	433	---	
HEALTH SECTOR REHABILITATION	G 268-0305	78	84	4,900	18,900	4,900	3,275	14,000	12,800	---	2,825

* Refers to the planned project summary sheet

C Level of effort activity

92

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)

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PROGRAM: LEBANON

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
RESTORATION OF MINISTRY OF AG SERVICES	G 268-0311	78	78	768	768	768	210	---	558	---
TECHNICAL ASSISTANCE FOR CDR	G 268-0312	78	82	2,300	2,300	2,300	1,893	---	---	---
RECONSTRUCTION AND REHABILITATION-CRS	G 268-0313	79	84	3,824	6,824	3,824	1,324	3,000	2,000	---
CREDIT COOPERATIVES - SCF	G 268-0317	81	84	8,060	10,260	8,060	4,000	2,200	3,013	---
VOCATIONAL TRAINING IN BLDG TRADES/YMCA	G 268-0318	81	84	1,590	3,090	2,340	1,790	750	1,000	---
SCHOOL HEALTH EDUCATION	G 268-0320	84	84	960	960	---	---	960	450	---
AMERICAN UNIVERSITY OF BEIRUT	G 268-0324	84	84	---	7,600	---	---	7,600	7,600	---
TELECOMMUNICATIONS REHABILITATION	G 268-0329	84	84	4,000	17,300	---	---	17,300	5,000	---
POTABLE WATER AND ENVIRON SANITATION	G 268-0330	84	84	4,400	22,000	---	---	22,000	10,000	---
SMALL SCALE ENTERPRISE	G 268-0333	84	84	---	10,000	---	---	10,000	7,000	---
CAPITAL EQUIPMENT FUND	G 268-0336	84	84	---	54,630	---	---	54,630	35,000	---
INTERNATIONAL COLLEGE	G 268-0340	84	84	5,000	5,000	---	---	5,000	3,850	---
ECONOMIC AND DEV PLANNING ASSIST TO CDR	G 268-0341	83	83	2,250	2,250	2,250	---	---	2,000	---
TECHNICAL ASSISTANCE FOR NATIONAL INCOME	* G 268-0344	85	85	---	5,000	---	---	---	---	5,000
PVD HOUSING RECONSTRUCTION	* G 268-0345	85	85	---	5,000	---	---	---	---	5,000
HEALTH ADMINISTRATION REHABILITATION	* G 268-0346	85	85	---	10,000	---	---	---	---	10,000
TOTAL FOR ACCOUNT				39,552	186,382	25,942	13,559	140,440	93,704	20,000
GRANTS				39,552	186,382	25,942	13,559	140,440	93,704	20,000
LOANS				---	---	---	---	---	---	---

* 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)

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PROGRAM: LEBANON

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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	
TOTAL FOR COUNTRY				83,852	238,632	74,538	14,046	141,343	99,607	20,489	61,926
GRANTS				83,852	238,632	74,538	14,046	141,343	99,607	20,489	61,926
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.

PROGRAM: LEBANON

PLANNED PROGRAM SUMMARY SHEET

Title Technical Assistance for National Income Generation		Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)			
Number 268-0344		<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Fy 1985	5,000	Life of Project Funding 5,000
<input checked="" type="checkbox"/> GRANT	<input type="checkbox"/> LOAN	<input type="checkbox"/> CONTINUING				Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
						FY 1985	FY 1985	FY 1986

Purpose: To assist the Government of Lebanon to improve its capability to generate and collect domestic revenues, thus strengthening itself as a financially viable central authority.

Project Description: Through the Council for Development and Reconstruction (CDR), the project will fund technical assistance and data management equipment for the Ministry of Finance and the Central Bank. U.S. experts will assist the officials of these organizations in devising national plans and programs for levying more realistic income taxes and customs duties, coordinating revenue generation plans with other appropriate Lebanese Government agencies, collecting the increased revenues, and managing the allocation of the resulting increase in public resources. This activity will be coordinated with the ongoing economic planning assistance project to the CDR.

Relationship of Project to AID Country Strategy: A primary goal of the A.I.D. program in Lebanon is to help the Government provide necessary services to all Lebanese. This project will assist the Government of Lebanon increase its revenue base for its reconstruction effort.

Host Country and Other Donors: Recent economic deterioration in Lebanon has impressed upon the Lebanese Government the urgent need to improve its financial position through all available instruments. While external assistance is important it is finite and is not a long-term solution. The Government of Lebanon must draw more on its domestic sources of income, and tap the significant private sector resources which to date have contributed little to the cost of public services.

Beneficiaries: This project will indirectly aid all Lebanese who will enjoy the benefits of a stronger, more solvent central government capable of providing much-needed social services.

PROGRAM: Lebanon

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION <i>(In thousands of dollars)</i>		
PVO Housing Reconstruction		ESF			FY 1985	5,000	Life of Project Funding 5,000
Number	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
268-0345	<input type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING				FY 1985	FY 1985	FY 1987

Purpose: To assist in the reconstruction of war damaged housing using private voluntary organizations (PVOs).

Project Description: The project will involve the YMCA in physically reconstructing housing (\$2.5 million) and Save the Children Federation (SCF) in providing credit for housing reconstruction (\$2.5 million). Both voluntary agencies have related on-going projects. SCF is providing credit to small shop keepers to rebuild their businesses and to farmers to purchase items needed to increase agriculture productivity. This program would be expanded to provide additional funds to provide low-interest loans for the rebuilding of war-damaged housing. The program would operate in the Southern Suburbs of Beirut and the South.

The YMCA program will operate in the Chouf Mountains and the North. The "Y" is conducting a vocational training program which teaches building trades to young Lebanese. The Housing Reconstruction Project would provide on-the-job training by using these young people after 30 days of intensive training to reconstruct housing. Their skilled instructors along with the home owners would also be involved in the building program. In some cases, the only requirement would be labor, cement and window panes; in other cases where complete destruction of the house had taken place, a new core unit (bathroom, kitchen and bed-living room) would be built.

Relationship of Project to A.I.D. Country Strategy: The project builds on on-going successful activities to assist the Lebanese reconstruct their homes. Housing has been one of the highest priorities of the Government of the Lebanon's reconstruction program and has been a significant part of AID's strategy there.

Host Country and Other Donors: Both the Minister of Housing and the Minister of Social Affairs have voiced strong support for the project, and successful implementation will encourage further government involvement. The Government of Norway is considering the provision of funds to the YMCA portion of the project, and CARE, which does not have a program in Lebanon,

has provided funds to both SCF and the YMCA to support their on-going activities.

Beneficiaries: The SCF project will initially assist 400 families rebuild their homes. Repayment of these funds into a revolving account will allow 1,500 additional families to take advantage of the project. The YMCA will assist 1,600 families rehabilitate partially damaged housing and 800 families rebuild totally destroyed housing.

PROGRAM: Lebanon

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Health Administration Rehabilitation		ESF			FY 1985	10,000	Life of Project Funding
Number		<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
268-0346						10,000	
<input checked="" type="checkbox"/> GRANT	<input type="checkbox"/> LOAN	<input type="checkbox"/> CONTINUING			FY 1985	FY 1985	FY 1988

PURPOSE: To assist the Government of Lebanon's Ministry of Health in creating more effective health care administration by establishing a decentralized health authority, thus enabling the Government to provide additional visible and vital services to the public.

PROJECT DESCRIPTION: In order to re-orient the currently cumbersome and over-centralized health authority which emphasizes curative and tertiary care to more local and preventative health care, the project will provide technical assistance in health care administration to decentralize the health authorities in two selected areas of Greater Beirut (e.g., the Southern Suburbs and East Beirut). It will also finance the local purchase of commodities and construction assistance to build two local health administration units, as well as equipment for the establishment of these new offices. This institutional rehabilitation will have a direct impact on the efficacy of service provision and will forge a cost-effective link between hospital and primary care in these areas.

RELATIONSHIP OF PROJECT TO A.I.D. COUNTRY STRATEGY: This project is the second half of A.I.D.'s two-pronged health sector strategy: two temporary hospitals planned for FY 1984 assist in the rehabilitation of service provision in post-war Lebanon, while this project will assist in rehabilitating the Ministry of Health. In this way, the project fulfills the stated A.I.D. country strategy elements of visible support to the GOL, physical reconstruction of basic services, institutional rehabilitation, and relief to the economically disadvantaged.

HOST COUNTRY AND OTHER DONORS: Lebanon's Ministry of Health (MOH) has given much time and resources to designing and obtaining legal approval of the reorganization of its health care administration. Financial resources are now required to implement the project. The MOH will make available necessary budget support for Ministry personnel to work in the decentralized offices, as well as provide some medical equipment and first aid items from central supplies.

Administrative support will issue from the Ministry's main data management offices and equipment. This project fits squarely into the health sector needs identified by both the World Health Organization and the World Bank in FY 1983; although neither has committed itself at this point to financial assistance, both can be expected to become involved on a significant scale once viability is demonstrated.

BENEFICIARIES: The project beneficiaries will be the approximately 100,000 people in the two health care locales contemplated for this project. There will be additional beneficiaries if and when this project is replicated in other areas of Lebanon.

Morocco

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FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (608) MOROCCO

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 22,889
 PER CAPITA GNP..... (DOLLARS,1981) 860
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 2.4%
 ANNUAL RATE OF INFLATION (1970-81) 8.2%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1970) 4.0%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 57.3 MALE 55.6 FEMALE 59.2
 (1970) TOTAL 51.7 MALE 50.2 FEMALE 53.2
 ADULT LITERACY RATE (1971) TOTAL 21% MALE 34% FEMALE 10%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) -1.8%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 14%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 87
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT ,BARLEY , 48% (1982)
 CASH: WHEAT ,ORANGES ,SUGAR BEETS 36% (1982)

MAJOR AGRICULTURAL EXPORTS:(1982) ORANGES ,TOMATOES ,FRUITS
 MAJOR AGRICULTURAL IMPORTS:(1982) CITRUS FRUIT ,VEGETABLES ,VEGETABLE OILS
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 52%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1978) 3,207 (79) 4,054 (80) 4,454
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1978) 4,595 (79) 5,603 (80) 6,282
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1978) -1,387 (79) -1,549 (80) -1,828
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1978) 16.8% (79) 16.0% (80) 17.8%
 AS % OF GNP..... (1978) 5.7% (79) 5.5% (80) 6.1%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 428 (81) 253 (82) 238
 EQUIVALENT TO 0.8 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1982) PHOSPHATES ,FRUITS/VEG ,MANUFACTURES
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 32 (1981) 26 (1982) 27
 AS % OF TOTAL EXPORTS (1979) 2% (1980) 1% (1981) 1%
 MAJOR IMPORTS....(1982) MANUFACTURES ,FOODSTUFFS ,PETROLEUM
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980) 274 (1981) 298 (1982) 286
 AS % OF TOTAL IMPORTS (1979) 7% (1980) 7% (1981) 8%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1979) -1,309(80) -1,355(81)-1,556
 TRADING PARTNERS: FRANCE ,WEST GERMANY ,SPAIN
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 70.6%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 1,233
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981) 54.0%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.5% (1978) 2.9% (1983) 2.9%
 POPULATION IN URBAN AREAS.....(1970) 35% (1982) 42%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 48 (1983) 42
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1980) 19.3%
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 46.1% (15-64YRS) 50.7% (65+ YRS) 3.2%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 126
 PEOPLE PER PHYSICIAN..... (1976) 11,037
 MAJOR CAUSES OF
 DISEASE (1981) MEASLES ,GONORRHEA ,TRACHOMA
 DEATH.. (1971) GASTROINTESTINAL ,ACUTE RESP. INFE ,MEASLES
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 107%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980) 55%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1979) TOTAL 75.0% MALE 93.0% FEMALE 56.0%
 SECONDARY..... (1979) TOTAL 22.0% MALE 27.0% FEMALE 17.0%
 POST SECONDARY.. (1977) TOTAL 3.3% MALE 5.1% FEMALE 1.4%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 18.7%

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
	MOROCCO							
	PROGRAM	1978	1979	1980	1981			
I. ECONOMIC ASSISTANCE - TOTAL								
Loans	35.2	27.2	27.1	55.8	62.9	1124.1	385.9	738.2
Grants	8.8	9.7	5.8	25.0	35.0	579.4	385.9	193.5
	27.4	17.5	21.3	30.8	27.9	544.7	-	544.7
a. A.I.D. and Proconcor Agencies								
Loans	10.0	4.1	9.1	12.1	11.7	424.7	277.0	147.7
Grants	-	-	-	-	-	341.5	277.0	64.5
(Economic Support Fund)	10.0	4.1	9.1	12.1	11.7	83.2	-	83.2
	-	-	-	-	-	71.1	-	-
b. Food for Peace (PL 480)								
Loans	24.5	20.9	15.7	41.2	48.4	670.7	108.9	561.8
Grants	8.8	9.7	5.8	25.0	35.0	237.9	108.9	129.0
Title I - Total Sales Agreements	15.7	11.2	9.9	16.2	13.4	432.8	-	432.8
Repayable in U.S. Dollars - Loans	8.8	9.7	5.8	25.0	35.0	237.9	108.9	129.0
Payable in Foreign Currency - Planned for Country Use	8.8	9.7	5.8	25.0	35.0	186.7	65.3	120.9
Title II - Total Grants	-	-	-	-	-	51.2	43.1	8.1
Emerg. Relief, Econ. Develop. & World Food Program	15.7	11.2	9.9	16.2	13.4	432.8	-	432.8
Voluntary Relief Agencies	-	-	-	1.4	2.7	189.6	-	189.6
	15.7	11.2	9.9	14.5	10.7	243.2	-	243.2
c. Other Economic Assistance								
Loans	1.7	2.2	2.3	2.5	2.8	28.7	-	28.7
Grants	-	-	-	-	-	-	-	-
Peace Corps	1.7	2.2	2.3	2.5	2.8	28.7	-	28.7
Narcotics	1.7	2.2	2.3	2.5	2.8	28.7	-	28.7
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE - TOTAL								
Credits or Loans	44.2	45.1	25.9	34.4	31.1	381.8	219.3	162.5
Grants	43.0	45.0	25.0	33.4	30.0	322.8	219.3	103.5
	1.2	1.1	0.9	1.0	1.1	59.0	-	59.0
a. MAP Grants								
	-	-	-	-	-	29.6	-	29.6
b. Credit Financing - FMS								
	43.0	45.0	25.0	33.4	30.0	322.8	219.3	103.5
c. Military Assistance Service-Funded (MASF) Grants								
	1.2	1.1	0.9	1.0	1.1	17.5	-	17.5
d. Transfers from Excess Stocks								
	-	-	-	-	-	11.9	-	11.9
e. Other Grants								
	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE								
Loans	80.4	73.3	53.0	90.2	94.0	1505.9	605.2	900.7
Grants	51.8	54.7	30.8	58.4	65.0	902.2	605.2	297.0
	28.6	18.6	22.2	31.8	29.0	603.7	-	603.7
Other U.S. Government Loans and Grants								
a. Export-Import Bank Loans	-	7.8	10.5	22.3	16.6	226.8	198.3	28.3
b. All Other Loans	-	7.8	10.5	22.3	16.6	137.4	95.1	42.3
	-	-	-	-	-	89.4	103.7	14.3

* LESS THAN \$50,000.

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				
	FY 1981	FY 1982	FY 1983	FY 1946-83
TOTAL	247.7	316.3	348.2	2547.5
IBRD	223.0	276.0	308.2	2230.6
IFC	15.8	2.3	40.0	102.0
IDA	0.0	0.0	0.0	50.0
IDB	0.0	0.0	0.0	0.0
ADP	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	26.8
UNDP	0.2	8.0	0.0	60.1
OTIER-UN	8.7	0.0	0.0	22.0
EEC	0.0	30.0	0.0	56.0
B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. D.A.C. COUNTRIES (Gross Disbursements)				
MOROCCO	CY 1981	CY 1982	CY 1978-82	
United States	47.0	60.0	186.0	
France	138.1	92.6	586.7	
Germany Fed. Rep.	31.5	48.0	191.0	
Belgium	15.3	9.0	68.4	
United Kingdom	25.2	6.6	32.2	
Other	6.9	26.1	58.6	
Total	264.0	242.3	1,122.9	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
	CY 1981	CY 1982	CY 1978-81	
	278.5	N.A.	1,118.3	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
	CY 1981	CY 1982	CY 1954-82	
USSR	-	-	2,100	
Eastern Europe	-	-	215	
China	-	-	55	
Total	-	-	2,370	

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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	11,227	6,857	1,150	1,000	2,220	-	-	-
Total	11,227	6,857	1,150	1,000	2,220	-	-	-
1984								
Loans	-	-	-	-	-	-	-	-
Grants	26,000	9,900	4,970	-	3,000	1,130	7,000	-
Total	26,000	9,900	4,970	-	3,000	1,130	7,000	-
1985								
Loans	-	-	-	-	-	-	-	-
Grants	34,000	10,000	3,700	-	1,800	3,500	15,000	-
Total	34,000	10,000	3,700	-	1,800	3,500	15,000	-

The above obligation total for FY 1984 excludes \$.3 million of previously deobligated Population funds which are intended for reobligation under Family Planning Support III, 608-0171.

FY- 1985 PROGRAM HIGHLIGHTS	
--	\$40 million in PL 480 Title I to help meet grain import needs and provide local currency financing of development projects.
--	\$15 million in ESF to complete funding of energy and weather modification projects (\$5 million) and to finance essential agricultural equipment and supplies (\$10 million).
--	\$19 million in DA to finance ongoing projects in agriculture, population, energy and human resources development.
--	\$ 9.7 million in PL 480 Title II to assist in meeting basic nutritional needs of children of impoverished families.

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RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans	2,303	435	3
Grants	9,713	19,564	35,097
Total AID	12,016	19,999	35,100
P.L. 480**			
Title I	27,500	25,000	40,000
(of which Title III is)	(12,660)	(12,631)	(12,504)
Title II			
Total P.L. 480	40,160	37,631	52,504
Total AID and P.L. 480	52,176	57,630	87,860

*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	18	19	20
PASAC ^c	-	2	3
Contract	9	28	26
Total	27	49	49
Participants ^d			
Noncontract	48	118	107
Contract	79	87	78
Total	127	205	185

^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	195,100	27,500	175,000	25,000	240,000	40,000
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total (of which Title III is)		27,500		25,000		40,000
Title II						
Voluntary Agencies		8,666		10,095		9,721
World Food Programs		3,994		2,536		2,783
Gov't-to-Gov't		-		-		-
Title II Total		12,660		12,631		12,504
Total P.L. 480		40,160		37,631		52,504

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A. DEVELOPMENT OVERVIEW

Morocco, though a middle-income country with \$870 per capita GNP in 1981, is addressing serious development and economic problems. It also faces a particularly difficult period of structural adjustment over the next several years, during which per capita GNP may actually decline. Morocco has been battered by several external factors beyond its control. It has suffered a prolonged drought, deteriorating terms of trade and a rapid rise in interest rates on its foreign borrowings. On the domestic side, a steady growth in public expenditures and an overvalued exchange rate have exacerbated adjustment problems. The Government of Morocco (GOM) has responded to the economic dilemma in which it now finds itself by undertaking a program of fiscal austerity and economic adjustment under IMF guidance. It has devalued its currency, is restricting public and private consumption and is limiting development investment. This will result in little or no growth of per capita incomes at least through 1985. The challenge to Morocco is to establish the basis for a pattern of equitable growth during a period of fiscal austerity and economic adjustment.

Since the late 1970s Morocco has been struggling to overcome a declining demand for its principal exports, phosphates, and growing competition and protectionism that have limited agricultural exports. These negative export trends have coincided with dramatic increases in Morocco's import bills for energy and food products. The GOM is seeking to diversify the country's exports and decrease its dependence on external sources of energy and food, but the persistent decline in phosphate prices since 1975, the global recession of the past three years, and stagnation in domestic agricultural production have limited the impact of the GOM's adjustment efforts. Like many other developing countries, Morocco has found it necessary to borrow heavily to finance both its trade and budget deficits.

To address this situation Morocco entered into a one year stand-by arrangement with the IMF for 1982. While meeting most performance criteria under this arrangement, overall government and balance of payments deficits continued to grow. By the end of 1982, external debt exceeded 10 billion dollars and debt service payments equaled 35% of exports.

In July, 1983, the Moroccan Government adopted a broad program of austerity measures and reduced or eliminated subsidies (thereby raising prices) on consumer goods, water,

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electricity and petroleum products. The GOM's 1983 operating and investment budgets were revised downward to curtail persistent budget deficits. In September, 1983 Morocco entered into a new 18-month stand-by arrangement with the IMF for an additional \$315 million. Moreover, the GOM agreed to remove a further number of controls on prices, thereby reducing the subsidy burden in the budget. Other important elements of the program are a sharp reduction in Government hiring, introduction of a value-added tax, trade liberalization measures, and continuation of a flexible exchange rate policy which included a devaluation of 10 percent in August 1983.

Morocco is also presently engaged in a rescheduling of its official and commercial debt repayments. Nevertheless, even with successful debt reschedulings, Morocco will still require over \$700 million in concessional financing from the donor community through the end of 1984 to meet its obligations. Active U.S. participation in a collaborative effort to provide additional support through increased levels of ESF and P.L.480 Title I is critical to Morocco's success in filling this gap.

While management of the near-term financial crisis of the country is its first priority, the Government of Morocco remains fully aware of the need to address the longer-term development requirements of its rural and urban poor. Average annual per capita productivity in agriculture continues to decline and food imports continue to exceed agricultural exports by a substantial margin. Urban unemployment remains high and is accelerating because of rural-to-urban migration. These problems are exacerbated by an annual population growth rate of approximately 2.6 percent, by the Saharan conflict, which consumes financial and human resources and contributes to a climate of uncertainty, and by three years of drought and consequent poor agricultural yields.

Morocco's development challenge over the long term will be to sustain growth while integrating its rural and urban poor into the modern economy. Its near-term challenge is to make the structural adjustments required to weather the current economic crisis without losing ground in its efforts to improve the well-being of its people.

B. U.S. INTERESTS AND OBJECTIVES

Morocco and the United States have enjoyed friendly relations for over two centuries. The Government of

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Morocco has frequently evidenced its support of U.S. policies, and has agreed to permit access and transit by U.S. forces at Moroccan bases in certain contingencies. Recent events in the region have enhanced the importance of Morocco's strategic geographic location. The Government has also provided facilities and support in Morocco for what will eventually be the Free World's most powerful radio transmitter. Perhaps most importantly, the Government of Morocco plays a moderating leadership role in the Arab World in general, and in the Mideast peace process in particular.

U.S. objectives in Morocco are well served by an active foreign assistance program. The excellent political relationship between the two governments needs to be maintained. This requires a manifestation of U.S. concern and assistance in addressing the serious economic difficulties confronting the Moroccan Government in the short term. Expanded levels of U.S. assistance will be a critical factor in holding the external payments problems within manageable bounds, while achieving continued progress in important development programs.

A. I. D ASSISTANCE STRATEGY

A.I.D in Morocco is attempting to increase the effectiveness of its programs by concentrating resources on a few key sectors in which the constraints to development are relatively well defined and susceptible to being addressed through U.S. technical assistance, training and equipment. The three principal sectors in this strategy are agriculture, population and energy. Overall goals in these key sectors are : (1) to increase the country's capability to feed itself and to improve the current trade deficit in basic foodstuffs by increasing agricultural production; (2) to reduce the high rate of population growth which continues to exceed gains in food production; and (3) to assist the Government of Morocco to improve its energy planning and policies, and to identify and exploit domestic sources of conventional and renewable energy, reducing growing energy imports.

Agriculture: Cereal imports in Morocco totaled 1.8 million tons in 1982 and were 2.4 million tons the year before. Drought conditions continued for the third straight year, and the average annual per capita growth rate in the agriculture sector continued to be negative. Nevertheless, with normal rainfall, Morocco's extensive rainfed agricultural regions hold considerable potential for increased cereals production. Production in arid and

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semi-arid zones is constrained by a formidable combination of outdated technology, inadequate access to inputs and credit, increasing fragmentation of land ownership, and a weak extension service. Development Assistance with P.L.480 Title I resources in a program to encourage and support increased attention to research and production in rainfed agricultural zones. An essential element of the strategy involves a continuing dialogue with the Moroccan Government to establish a policy framework, reorganize institutional structures, and subscribe the resource commitments necessary for success in this key sector.

Population: Morocco's current high rate of population growth makes the achievement of basic development objectives very difficult. Morocco's chronic food deficit, for example, is a direct consequence of its explosive population growth. A.I.D.'s population strategy seeks to reduce the birth rate by the extension of family planning information and services. A principal component of the strategy is to strengthen the capacity of Moroccan institutions to effectively furnish family planning and health services on a nationwide scale. Family planning education and commodity distribution is combined with the delivery of basic health services in order to make the most effective use of personnel and facilities. In this endeavor A.I.D. is encouraging and assisting a variety of governmental and non-governmental entities.

Energy: The burden of energy imports on Morocco is even larger than that of food imports. More than 40% of Morocco's foreign exchange earnings are spent on energy imports, and the oil bill alone for 1982 exceeded one billion dollars. A.I.D.'s strategy is to alleviate the economic dislocations caused by this heavy dependence on imported energy through the establishment and strengthening of an energy policy analysis and planning unit in the Ministry of Energy and Mines, and by aiding the timely development of domestic energy sources, both conventional and renewable. These projects are being undertaken in conjunction with parallel efforts by the World Bank.

Although major project efforts will be limited to these three sectors, the A.I.D. Mission will also continue to support effective on-going activities in the areas of health, nutrition, and human resources development, and will encourage low-cost housing through Housing Guaranty (HIG) programs.

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

Agriculture: FY 1983 was a year of extensive project evaluation and reassessment in the agricultural sector. FY 1984 will be concentrated primarily on more effective project implementation of existing projects, many of which have reached the stage for major expansion. A.I.D. will continue to focus its efforts on the development of appropriate technologies for increased production of cereals in the rainfed agricultural zones. The adaptation of existing technology and the development of new or improved technologies in plant varieties, seed preparation and production, cultivation and harvesting practices, and use and maintenance of small farm machinery, will continue to be the elements of the primary effort, the Dryland Agriculture Applied Research Project (608-0136). This project began in 1978 as a limited initiative to develop improved technologies for increased cereal production in arid and semi-arid areas. An in-depth evaluation concluded that this project had overcome early difficulties and was making significant progress under improved management and contractor performance. The evaluation also showed that the project's focus on cereal production in rainfed areas had in recent years resulted in greatly increased priority being given to that sector by the Moroccan Government. The evaluation recommended a major expansion of this initiative and a five-year project extension to assist the National Institute for Agricultural Research (INRA) to fully establish an integrated network of dryland research stations. The recommendation has been accepted, and FY 1984 will see the provision of additional technical advisers from a consortium of U.S. land-grant universities, substantially expanded training of Moroccan staff in various United States universities, and additional U.S. agricultural equipment and supplies to carry out this expanded effort. U.S. Peace Corps Volunteers have supported this project on outlying dryland research stations.

Another in-depth evaluation carried out during FY 1983 determined that the Agronomic Institute Project (608-0160), begun in 1980 but funded over a longer period under predecessor projects, was highly successful in the advanced training of faculty and research staff for the Hassan II National Agricultural and Veterinary Institute (INAV). This project is being implemented through a collaborative arrangement between the University of Minnesota and INAV, and has proven to be a very effective training and institution-building effort. Linkages between the Moroccan institution and various U.S. universities have been established. The

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INAV has become strong enough already to open its doors to agricultural students from other francophone African nations. Based on the project evaluation, A.I.D. will extend the project for a five year institutional development phase, with special efforts to build-up INAV's library and data-processing facilities, and to strengthen its linkages with other Moroccan research and extension institutions.

One new agricultural project, Planning, Economics and Statistics for Agriculture (608-0182), was initiated in FY 1983. Through project assistance to the Ministry of Agriculture's Division for Economic Planning and Analyses, a greatly improved capacity will be developed for surveillance of crop conditions and yield estimation, using U.S. remote sensing technology. The Ministry's capacity for economic analysis and evaluation of agricultural projects will be improved through a combination of staff training, technical assistance and up-dated data processing facilities. A national agricultural data bank will be developed to facilitate Ministry-level policy analysis, planning and decision making.

In addition to cereals and pulses, livestock is an important facet of rainfed agriculture. A sizeable portion of the income of the rural populace in Morocco is earned from livestock. Through the Range Management Improvement Project (608-0145), Utah State University is assisting the Ministry of Agriculture's Livestock Service and local communities to establish grazing associations for effective use of communal rangelands not suited to other crops. U.S. Peace Corps Volunteers are also active in the implementation of this project. Plans for FY 1984 are to attempt to improve range conditions through reseeding with improved pasture varieties and the further introduction of improved range management practices. This project is scheduled to be evaluated by an independent team of experts early in FY 1984, after which the Mission will be in better position to assess its future scope.

Current plans in the agricultural sector also include the initiation of an experimental, scientifically based pilot program of Weather Modification (Project 608-0190). The project will attempt to alleviate the effects of recent (and future) droughts through the enhancement of winter snowfall in the High Atlas Mountains, the primary source for Morocco's major water reservoirs. These reservoirs feed the irrigation systems of the lowland plains, where much of Morocco's produce is grown. They also provide the source of a large portion of Morocco's hydroelectric power and water

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for industrial and domestic use. The project, through the U.S. Bureau of Reclamation, will provide training, technical assistance and scientific equipment to the Moroccan Meteorological Service.

Agriculture has been given such a high priority in Morocco that Morocco is currently committing all local currencies generated through the P.L. 480 Title I program to this sector. Generations from the FY 1983 P.L. 480 Title I Agreement have been programmed principally to support the Dryland Agriculture Applied Research Project and the Planning Economics and Statistics for Agriculture Project. Generations from the FY 1984 and 1985 Agreements will continue to be programmed to support high priority agricultural programs. P.L. 480 Title I assistance is a key element in assuring full GOM policy and financial commitments to rainfed cereal production programs.

Population, Health and Nutrition: A basic premise underlying A.I.D.'s population assistance strategy, currently implemented through the Family Planning Support II Project (608-0155), is that Morocco's high rate of population growth is not an accurate reflection of the lower fertility preferences of many Moroccan couples. Primary efforts through FY 1983 were consequently aimed at expanding contraceptive availability through extension of a village-level delivery system in eleven provinces, provision of contraceptive supplies through Ministry of Public Health facilities, training of physicians and paramedics in family planning, and development of a variety of family planning information and motivation activities. In conformance with GOM policy, all of these activities have been carried out as elements of the Ministry of Health's integrated health, nutrition and family planning program. A contraceptive prevalence survey (CPS) conducted in three provinces indicated that the program was achieving considerable success. The CPS noted that approximately 25% of eligible couples in the sample practiced family planning in 1982, more than double the rate reported when the project began in 1978. The current project will end in mid-FY 1984. It will be followed by Population/Family Planning Support III (608-0171), which will continue and broaden A.I.D.'s family planning efforts in Morocco through FY 1988. The village-level family planning and Maternal Child Health program launched in 11 provinces under the former project will be expanded to five new provinces. The new project will also support activities in voluntary sterilization, private-sector sale of contraceptives, natural family planning (NFP), and an urban area outreach program.

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Morocco still has high rates of infant mortality and morbidity. The Ministry of Public Health is attempting to improve its management and administrative systems to target its resources on primary health care more effectively, as an essential corollary to acceptance of family planning. The Health Management Improvement Project (608-0151) is assisting the Ministry to achieve these ends by upgrading health care delivery support systems in the Ministry's administrative structure. In FY 1983, the Ministry undertook major revisions of management procedures in personnel and pharmaceutical logistics. During FY 1984, the Ministry will install a computerized management information system in support of all administrative and operational services.

Evidence of the serious impact of Morocco's food production problems among the country's poor is found in the substantial prevalence of malnutrition in pre-school age children. In 1980, an evaluation of P.L. 480 Title II assistance to the GOM's child nutrition program demonstrated a positive, quantifiable impact on the nutritional status of its participants. Key elements of the Title II program in FY 1984 will include steps toward a phasing over to full GOM responsibility, more rigorous selection and accelerated turnover of program beneficiaries and improvements in program management.

Energy: Morocco now imports over 80% of its commercial fuel needs, and had to pay an oil bill exceeding one billion dollars in 1982 alone. Further, Morocco's hydroelectric production capacity has been halved by a lengthy drought. Finally, devaluation of the dirham against the dollar has caused dollar-denominated oil imports to rise in price by another 14% during the first six months of 1983. During FY 1983, much of A.I.D.'s assistance to Morocco's energy sector was provided through centrally-funded Science and Technology (S&T) Bureau projects, Energy Planning and Conservation (936-5728) and Conventional Energy Technical Assistance (936-5724). Both projects were evaluated during FY 1983, with favorable findings. The Energy Planning Project has fostered greater recognition of the importance of pricing issues and the need to reduce or eliminate energy subsidies. These issues and others will be addressed by the Mission's new Energy Planning Assistance Project (608-0180), to be initiated in FY 1984. This project will continue work begun under an S&T Bureau project, Energy Policy Development and Conservation (936-5728), by establishing a special policy analysis and planning unit at a high level in the Ministry of Energy and Mines. This unit will assist the

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Ministry to develop economically sound energy policies and investment strategies. The project will develop refined investment simulation models to assist the GOM in its efforts to attract greater private sector investment (foreign and domestic) in the energy sector.

The Mission will also follow up the S&T Bureau's Technical Assistance for Conventional Energy Project (936-5728) with the FY 1984 initiation of the Conventional Energy Management and Training Project (608-0176). This project is intended to address more directly the enormous and rising costs of imported energy by providing high-level American technical and managerial expertise to the National Corporation for Hydrocarbon Exploration and Development (ONAREP). The project has both an institutional development and a technology transfer focus, and will strengthen and rationalize Morocco's program of exploration for domestic oil and gas. ONAREP's interest in increased private sector participation in the exploration/development program and in market-oriented management will be encouraged by the A.I.D.-financed team of experts. The effort will be carried out in conjunction with a complementary World Bank loan.

In renewable energy, A.I.D. has assisted the GOM since 1980 through the Renewable Energy Development Project (608-0159). A major outside evaluation of this project has just been completed and has concluded that in spite of current implementation difficulties, the GOM program to develop and test renewable energy sources has evolved more rapidly than similar programs in other developing countries. A functioning GOM institution responsible for renewable energy development and production has been established through the project, and the technical staff is being trained. Pilot sub-projects in mini-hydroelectric generation, biomass energy production and solar energy are in early implementation or final design, and the comparative market competitiveness of each is being analyzed. In FY 1984, project management will focus more intensively on pilot sub-project implementation, monitoring and evaluation, staff training, and laboratory equipment installation.

Housing: Rural migration to Morocco's towns and cities is fostered by a vast disparity in incomes between rural and urban households, as well as by poor harvests resulting from continuing drought conditions. Approximately half of the urban housing in Morocco is comprised of shanty towns and squatter tenements, almost all of which have no access to basic municipal services. The Low Cost Housing Improvement Project (608-0156) has provided technical advisers to the

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Ministry of Housing and Regional Planning, to assist that Ministry to develop pilot projects in "core housing" development and slum upgrading programs. The implementation of these projects on a larger scale will be financed through A.I.D. Housing Guaranty (HG) programs, and in FY 1983 a 17 million dollar HG program was authorized. A portion of this HG program will be used to finance technical assistance on the design and management of low cost housing and upgrading programs, with the remainder for construction. If the HG program is effectively implemented and managed during early FY 1984, A.I.D. intends to finance additional technical assistance to the Ministry of Housing through a follow-on Low Cost Shelter Sector Management Project (608-0169), to be initiated in mid-FY 1984. The new project would focus specifically on the Ministry's management and training needs.

Education/Human Resource Development: In the past, Morocco's formal education institutions have failed to match education to employment needs. The Social Services Training Project (608-0157), developed in collaboration with the Peace Corps and the GOM's Ministry of Social Affairs, provides a vocational training alternative, especially for women and youths who have dropped out of formal programs. The project has also financed the establishment of a national training institute in Tangier which is preparing professional social service managers. Peace Corps involvement in the program was completed in FY 1983, and during FY 1984 the government is committed to complete its staffing and equipping of provincial vocational training centers established by the project, and to graduate its second class of 40 professionals from the Tangier Institute.

The Development Training and Management Improvement Project (608-0149) was completed in FY 1983, having provided since its inception in 1978, U.S. Master's degree training for 65 Moroccans, PhD training for 34, and short-term technical training for 113 in the United States and 57 in Morocco. A new training project, Sector Support Training (608-0178), will begin in FY 1984, and will finance over 100 Masters Degrees, ten PhD's, and numerous specialized short-term courses in the United States and Morocco for middle and upper-level managers in governmental and private organizations.

Under the Statistical Services Project (608-0162), technical assistance is provided by the U.S. Bureau of the Census to the GOM Ministry of Plan. An FY 1983 project evaluation cited this assistance as a key factor behind the

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successful execution of the Morocco Census of 1982. During FY 1984, A.I.D. will continue to fund Bureau of the Census assistance to the Ministry of Plan to undertake a series of post-census surveys and analyses designed to improve the GOM's data base for long-term economic planning.

Requested Year Program (FY 1985)

In FY 1985, the A.I.D. Mission will implement projects initiated or expanded during FY 1983 and 1984. No new project initiatives are planned for FY 1985, apart from the ESF-funded Agricultural Sector Support program.

Development Assistance

For FY 1985, a total of \$19 million of DA and \$15 million of ESF funds is requested. In Agriculture, Rural Development and Nutrition, \$7.5 million in DA funding is required to finance continuation of Dryland Agriculture Applied Research (0136), Agronomic Institute (0160), and Planning, Economics & Statistics for Agriculture (0182). An additional \$2.54 million will finance ongoing projects in Sector Support Training, and Renewable Energy Development. P.L. 480 Title II commodities valued at \$8.8 million will support government efforts to focus its feeding programs on low-income, nutritionally-deficient beneficiaries, with special emphasis on children under five years of age. In Population \$3.66 million is needed to finance technical assistance, contraceptives and local costs associated with expansion of family planning services delivery under the Family Planning Support project (0171).

In Education and Human Resources, \$1.8 million is requested to continue the Sector Support Training Project sponsorship of Moroccans studying at the graduate level in American educational institutions.

Three and one half million dollars is required in Selected Development Activities (SDA) funds to support the ongoing Energy Planning Assistance Project and A.I.D.'s Low Cost Shelter Management initiative.

Economic Support Fund

The \$15 million in ESF funds requested for FY 1985 will be used in part to complete the funding of the Weather Modification (\$2 million) and Conventional Energy Management and Training (\$3 million) projects. In addition, A.I.D. plans to continue participating actively in a donor group

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to support the difficult macroeconomic adjustment process which the Government of Morocco began in FY 1983 and must maintain for several years. Increases in ESF and P.L. 480 Title I levels are requested as a part of this support. The ten million dollars in ESF funds would be used to finance U.S. supplies and equipment essential to Moroccan agricultural development. Forty million dollars of P.L. 480, Title I wheat is requested for FY 1985 to assist the Government of Morocco to meet its cereal import requirements. As in the past, local currency generations will be allocated to activities accorded high priority in the agricultural sector, and self-help measures will be used to stimulate a continuing dialogue on key policy issues with senior GOM officials.

MISSION DIRECTOR: ROBERT C. CHASE

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

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PROGRAM: MOROCCO

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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
AGRICULTURE, RURAL DEV. AND NUTRITION											
DOUKKALA IRRIGATION	L 608-0127	76	76	13,000	13,000	13,000	12,562	---	435	---	3
DRYLAND AGRICULTURE APPLIED RESEARCH	G 608-0136	78	87	26,323	26,323	4,342	3,186	3,645	2,973	3,000	4,400
RANGE MANAGEMENT IMPROVEMENT	G 608-0145	80	84	5,075	5,075	4,200	1,800	875	974	---	800
RENEWABLE ENERGY	G 608-0159	80	85	9,200	9,200	5,419	792	1,000	1,937	1,500	3,000
AGRONOMIC INSTITUTE	G 608-0160	80	88	9,721	25,000	9,721	5,425	1,380	2,699	2,500	3,000
SECTOR SUPPORT TRAINING	G 608-0178	83	86	2,000	2,000	---	---	---	---	1,000	200
PLNG, ECON, STAT FOR AGRICULTURE	G 608-0182	83	88	---	21,443	536	---	3,000	1,500	2,000	2,500
TOTAL FOR ACCOUNT GRANTS				65,319	102,041	37,218	23,765	9,900	10,518	10,000	13,903
LOANS				52,319	89,041	24,218	11,203	9,900	10,083	10,000	13,900
				13,000	13,000	13,000	12,562	---	435	---	3
POPULATION PLANNING											
FAMILY PLANNING SUPPORT II	G 608-0155	78	83	13,017	13,017	9,548	5,879	---	3,170	---	---
FAMILY PLANNING SUPPORT III	G 608-0171	84	87	---	19,000	---	---	4,970	510	3,700	3,000
TOTAL FOR ACCOUNT GRANTS				13,017	32,017	9,548	5,879	4,970	3,680	3,700	3,000
LOANS				13,017	32,017	9,548	5,879	4,970	3,680	3,700	3,000
				---	---	---	---	---	---	---	---
HEALTH											
HEALTH MANAGEMENT IMPROVEMENT	G 608-0151	81	83	3,147	2,185	2,185	664	---	1,010	---	511
SECTOR SUPPORT TRAINING	G 608-0178	83	83	300	300	300	---	---	50	---	50
TOTAL FOR ACCOUNT GRANTS				3,447	2,485	2,485	664	---	1,060	---	561
LOANS				3,447	2,485	2,485	664	---	1,060	---	561
				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											

* Refers to the planned project summary sheet

C Level of effort activity

116

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)

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PROGRAM: MOROCCO

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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
INDUSTRY AND COMM JOB TRAINING FOR WOMEN	G 608-0147	78	82	3,236	3,236	3,236	2,995	---	240	---	1
DEV TRAINING AND MANAGEMENT IMPROVEMENT	G 608-0149	78	82	4,497	4,497	4,497	4,347	---	150	---	---
SOCIAL AND ECONOMIC RESEARCH	G 608-0154	79	79	450	450	450	172	---	140	---	138
SOCIAL SERVICES TRAINING	G 608-0157	80	84	5,400	5,400	3,880	2,597	500	980	---	703
STATISTICAL SERVICES	G 608-0162	80	83	1,500	1,500	1,500	904	---	310	---	287
SECTOR SUPPORT TRAINING	G 608-0178	83	86	6,126	6,126	1,320	---	2,500	671	1,800	1,597
TOTAL FOR ACCOUNT GRANTS				21,209	21,209	14,883	11,015	3,000	2,491	1,800	2,726
LOANS				21,209	21,209	14,883	11,015	3,000	2,491	1,800	2,726
				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
LOW COST HOUSING DEVELOPMENT I	G 608-0156	80	82	900	900	900	800	---	100	---	---
LOW COST SHELTER MANAGEMENT	G 608-0169	84	86	---	1,364	---	---	430	50	1,000	400
ENERGY PLANNING ASSISTANCE	G 608-0180	84	86	---	4,305	---	---	700	335	2,500	1,200
TOTAL FOR ACCOUNT GRANTS				900	6,569	900	800	1,130	485	3,500	1,600
LOANS				900	6,569	900	800	1,130	485	3,500	1,600
				---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND											
CONVENTIONAL ENERGY	G 608-0176	84	85	---	7,000	---	---	4,500	865	2,000	2,560
AGRICULTURE SECTOR SUPPORT	* G 608-0184	35	85	---	10,000	---	---	---	---	10,000	10,000
WEATHER MODIFICATION	G 608-0190	84	85	5,000	5,000	---	---	2,500	900	3,000	750
TOTAL FOR ACCOUNT GRANTS				5,000	22,000	---	---	7,000	1,765	15,000	13,310
LOANS				5,000	22,000	---	---	7,000	1,765	15,000	13,310
				---	---	---	---	---	---	---	---

^a 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)

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PROGRAM: MOROCCO

CP 85

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 FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	FY85- EXPENDI TURES
TOTAL FOR COUNTRY										
GRANTS			108,892	186,321	65,034	42,123	26,000	19,999	34,000	35,100
LOANS			95,892	173,321	52,034	29,561	26,000	19,564	34,000	35,097
			13,000	13,000	13,000	12,562	---	435	---	3

The above obligation total for FY 1984 excludes \$.3 million of previously deobligated Population funds which are intended for reobligation under Family Planning Support III, 608-0171.

* 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: MOROCCO

PLANNED PROGRAM SUMMARY SHEET

Title Agricultural Sector Support		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Number 608-0184		ESF			FY-85 \$10,000	Life of Project Funding	
<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-85	FY-85
						\$10,000	

Purpose: To finance imports from the United States critical to the functioning of the Moroccan economy, with particular emphasis on the spare parts, machinery and equipment requirements of the agricultural sector.

Project Description: Morocco is currently undergoing the most serious financial crisis since its independence. In October and November of 1983, extensive measures were undertaken to be as responsive as possible to this situation, including the negotiation of a new Standby Agreement with the IMF, an accompanying Export Promotion Loan with the World Bank, and the rescheduling of all outstanding major loans from principal donors and private banks. The composite of these activities and the stringent budgetary and foreign exchange constraints they imposed aim at rectifying, over a four year period, the conditions giving rise to the current crisis.

In the interim the Government of Morocco (GOM) is attempting to maintain whatever momentum is possible under these strictures within its ongoing Indicative Five Year Development Plan (1981-85). The reductions in the GOM budget which have been made as part of the fiscal austerity and adjustment program have already delayed or seriously reduced many development projects. The previously recognizable pattern of development in Morocco cannot continue during this period unless Morocco's principal donors respond to the exigencies of the situation.

Development activities within the agricultural sector have been particularly hard hit. Both A.I.D.'s technical assistance activities in agriculture and the IBRD's major integrated agricultural projects have felt the effects of GOM budget reductions. Private sector trade and investment required to maintain agricultural productivity are also threatened by critical shortages of foreign exchange.

To respond to this situation, the World Bank and the GOM are negotiating an Export Promotion Loan (a corollary to the IMF Standby Agreement) which will liberalize trade and bring resources to bear upon those export industries best suited to earn substantial foreign exchange within the near term. Many

of these are private and within the agricultural sector. This proposed ESF-financed activity is designed in conjunction with the World Bank loan, and will provide foreign exchange needed for essential spare parts, machinery and equipment for the agricultural sector.

The arrival of these critical imports will, in turn, generate local currency counterpart funds which will be used to help relieve internal budgetary constraints retarding A.I.D., World Bank, and other related activities in the GOM's development budget. Given the extent of internal revenue shortages, all of these counterpart funds can be readily programmed and utilized for development purposes as soon as generated.

Relationship of the Project to A.I.D. Strategy: This program is directly responsive to Morocco's current financial crisis. It provides a much needed endorsement of the bold but necessary measures taken by Morocco's leaders to deal with this situation, and complements the reforms and programs prescribed by the IMF and IBRD to cope with it.

Host Country and Other Donors: The nature of the imports to be financed, and the scope of activities to be addressed by the counterpart generated by them have been devised in conformity with the IMF Standby Agreement and the World Bank Export Promotion Loan of 1983. The foreign exchange provided here is part of the coordinated effort by some twenty bilateral and multilateral donors under the aegis of a World Bank Consultative Group to fill the annual foreign exchange gap defined by the Group as essential to keep the Moroccan economy from receding further.

Beneficiaries: This activity will assist some farmers immediately. In so doing it will relieve critical foreign exchange constraints and stimulate productive investment, trade, and employment.

FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (272) OMAN

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 978
 PER CAPITA GNP..... (DOLLARS,1981) 5,920
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 3.5%
 ANNUAL RATE OF INFLATION (1970-81) 27.1%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(.) . %
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 49.1 MALE 47.8 FEMALE 50.5
 (1970) TOTAL 43.6 MALE 42.6 FEMALE 44.6
 ADULT LITERACY RATE (.) TOTAL .% MALE .% FEMALE .%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) . %
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 2%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 215
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: DATES ,BANANAS ,COCONUTS 51% (1982)
 CASH: TOMATOES ,ALFALFA ,LIMES 29% (1982)
 MAJOR AGRICULTURAL EXPDRTS:(1982) WHEAT ,LIMES ,DATES
 MAJOR AGRICULTURAL IMPORTS:(1982) MEATS ,MILK ,RICE
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 62%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1979) 1,889 (80) 2,400 (81) 3,260
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1979) 1,643 (80) 2,374 (81) 3,119
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1979) 246 (80) 26 (81) 140
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1979) 47.4% (80) 49.6% (81) 48.4%
 AS % OF GNP..... (1979) 26.0% (80) 24.6% (81) 26.4%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1979) 605 (80) 914 (81) 1,209
 EQUIVALENT TO 5.6 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1981) PETROLEUM ,AGRICULTURAL PRO ,
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 100 (1981) 338 (1982) 277
 AS % OF TOTAL EXPORTS (1979) 12% (1980) 3% (1981) 7%
 MAJOR IMPORTS....(1982) , ,
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980) 99 (1981) 199 (1982) 190
 AS % OF TOTAL IMPORTS (1979) 7% (1980) 5% (1981) 8%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1979) 933(80) 1,877(81) 2,120
 TRADING PARTNERS: JAPAN ,NETHERLANDS ,UNITED STATES
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 14.7%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 95
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981) 2.0%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 3.0% (1978) 3.1% (1983) 3.1%
 POPULATION IN URBAN AREAS.....(1970) 5% (1980) 20%
 LIVE BIRTHS PER 1,000 POPULATION....(1970) 50 (1983) 48
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (.) . %
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 45.2% (15-64YRS) 52.0% (65+ YRS) 2.8%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 120
 PEOPLE PER PHYSICIAN..... (1976) 1,908
 MAJOR CAUSES OF
 DISEASE (1980) MALARIA ,INTESTINAL INFEC ,INFLUENZA
 DEATH.. (1979) ACCIDENTS ,ACUTE RESP. INFE ,ENTERIC DISEASE
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (.) . %
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 32%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1978) TOTAL 57.0% MALE 76.0% FEMALE 37.0%
 SECONDARY..... (1978) TOTAL 8.0% MALE 12.0% FEMALE 3.0%
 POST SECONDARY.. (.) TOTAL .% MALE .% FEMALE .%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 3247%

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 OMAN									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								
I. ECONOMIC ASSISTANCE — TOTAL	0.3	0.5	5.5	0.7	15.5	36.4	-	36.4	TOTAL.....	0.0	16.8	0.0	70.0
Loans	-	-	-	-	7.5	20.0	-	20.0	IBRD	0.0	15.0	0.0	62.0
Grants	0.3	0.5	5.5	0.7	8.0	16.4	-	16.4	IFC	0.0	0.0	0.0	2.0
a. A.I.D. and Predecessor Agencies	-	-	5.0	-	15.0	32.5	-	32.5	IDA	0.0	0.0	0.0	0.0
Loans	-	-	-	-	7.5	20.0	-	20.0	IDS	0.0	0.0	0.0	0.0
Grants	-	-	5.0	-	7.5	12.5	-	12.5	ADB	0.0	0.0	0.0	0.0
(Economic Support Fund)	-	-	5.0	-	15.0	20.0	-	20.0	AFDB	0.0	0.0	0.0	0.0
b. Food for Peace (PL 480)	-	-	-	-	-	-	-	-	UNDP	0.0	1.8	0.0	5.5
Loans	-	-	-	-	-	-	-	-	OTHER-UN	0.0	0.0	0.0	0.0
Grants	-	-	-	-	-	-	-	-	EEC	0.0	0.0	0.0	0.0
Title I: Total Sales Agreements	-	-	-	-	-	-	-	-	B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-	1. D.A.C. COUNTRIES (Gross Disbursements)				
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-	OMAN				
Title II: Total Grants	-	-	-	-	-	-	-	-	CY 1981	CY 1982	CY 1978-82		
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	-	-	-	United States	-	1.0	1.0	
Voluntary Relief Agencies	-	-	-	-	-	-	-	-	Japan	-	2.3	2.3	
c. Other Economic Assistance	0.3	0.5	0.5	0.7	0.5	3.9	-	3.9	United Kingdom	-	1.2	1.2	
Loans	-	-	-	-	-	-	-	-	France	-	0.4	0.4	
Grants	0.3	0.5	0.5	0.7	0.5	3.9	-	3.9	Germany Fed. Rep.	-	0.1	0.1	
Peace Corps	0.3	0.5	0.5	0.7	0.5	3.9	-	3.9	Total	-	5.0	5.0	
Narcotics	-	-	-	-	-	-	-	-	2. O.P.E.C. COUNTRIES (Gross Disbursements)				
Other	-	-	-	-	-	-	-	-					
II. MILITARY ASSISTANCE — TOTAL	-	-	25.0	25.0	30.1	80.1	14.0	66.1	C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
Credits or Loans	-	-	25.0	25.0	30.0	80.0	14.0	66.0					
Grants	-	-	*	*	0.1	0.1	-	0.1					
a. MAP Grants	-	-	-	-	-	-	-	-					
b. Credit Financing - FMS	-	-	25.0	25.0	30.0	80.0	14.0	66.0					
c. Military Assistance Service-Funded (MASF) Grants	-	-	*	*	0.1	0.1	-	0.1					
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-					
e. Other Grants	-	-	-	-	-	-	-	-					
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	0.3	0.5	30.5	25.7	45.6	116.5	14.0	102.5					
Loans	-	-	25.0	25.0	37.5	100.0	14.0	86.0					
Grants	0.3	0.5	5.5	0.7	8.1	16.5	-	16.5					
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-					
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-					
b. All Other Loans	-	-	-	-	-	-	-	-					

* LESS THAN \$50,000.

ECONOMIC SUPPORT FUND PROGRAM SUMMARY			
<i>(In millions of dollars)</i>			
	FY 1983 Actual	FY 1984 Estimated	FY 1985 Request
Grants	2.5	5.0	5.0
Loans	12.5	10.0	15.0
Total	15.0	15.0	20.0

Development Overview

Despite modest oil production that has provided a growing stream of income over the past 16 years, Oman remains an underdeveloped country. Prior to 1970, the government resisted efforts to modernize and kept the country isolated from the rest of the world. Oil production began in 1967, but very little development took place initially. Health, education, and other services were virtually nonexistent and most of the population was engaged in subsistence agriculture and fishing. Progress has been made in meeting the basic needs of most of the population but much remains to be done to create an economy that will continue to be productive when oil resources are exhausted.

In July 1970, the present Sultan came to power. His policies stimulated a period of rapid change and growth, propelled by the oil price rises of the 1970s, which greatly increased the resources available for development. Changes have been impressive. The number of students, for example, jumped from a few hundred to over 140,000; health facilities increased from a handful to over 100. These and other social services now reach most of the population. Substantial construction of basic infrastructure -- roads, ports, airports, etc. -- has taken place throughout the country. Less progress has been made in developing the productive sectors of the economy outside of the oil industry. A few industries have been established but agriculture has stagnated, largely because of very limited arable land, the lack of rainfall and water for irrigation, and labor migration from rural areas.

The South Yemen-supported insurgency in the southern province of Dhofar was largely eliminated by the mid-1970s and diplomatic relations were recently established with South Yemen. However, continued tensions in the Gulf region, particularly the Iran-Iraq war, give defense a top priority and defense spending remains high.

The Omani economy is based on oil. About two-thirds of GNP and most government revenues come from oil production, although the oil industry employs only a small fraction of the labor force. The production level was planned at 330,000 barrels per day (bpd) for the period of the Second Five-Year Plan (1981-1985), in an effort to spread revenues over a longer period of time but production exceeded this target level in 1983 in order to compensate for lower oil prices and resultant diminished government revenue. Recoverable reserves are estimated at about 2.98 billion barrels, small by regional standards but enough to sustain current production rates for about 20 years. Lagging oil prices in 1983 reduced expected oil income, forcing some slowdown in the pace of development and causing the budget to go into deficit, but increased production has prevented any serious economic problems.

FY 1985
PROGRAM HIGHLIGHTS

- \$5 million in grant funds will continue to support operations of the Joint Commission, project studies, technical assistance, and training.
- A \$15 million loan will continue support for construction of primary and intermediate schools throughout the country.

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

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

In agriculture, less than 1% of the total land area is cultivated. The major crop is dates, but there is some potential for vegetable production for the domestic market (nearly half the food is imported) and for export to other Gulf States. All agriculture is irrigated and the lack of water is a major constraint to increased production. In addition, the high rate of migration from rural areas has depleted the labor force available for agriculture, and agricultural output has stagnated over the past decade.

Fisheries, another traditional occupation, hold more potential for future growth. The waters around Oman appear to be fairly rich in a variety of fish, but the declining labor supply and lack of knowledge about the extent of fishing or marine resources has prevented its full exploitation, despite government efforts to develop this sector.

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

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

A major political as well as economic problem in Oman is the severe indigenous labor shortage. It exists in all parts of the labor market and has required importing most of the labor force in the modern sector from Egypt, India, Pakistan, and other countries.

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

U.S. Interests and Objectives

Oman occupies a strategic location on the Arabian Peninsula, commanding the southern side of the Strait of Hormuz and bordering on major oil producing states. The United States has a vital interest in maintaining free passage through the Strait and ensuring stability among the states in this volatile but crucial region. Oman is providing important support for the expansion of the U.S. military capability in Southwest Asia by allowing U.S. forces to use certain Omani facilities under agreed conditions. Moreover, Oman has generally adopted moderate positions on international issues. It is one of the few states in the region to support the Egypt-Israel Peace Treaty.

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

A.I.D. Assistance Strategy

The ability of the Government of Oman to continue its constructive role in regional and international affairs depends in part on continued progress in developing the country and meeting the needs of the people. The United States assistance strategy is to support these Omani objectives through a program of technical assistance and modest capital projects directed to Omani development priorities. Although small in relation to the overall resources available to the Omani government, the A.I.D. program focuses on crucial constraints to development (water, education and training) and sectors with potential to be productive in the post-oil era (fisheries).

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

The A.I.D. program consists of grants and loans programmed by the Omani-American Joint Commission. Under the terms of the agreement establishing the Joint Commission, the United States will provide, subject to Congressional authorization and appropriation, an annual grant of \$5 million dollars to support the operations and technical assistance activities of the Commission, and loan assistance to finance specific

development projects. In FY 1983, \$2.5 million in grants and \$12.5 million in loans were provided, since a \$7.5 million grant had been provided in FY 82 to compensate for a smaller than anticipated loan project that year. In FY 1984, a \$5 million grant and \$10 million loan are being provided.

The Commission was formally established in August 1980. It is based in Muscat and has as co-chairmen the U.S. Ambassador to Oman and the Omani Undersecretary of Foreign Affairs. An Omani official is Managing Director of the Commission; the A.I.D. Representative is his counterpart. Four A.I.D. officers and two Omani professionals are assigned to the Joint Commission to assist in project identification, development and implementation.

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

Grant funds of \$20 million have been obligated through FY 1984. These grants have financed training activities, project analysis and feasibility studies, project costs and some of the operating costs of the Commission. Under the grant, a feasibility study and design for a small dams loan project has been completed, and technical assistance is being provided in construction of the dam. Construction costs are being supported with an FY 1982 loan of \$7.5 million. A \$6.6 million project providing technical assistance and training for fisheries development and a participant training/scholarships project, for which \$11.8 million has thus far been sub-obligated, are also being funded by the grant and are now being implemented.

A \$22.5 million loan for construction of schools throughout the country has been signed with the Omani Government (\$12.5 million in FY 1983 and \$10.0 million in FY 1984) and construction activities will soon begin.

Requested Year Program (FY 1985)

In FY 1985, \$5 million in grants and \$15 million in loans are requested to finance Joint Commission activities. Loan terms are 5% interest, payable over 20 years with a five year grace period. Grant funds will support the operations of the Commission, project studies, and technical assistance activities; most of the FY 1985 grant will be allocated to the scholarships and training project. The Commission will also continue to provide short-term consultants and support feasibility studies and other activities on a limited basis that will strengthen the economic and technical ties between the U.S. and Oman.

A \$15 million loan will be used to continue support of school construction. The Government of Oman places high priority on the establishment of schools in remote areas and on replacing facilities

OMAN

which are below standard. A.I.D. participation in the program helps to assure that the schools are well designed and built, and that the Ministry officials in charge of school buildings receive the benefit of A.I.D.'s long experience in school programs around the world. A.I.D. financing is provided on a fixed cost reimbursement basis, with A.I.D. providing about about 50% of pre-agreed budget estimates for design and construction of selected schools.

AID REPRESENTATIVE: CHESTER S. BELL

OMAN

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans	85	3,900	20,000
Grants	164	1,800	3,400
Total AID	249	5,700	24,300
P.L. 480**			
Title I (of which Title III is)	()	()	()
Title II			
Total P.L. 480			
Total AID and P.L. 480	249	5,700	24,300

*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	5	5
PASA ^c			
Contract			
Total	4	5	5
Participants ^d			
Noncontract		110	60
Contract			10
Total		110	70

^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 (Actual)		FY (Estimated)		FY (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						

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

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PROGRAM: OMAN

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PROJECT TITLE	* L PROJECT / NUMBER S	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	
ECONOMIC SUPPORT FUND											
OMANI-AMERICAN JOINT COMMISSION	G 272-0101	80	80	15,000	50,000	15,000	305	5,000	1,800	5,000	3,400
RAJIAL KHAWD ACQUIRER RECHARGE	L 272-0102	82	82	7,500	7,500	7,500	85	---	3,900	---	3,500
SCHOOL CONSTRUCTION	L 272-0103	83	85	22,500	37,500	12,500	---	10,000	---	15,000	17,400
TOTAL FOR ACCOUNT				45,000	95,000	35,000	390	15,000	5,700	20,000	24,300
GRANTS				15,000	50,000	15,000	305	5,000	1,800	5,000	3,400
LOANS				30,000	45,000	20,000	85	10,000	3,900	15,000	20,900
TOTAL FOR COUNTRY				45,000	95,000	35,000	390	15,000	5,700	20,000	24,300
GRANTS				15,000	50,000	15,000	305	5,000	1,800	5,000	3,400
LOANS				30,000	45,000	20,000	85	10,000	3,900	15,000	20,900

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

FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (150) PORTUGAL

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 10,008
 PER CAPITA GNP..... (DOLLARS,1981) 2,520
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 1.8%
 ANNUAL RATE OF INFLATION (1970-81) 16.9%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1980) 7.3%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 71.4 MALE 68.3 FEMALE 74.8
 (1970) TOTAL 67.1 MALE 64.0 FEMALE 70.3
 ADULT LITERACY RATE (1970) TOTAL 71% MALE 78% FEMALE 65%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) -1.0%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 11%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 620
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT ,CORN ,PULSES 29% (1982)
 CASH: GRAPES ,OLIVES ,FRUITS 29% (1982)
 MAJOR AGRICULTURAL EXPORTS:(1982) WINE ,TOMATOES ,
 MAJOR AGRICULTURAL IMPORTS:(1982) WHEAT ,SOYBEANS ,COTTON
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 24%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1975) 3,767 (76) 4,227 (77) 4,682
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1975) 5,010 (76) 6,024 (77) 5,757
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1975) -1,243 (76) -1,797 (77) -1,075
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (.) . % (.) . % (75) 12.8%
 AS % OF GNP..... (.) . % (.) . % (75) 4.3%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1977) 1,391 (78) 1,880 (79) 1,951
 EQUIVALENT TO 3.8 MONTHS OF IMPORTS (1979)

FOREIGN TRADE

MAJOR EXPORTS... (1981) COTTON FABRICS, ,CORK ,FISH
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 265 (1981) 216 (1982) 246
 AS % OF TOTAL EXPORTS (1979) 6% (1980) 6% (1981) 5%
 MAJOR IMPORTS....(1981) PETROLEUM ,COTTON ,MACHINERY
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980)1,018 (1981)1,173 (1982) 997
 AS % OF TOTAL IMPORTS (1979) 12% (1980) 12% (1981) 13%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1979) -2,632(80) -4,026(81)-5,046
 TRADING PARTNERS: UNITED KINGDOM ,WEST GERMANY ,UNITED STATES
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 32.7%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 1,247
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981) 30.7%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) -0.6% (1978) 0.5% (1983) 0.4%
 POPULATION IN URBAN AREAS.....(1970) 26% (1982) 32%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 20 (1983) 16
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (.) . %
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 26.7% (15-64YRS) 63.2% (65+ YRS) 10.1%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 26
 PEOPLE PER PHYSICIAN..... (1977) 698
 MAJOR CAUSES OF
 DISEASE (1981) HEPATITIS ,GONORRHEA ,SYPHILIS
 DEATH.. (1979) STROKE ,HEART DISEASE ,SENILITY
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 127%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980) 65%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1977) TOTAL 117% MALE 119% FEMALE 115%
 SECONDARY..... (1977) TOTAL 55.0% MALE 54.0% FEMALE 56.0%
 POST SECONDARY.. (1977) TOTAL 8.8% MALE 10.1% FEMALE 7.5%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 6.6%

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	PORTUGAL					TOTAL LOANS AND GRANTS 1946-82	REPAY- MENTS AND INTEREST 1946-82	TOTAL LESS REPAY- MENTS AND INTEREST 1946-82
	PROGRAM							
	FOREIGN ASSISTANCE ACT PERIOD							
	1976	1979	1980	1981	1982			
I. ECONOMIC ASSISTANCE – TOTAL	338.0	38.0	78.0	25.0	20.0	888.4	379.3	508.6
Loans	338.0	38.0	38.0	-	-	592.3	379.3	312.5
Grants	-	-	40.0	25.0	20.0	196.1	-	196.1
a. A.I.D. and Prodecessor Agencies	300.0	-	40.0	25.0	20.0	570.6	261.2	309.4
Loans	300.0	-	-	-	-	423.8	261.2	167.6
Grants	-	-	40.0	25.0	20.0	141.8	-	141.8
<i>(Economic Support Fund)</i>	300.0	-	40.0	25.0	20.0	430.0	-	430.0
b. Food for Peace (PL 480)	38.0	38.0	38.0	-	-	317.8	118.6	199.2
Loans	38.0	38.0	33.0	-	-	263.5	118.6	144.9
Grants	-	-	-	-	-	54.3	-	54.3
Title I - Total Sales Agreements	38.0	38.0	38.0	-	-	263.5	118.6	144.9
Repayable in U.S. Dollars - Loans	38.0	38.0	38.0	-	-	263.5	115.1	145.0
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	3.4	3.5	0.1
Title II - Total Grants	-	-	-	-	-	54.3	-	54.3
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	-	-	-
Voluntary Relief Agencies	-	-	-	-	-	54.3	-	54.3
c. Other Economic Assistance	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	27.9	25.2	31.9	52.8	67.4	635.4	-	605.4
Credits or Loans	-	-	-	-	-	45.0	-	45.0
Grants	27.9	25.2	31.9	52.8	67.4	590.4	-	560.4
a. MAP Grants	25.0	25.7	30.0	51.0	20.0	497.3	-	497.3
b. Credit Financing - FMS	-	-	-	-	-	45.0	-	45.0
c. Military Assistance Service-Funded (MASF) Grants	2.9	2.5	1.9	1.8	2.4	24.7	-	24.7
d. Transfers from Excess Stocks	*	-	-	-	-	24.1	-	24.1
e. Other Grants	-	-	-	-	-	14.3	-	14.3
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	365.9	63.2	109.9	77.8	87.4	1493.6	379.3	1114.0
Loans	338.0	38.0	38.0	-	-	650.0	379.3	357.5
Grants	27.9	25.2	71.9	77.8	87.4	756.5	-	756.5
Other U.S. Government Loans and Grants	176.5	175.9	48.0	67.4	-	783.1	329.5	46.4
a. Export-Import Bank Loans	0.2	29.2	1.7	67.4	-	247.5	213.4	34.1
b. All Other Loans	176.3	146.7	46.3	-	-	535.6	616.1	80.5

* LESS THAN \$50,000.

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1981	FY 1982	FY 1983	FY 1946-83
TOTAL	231.2	160.1	247.0	1416.9
IBRD	120.0	81.0	166.7	943.2
IFC	11.2	0.0	0.3	11.5
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.0	0.1	0.0	2.0
OTHER-UN	0.0	0.0	0.0	0.2
EEC	70.0	79.0	80.0	460.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

PORTUGAL	CY 1981	CY 1982	CY 1978-82
United States	48.0	33.0	295.0
Germany Fed. Rep.	37.1	19.2	130.9
Norway	10.5	5.1	34.1
Sweden	2.3	0.9	19.5
France	3.7	8.3	14.9
Other	1.9	1.4	18.2
Total	103.5	67.9	512.6

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

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

PORTUGAL

ECONOMIC SUPPORT FUND PROGRAM SUMMARY			
<i>(In millions of dollars)</i>			
	FY 1983 Actual	FY 1984 Estimated	FY1985 Request
Grants	20.0	40.0	80.0

Development Overview

From 1976 through 1980, Portugal made remarkable progress both politically and economically. The threat of a communist takeover in the aftermath of the 1974 revolution was successfully resisted and parliamentary democracy was firmly established. Portugal also repatriated some 700,000 refugees from its former African colonies and integrated them successfully into the economy, resulting in a population increase of almost 10%. A balance of payments crisis in 1977 and 1978 was dealt with successfully through a program of stabilization supported by the IMF and bilateral donors, including the United States.

In 1980 the economic situation again began to deteriorate, in large part because of the international recession. The deficit on current account increased to \$3.24 billion (13.2% of GDP) in 1982. Preliminary estimates for 1983 indicate some improvement with the deficit for the first half of 1983 estimated at \$1.4 billion. Real GDP is expected to drop by about 1% in 1983. Efforts to contain inflation have met with little success. The consumer price index rose at an annual rate of 22% in 1982 and probably more than 25% in 1983.

The Government has taken a number of measures to improve the situation. It has increased interest rates, established tight credit ceilings, and reduced widespread credit subsidies. The escudo has been allowed to depreciate to maintain Portugal's export competitiveness. In August 1983, Portugal and the IMF negotiated a letter of intent for a standby facility, which went into effect in October and is expected to run through the end of 1984. Principal among its objectives are reducing the balance of payments current account deficit (to \$1.2 billion by 1984) and the government budget deficit (to 6.5% of GDP by 1984). Recent economic measures include the virtual elimination of state subsidies on food and agricultural products, the introduction of a tight 1984 budget, and an extraordinary tax package to raise fiscal revenues in both 1983 and 1984.

Prospects over the longer run are promising, particularly if Portugal can get its inflation and balance of payments problems under better control. Portugal hopes ultimately to enter the EEC, which should provide a considerable incentive to both foreign and domestic investment.

FY 1985
PROGRAM HIGHLIGHTS

- \$80 million payment to the Government of Portugal in support of a mutual security understanding currently being negotiated. It is anticipated that up to \$10 million of this grant will be used by the Government of Portugal to further fund the Luso-American Development Foundation, which will be established and partially funded in FY 1984.

U.S. Interests and Objectives

The United States has a continuing interest in strengthening the democratic process and in developing Portugal's technological and managerial know-how so that it can compete effectively in the European Economic Community. The United States also wishes to assist Portugal in meeting its NATO commitments and to have access to facilities on the Portuguese mainland and in the Azores.

A.I.D.'s Assistance Strategy: U.S. assistance programs shifted from an initial emphasis in 1975 on helping in the resettlement of refugees from Africa, to loan programs for social infrastructure. Eight loans and two housing guarantees were made for low income housing, school construction, basic sanitation, and rural health. When the economy faltered in 1977-78, the United States loaned \$300 million as part of a highly successful multilateral economic stabilization program. Since then, most U.S. assistance has been related to mutual security arrangements and used for economic development in the Azores. The United States also provided emergency relief and reconstruction support following the 1980 earthquake in the Azores. From the inception of the program the United States has also emphasized the transfer of American technical management techniques.

Continued technical assistance will be made available through establishment of the Luso-American Development Foundation aimed primarily at strengthening the Portuguese private sector and key public sector entities. A Housing Investment Guarantee program will help Portugal deal with its severe housing shortage.

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

Current Status: FY 1980 was the final year for new economic assistance commitments for Portugal with the exception of support for the economic and social development of the Azores and relief and reconstruction activities

PORTUGAL

resulting from the 1980 earthquake. However, a substantial program is still being implemented. The pipeline, which amounted to almost \$60 million in 1980, has been drawn down to less than \$15.0 million as of September 30, 1983. Some 45 primary and secondary schools have been constructed and put in use, as have 14 rural health centers and a nursing school in the Azores. A total of 7,400 housing units and 69 water and sewage systems have been completed.

Requested Year Program (FY 1985)

The United States and Portugal have initiated discussions concerning a renewed and possibly expanded security relationship to replace the present agreement which expired in February 1983. We anticipate that \$40 million will be required in FY 1984 and \$80 million in FY 1985. The Government of Portugal intends to use these funds for the economic and social development of the Azores, and for similar purposes on the mainland, and to provide further funding for the Luso-American Development Foundation which will continue the technical cooperation relationship between Portugal and the United States that has existed over the past nine years.

A.I.D. AFFAIRS OFFICER: MICHAEL F. LUKOMSKI

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans			
Grants	24,701	45,500	85,421
Total AID	24,701	45,500	85,421
P.L. 480**			
Title I (of which Title III is)	()	()	()
Title II			
Total P.L. 480			
Total AID and P.L. 480	24,701	45,500	85,421

*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	2	1	1
Direct Hire ^b	2	3	3
PASAC ^c	1	0	0
Contract	5	4	4
Total			
Participants ^d	35	25	10
Noncontract	54	70	60
Contract	89	95	70
Total			

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

Program	P.L. 480 (In thousands of dollars)					
	1983		1984		1985	
	FY (Actual)		FY (Estimated)		FY (Proposed)	
	MT	S	MT	S	MT	S
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						

REGIONAL PROJECTS - ECONOMIC SUPPORT FUND (ESF)

ECONOMIC SUPPORT FUND PROGRAM SUMMARY			
<i>(In millions of dollars)</i>			
	FY 1983 Actual	FY 1984 Estimated	FY 1985 Request
(1) West Bank/Gaza Development	6.500	8.5	9.0
(2) Regional Cooperation	5.000	4.5	5.0
(3) Regional Population Activities	.193	.5	.5
(4) Project Development & Support	.525	.5	.5
(5) Private Sector Initiatives in Industrial Pollution Control	.262	-	-
Total	12.480	14.0	15.0

Overview

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

The FY 1985 program will include four continuing activities - West Bank/Gaza Development Activities (298-0159), Regional Cooperation (298-0158), Project Development and Support (298-0150), and Regional Population Activities (298-0148).

West Bank/Gaza

For FY 1985, \$9.0 million dollars is requested for development projects to benefit the population of the West Bank and the Gaza Strip. The projects have been implemented by United States private and voluntary organizations (PVOs) and provide assistance in the areas of health and sanitation, land reclamation, agricultural development and marketing, water storage and distribution, community and rural development, and vocational and higher education.

PVO project activities from the beginning of the program in FY 1975 through FY 1984 have included: provision of health education services to over 8,500 mothers in the West Bank and Gaza; approximately 25 self-help projects with communities and municipalities to expand and improve water supply systems; over 30 self-help projects with cooperative in land reclamation and agricultural development and marketing; assistance to over 100 community groups for construction of community centers, schools, clinics and access roads; advanced training of approximately 225 faculty members from West Bank institutions at U.S. institutions; scholarship programs for undergraduates at three West Bank universities, 300 of whom will graduate by the end of FY 1984; and short-term training in the United States for over 100 participants.

FY 1985
PROGRAM HIGHLIGHTS

- \$9 million to finance small scale development projects in the West Bank/Gaza Strip.
- \$5 million for the Regional Cooperation project to fund cooperative scientific and technical activities of mutual interest to Israel and its Arab neighbors.
- \$.5 million to carry out project development and support activities related to Economic Support Fund programs in the Near East.
- \$.5 million to assist relatively small scale population and family planning activities of short duration, particularly in NE countries which do not have bilateral population programs.

Evaluations indicate that projects are well designed and implemented. The large number of projects proposed by local institutions, many of which have to be rejected or deferred by PVOs because of funding limitations, indicates a substantial demand for assistance which is not being met from other sources. The PVOs continue to encounter difficulties in obtaining clearance from the Israeli Government to proceed with individual sub-projects, particularly those of a developmental nature. However, in spite of the problems encountered, we continue to believe that the developmental needs of the population are being well served by this program and that continuation and modest expansion of this assistance demonstrates U.S. concern for the people of the West Bank and Gaza.

FY 1985 funding of \$9.0 million will permit Save the Children/Community Development Foundation to develop approximately 15 additional self-help projects in water storage and distribution, health services, and agriculture. Catholic Relief Services will expand its rural community self-help and health activities in the West Bank and Gaza. American Near East Refugee Aid will continue its work in improving water supply systems and assisting cooperatives in land reclamation, marketing, and provision of related agricultural services. American-Mideast Educational and Training Services will continue its support to institutions of higher education and will be able to extend this support to an additional institution.

Regional Cooperation

For FY 1985, AID requests \$5 million to fund activities that strengthen the peace process and increase mutual understanding between Israel and its Arab neighbors, especially Egypt. Since FY 1979, when this program was first initiated by Congress, joint research projects have been successfully initiated in the marine sciences, psychological perceptions of the Middle East conflict, infectious diseases, and arid land agriculture. These activities involve a number of Egyptian, Israeli and U.S. universities, government ministries and other institutions. They bring Arabs and Israelis into direct contact on problems of mutual concern, creating ties and linkages which may eventually lead to self-sustaining relationships.

REGIONAL PROJECTS - ECONOMIC SUPPORT FUND (ESF)

In FY 1984, \$4.5 million will be used to further fund the marine sciences, infectious diseases, and arid land agriculture projects. In addition, new agricultural research activities involving a variety of technological exchanges, as well as other new activities in such areas as health, energy, child welfare and the social sciences, will be supported. FY 1985 funds will continue to support the ongoing activities begun in FY 84 and previous years and to respond to new proposals, many in new and innovative fields, which should expand the basis of support in each country for broader cooperation.

Regional Population Activities

This program assists relatively small scale and short duration population/family planning activities, primarily in Near East countries, which do not have bilateral population programs. It supports population policy analyses which create an awareness of the implications of rapid population growth, basic family planning services and training, as well as activities spanning two or more countries in the region.

In FY 1983 the project provided \$193,000 to support U.S. and local training opportunities; collect and analyze demographic and family planning data; visually present to high level host government officials the impact of rapid population growth on country-specific development goals; and share regionally the latest developments in the field of biomedical research and contraceptive technology.

In FY 1984 priority will be accorded to activities most conducive to large scale family planning acceptance, such as strengthening family planning links to health and nutrition programs; enhancing women's roles in traditional societies; and population policy activities. Specifically, \$500,000 will be used for information, education and communication projects in support of local population programs; commercial retail sales or contraceptive social marketing programs; family planning program evaluation and target setting; strengthening government contraceptive logistics systems; and international workshops, conferences and training seminars. Private sector groups, such as voluntary family planning associations, pharmacies and traditional birth attendants, will be encouraged under this project whenever possible.

A.I.D. requests \$500,000 in FY 1985. Additional funds for this project (\$1.2 million) are also being requested under the Regional Development Assistance program. The project will continue to support policy analyses, basic family planning services and training. Emphasis will be upon support of family planning service delivery through private sector channels, strengthening government family planning evaluation, international workshops and conferences, and regional research efforts.

REGIONAL PROJECTS - ECONOMIC SUPPORT FUND (ESF)

Project Development and Support

For FY 1985, \$500,000 is requested to enable AID to finance studies and other activities related to the development and support of Economic Support Fund projects and programs in the Near East. This activity funds consulting services and experts to do economic, social, regional and sectoral studies and analyses which are not funded under bilateral programs, as well as project design, certain project evaluations, and pilot activities in such areas as population and environment, prior to the establishment of discrete bilateral or regional projects.

In FY 1983 activities funded included project impact evaluations in Portugal; an industrial pollution control assessment in Turkey; a training workshop for Egyptian participants; and family planning activities in Jordan and Lebanon. Funds were also provided for regional activities, such as a private sector training study tour; regional strategic planning; and agricultural and engineering advisory services.

Activities to be funded in FY 1984 include a science and technology assessment for Egypt; project development for a scholarship program in Italy; technical assistance from the U.S. Department of Statistics for Jordan; family planning and other community health services in Tunisia; a study of Tunisia's PL 480 program; and several impact evaluations, including rainfed agricultural projects; services provided by the U.S. Bureau of Census and Statistics.

In FY 1985, similar activities will be undertaken.

Private Sector Initiatives in Industrial Pollution Control

This project was started in FY 1983 to provide NE Bureau Missions with the means to respond to a high-priority environmental need in certain assisted countries. In FY 83, it funded U.S. corporate volunteers on a study tour to Tunisia and Jordan to look at industrial pollution and to recommend ways and means of controlling such pollution. This was initiated with the World Environment Center as the implementing agent. In FY 1984 and FY 1985 these activities will be broadened and implemented with DA Regional funds.

REGIONAL PROJECTS - ECONOMIC SUPPORT FUND (ESF)

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans		-	-
Grants	6,963	13,034	14,097
Total Aid	6,963	13,034	14,097
P.L. 480*			
Title I (of which Title III is)	()	()	()
Title II			
Total P.L. 480			
Total Aid and P.L. 480	6,963	13,034	14,097

*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	-	-	-
PASA ^c	-	-	-
Contract	-	1	1
Total		1	1
Participants ^d			
Noncontract	-	-	-
Contract	58	93	79
Total	58	93	79

^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						
Non-food						
Title I Total (of which Title III is)						
Title II						
Voluntary Agencies		1,924		2,278		2,288
World Food Programs		-		-		-
Gov't-to-Gov't		-		-		-
Title II Total		1,924		2,278		2,288
Total P.L. 480		1,924		2,278		2,288

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

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PROGRAM: NEAR EAST REGIONAL - ISF

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTH'D PLANNED	-THROUGH FY83- OBLIG ATIONS	EXPENI TURES	-ESTIMATED FY84- OBLIG ATIONS	EXPENLI TURES	-PROPOSED FY85- OBLIG ATIONS	EXPENDI TURES	
ECONOMIC SUPPORT FUND											
REGIONAL POPULATION ACTIVITIES	G 298-0048	83	C	193	---	193	2	500	272	500	600
PROJECT DEVELOPMENT AND SUPPORT	G 298-0150	78	C	---	---	2,301	2,028	500	500	500	500
REGIONAL COOPERATION	G 298-0158	84	86	20,201	22,748	9,214	4,531	4,500	4,528	5,000	4,800
WEST BANK/GAZA DEVELOPMENT ACTIVITIES	G 298-0159	79	C	13,487	34,221	22,359	10,701	8,500	7,738	9,000	8,197
PRIVATE SECTOR INITIATIVES	G 298-0174	83	83	262	262	262	---	---	---	---	---
TOTAL FOR ACCOUNT GRANTS				34,143	57,231	32,329	17,242	14,000	13,234	15,000	14,097
LOANS				34,143	57,231	32,329	17,242	14,220	13,234	15,000	14,097
TOTAL FOR COUNTRY GRANTS				34,143	57,231	32,329	17,242	14,000	13,234	15,000	14,097
LOANS				34,143	57,231	32,329	17,242	14,000	13,234	15,000	14,097

* 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.

REGIONAL PROJECTS - DEVELOPMENT ASSISTANCE

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
FY 83								
Loans	-	-	-	-	-	-		
Grants	4,404	352	550	78	3,200	224		
Total	4,404	352	352	78	3,200	224		
FY 84								
Loans	-	-	-	-	-	-		
Grants	3,755	500	1,655	400	480	720		
Total	3,755	500	1,655	400	480	720		
FY 85								
Loans	-	-	-	-	-	-		
Grants	3,000	300	1,200	300	580	620		
Total	3,000	300	1,200	300	580	620		

FY 1985 PROGRAM HIGHLIGHTS	
<p>--\$2,020,000 for six continuing Near East Regional projects: Legal Education Training, Regional Population Activities, Science and Technology Information Transfer Regional Private Enterprise, the Environment and Natural Resources, and Small Project Assistance-Peace Corps.</p> <p>--\$980,000 for the design and evaluation of Near East development assistance projects and programs.</p>	

REGIONAL PROJECTS - DEVELOPMENT ASSISTANCE

Overview

The Near East Bureau's regional technical assistance grants support United States development and humanitarian interests in the region, and fund the studies needed to design and evaluate regional and bilateral country projects and programs. A.I.D. requests \$3.0 million to fund these programs in FY 1985.

A.I.D. Program

There are seven continuing Near East regional projects funded under Development Assistance: Legal Education and Training; Project Development and Support; Regional Population Activities (also funded under the ESF regional account); Small Project Assistance - Peace Corps; Science and Technology Information Transfer; Private Sector Development; and Environment and Natural Resources. The last two listed projects will receive initial funding in FY 1984.

Legal Education and Training

Legal education activities begun late in FY 1983 and continuing in FY 1984 assist indigenous Middle Eastern institutions and organizations concerned with furthering the implementation of human rights standards within the context of their national legal and cultural systems. The project seeks to further the objectives of section 116e of the Foreign Assistance Act. Initial activities have included the provision of expert legal and institutional planning consultants to Jordan and Egypt.

For FY 1985, \$100,000 is requested for curriculum development in law schools and technical assistance to justice ministries, and other educational institutions. Various types of short-term training in human rights subspecialties for judges, practicing attorneys, prosecutors, and legal administrators are among the activities contemplated.

A predecessor project, Law and Development (298-0006) was completed in FY 1984 and strengthened AID's understanding of the legal context of development in the Near East. Workshops were held which explored how legal systems facilitate, promote, or hinder social change, and there was a summer institute and a program of post-doctoral grants for scholars from the Near East.

Project Development and Support

This project supports regional and bilateral development assistance efforts, primarily in Morocco and Yemen. Funds are used for pre-project studies to identify critical assistance needs, to design projects, for pilot activities and for evaluation.

In FY 1983, \$665,630 was obligated for such activities as the development of a rainfed agriculture project in Morocco, studies of earthquake rehabilitation in Yemen, and assistance from the Department of Agriculture and the Bureau of the Census in the design and implementation of various A.I.D. funded projects.

REGIONAL PROJECTS - DEVELOPMENT ASSISTANCE

In FY 1984, \$900,000 will be used for such activities as developing private sector linkages in the health field, continued Department of Agriculture support in design and evaluation of agriculture projects and in policy analysis, an evaluation of the Range Management Improvement project in Morocco, and an evaluation of water sector projects in Yemen. Regional studies are underway on development of Near East marketing systems for fruits and vegetables, and to evaluate the impact of rainfed agriculture projects in Near East countries over the past decade. Participant training in Near East countries over the past decade is also being studied to identify the impacts and find ways to improve these training programs.

For FY 1985, \$980,000 is requested for similar activities. Assistance in project design and evaluation from the Department of Agriculture and the Bureau of the Census will continue; a study on using media for nutrition education will be conducted; and the feasibility of a regional energy project will be investigated. Evaluation of experience in the Primary Health Care project in Tunisia is planned following completion of a six-year effort. To guide investment in water resources in the Near East, a regional assessment of pricing policy and water rights laws is proposed in several countries.

Regional Population Activities

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

In FY 1983 \$560,000 was provided: for U.S. and local training opportunities; to collect and analyze demographic and family planning data; to present graphically to high-level host government officials the impact of rapid population growth on country-specific development goals via the RAPID computer modeling project; and to share regionally the latest developments in the field of biomedical research and contraceptive technology.

In FY 1984, priority is being accorded to activities most conducive to large scale family planning acceptance, such as strengthening family planning links to health and nutrition programs; enhancing womens' roles in traditional societies; and population policy activities. Specifically, \$1,655,000 will be used for information, education and communication projects in support of local population programs; commercial retail sales or contraceptive social marketing programs; family planning program evaluation and target setting; strengthening government contraceptive logistics systems; and international workshops, conferences and training seminars. Private sector groups such as voluntary family planning associations, pharmacies and traditional birth attendants are encouraged under this project, whenever possible.

A.I.D. requests \$1.2 million in development assistance funds for FY 1985. (An additional \$500,000 is also being requested in ESF regional funds.) The project will continue to support policy analyses, basic family planning services, and training. Emphasis will be upon support of family planning service delivery through private sector channels, strengthening government family planning evaluation, international workshops and conferences, and regional research efforts.

REGIONAL PROJECTS - DEVELOPMENT ASSISTANCE

Small Project Assistance Program - Peace Corps

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

A.I.D. provided \$80,000 to this program in FY 1983 for Yemen and Morocco, and anticipates providing \$120,000 in FY 1984 and FY 1985 to the same two countries and to Tunisia.

Science and Technology Information Transfer

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

In FY 1983 A.I.D. provided \$153,000, and in FY 1984 will provide \$230,000 through a PASA with the National Technical Information Service (N.T.I.S.) of the United States Department of Commerce to expand the existing technical information network in Egypt, Cyprus, Jordan, Morocco, and Tunisia, and to initiate activities in Lebanon, Oman, Portugal, Turkey, and Yemen. It is anticipated that project agreements will be signed in the latter five countries and in-country training efforts will be initiated in at least two of the countries. A.I.D. requests an additional \$200,000 in FY 1985 to finance commodities, information exchange, technical assistance, and training.

Environment and Natural Resources

In FY 1984, A.I.D. will provide \$200,000 for activities to improve environment and natural resource management in the Near East region. For FY 1985, A.I.D. is requesting an identical amount to: foster a greater public awareness of environmental issues in nine Near Eastern countries; make available the technical information needed to enhance environmental protection efforts in the region; and strengthen the capability of institutions in the Near East to design and implement environmentally-sound economic development activities. To accomplish these aims, A.I.D. will finance environmental education campaigns, research to fill gaps in the region's environmental information base, and training and technical assistance to enable government, business and civic leaders to assume the increasingly important responsibility of environmental protection. An urgent environmental problem common to a number of countries in the region is industrial pollution, and accordingly, a major component of the project will be directed at managing this threat.

REGIONAL PROJECTS - DEVELOPMENT ASSISTANCE

The United States commercial private sector has made a substantial contribution to this effort. At least sixteen United States corporations will make their staff environmental experts available, at no charge, to examine various industrial pollution problems identified by government and business representatives in the Near East. In addition to project activities undertaken on a country-by-country basis, there will be regional conferences, training workshops, and exchange programs. The project also provides for host country participants to travel to the United States to meet with their counterparts in business and government and to visit the sites of successful environmental protection programs.

Regional Fund for Private Sector Development

This project will foster private enterprise development through institution building, technical and managerial assistance, human resource development, and the transfer of U.S. technology. It will provide Near East Bureau missions with additional financial resources which will allow them to respond to host country priorities for private sector development.

A.I.D. Missions will identify the specific activities, agencies and organizations to receive assistance, and will monitor implementation. The project is designed to finance a variety of activities which can be tailored to the particular needs and opportunities for private sector development individual countries. Examples of sub-projects to be considered for financing are: studies of economic policy, sector policy, and business environments; technical and managerial assistance provided by the International Executive Service Corps and U.S. professional associations; investment promotion activities, such as marketing studies and investor conferences; and vocational, entrepreneurial, and mid-level management training. The project will develop links between Near East and United States institutions such as professional associations, business schools, and chambers of commerce.

A.I.D. plans to initiate this project with \$500,000 in FY 1984 funding and requests \$400,000 in FY 1985 to continue promising activities.

AMERICAN UNIVERSITY OF BEIRUT (AUB)

The United States has a long-standing economic and political interest in strengthening AUB as a regional institution serving the needs of the area. AUB has produced many of the trained personnel working in and providing leadership to Near Eastern and South Asian countries. The A.I.D. program has maintained and developed AUB as a western-oriented center of excellence in the Near East, capable of providing high quality education in a number of development-related fields. Since the inception of the A.I.D. scholarship program in 1951, 2,694 students have graduated with degrees in Arts and Sciences, including Education, Public Administration and Business Administration (1,374), Agriculture (779), Engineering (352), Nursing (47), Pharmacy (71), and Public Health (71). An additional 3,312 students have pursued non-degree programs in Public Health (951), Engineering (41), Agriculture (359), Arts and Sciences (72), Nursing (53), and Summer Institutes (1,836). In FY 1983, the final year of the scholarship program, A.I.D. provided AUB with \$2,918,000 to fund the costs of 57 new students.

REGIONAL PROJECTS - DEVELOPMENT ASSISTANCE (DA)

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans			
Grants	5387	6072	2945
Total AID	5387	6072	2945
P.L. 480**			
Title I (of which Title III is)	()	()	()
Title II			
Total P.L. 480			
Total AID and P.L. 480	5387	6224	5945

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY (Actual)	FY (Estimated)	FY (Proposed)
AID Personnel ^a			
Direct Hire ^b			
PASAC ^c			
Contract	1	1	1
Total	1	1	1
Participants ^d			
Noncontract	3	12	13
Contract	57	15	20
Total	60	27	33

^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 (Actual)		FY (Estimated)		FY (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						

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

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PROGRAM: NEAR EAST REGIONAL - DA

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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 FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	FY85- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION										
PROJECT DEVELOPMENT AND SUPPORT	G 293-0035	67	C	---	---	6,454	6,335	500	350	400
SMALL PROJECTS - PEACE CORPS	G 298-0052	83	83	---	---	30	20	---	60	---
TOTAL FOR ACCOUNT GRANTS				---	---	6,484	6,355	500	410	400
LOANS				---	---	---	---	---	---	---
POPULATION PLANNING										
REGIONAL POPULATION ACTIVITIES	G 293-0043	83	C	---	---	550	120	1,655	1,000	850
TOTAL FOR ACCOUNT GRANTS				---	---	550	120	1,655	1,000	850
LOANS				---	---	---	---	---	---	---
HEALTH										
PROJECT DEVELOPMENT AND SUPPORT	G 298-0035	67	C	---	---	413	342	200	160	100
REGIONAL ENVIRONMENT	G 293-0178	34	38	---	1,400	---	---	200	150	200
TOTAL FOR ACCOUNT GRANTS				---	1,400	413	342	400	310	300
LOANS				---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES										
AMERICAN UNIVERSITY OF BEIRUT	G 293-0315	51	81	46,063	46,063	46,061	45,397	---	664	---
PROJECT DEVELOPMENT AND SUPPORT	G 298-0035	67	C	---	---	1,057	999	150	100	300
AMERICAN UNIVERSITY OF BEIRUT II	G 298-0044	81	83	13,790	7,790	7,790	4,572	---	2,913	---
NATIONAL TECHNICAL INFORMATION SERVICE	G 293-0049	33	87	---	871	153	---	230	200	200

* Refers to the planned project summary sheet

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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)

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PROGRAM: NEAR EAST REGIONAL - 2A

CP 35

PROJECT TITLE	* L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO PLANNED	-THROUGH FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-ESTIMATED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	FY85- EXPENDI TURES
LEGAL EDUC AND TRAINING	G 298-0054	83	0	---	---	---	100	75	100	75
TOTAL FOR ACCOUNT GRANTS				59,853	54,724	55,061	480	3,957	580	575
LOANS				59,853	54,724	55,061	480	3,957	580	575
				---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES										
PROJECT DEVELOPMENT AND SUPPORT	G 298-0055	87	0	---	---	1,123	925	100	250	100
REGIONAL PRIVATE ENTERPRISE ACTIVITIES	G 298-0050	84	89	---	2,800	---	---	500	25	400
SMALL PROJECTS - PEACE CORPS	G 298-0052	84	0	---	---	---	---	120	120	120
TOTAL FOR ACCOUNT GRANTS				---	2,800	1,123	720	395	620	320
LOANS				---	2,800	1,123	720	395	620	320
				---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				59,853	58,924	63,691	59,213	3,755	3,000	2,945
LOANS				59,853	58,924	63,691	59,213	3,755	3,000	2,945
				---	---	---	---	---	---	---

* 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.

FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (664) TUNISIA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 7,020
 PER CAPITA GNP..... (DOLLARS,1981) 1,420
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 5.2%
 ANNUAL RATE OF INFLATION (1970-81) 8.2%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1975) 6.0%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 61.1 MALE 59.2 FEMALE 63.1
 (1970) TOTAL 54.2 MALE 53.8 FEMALE 54.8
 ADULT LITERACY RATE (1975) TOTAL 38% MALE 51% FEMALE 25%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) -0.2%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 14%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 213
 MAJOR CROPS) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT ,BARLEY , 24% (1982)
 CASH: OLIVES ,WHEAT , 41% (1982)
 MAJOR AGRICULTURAL EXPORTS:(1982) OLIVE OIL ,WINE ,ORANGES
 MAJOR AGRICULTURAL IMPORTS:(1982) WHEAT ,RAW SUGAR ,SOYBEAN OIL
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 34%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1979) 2,690 (80) 3,234 (81) 3,227
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1979) 2,093 (80) 2,431 (81) 2,481
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1979) 597 (80) 802 (81) 746
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1979) 7.3% (80) 8.0% (81) 8.4%
 AS % OF GNP..... (1979) 2.1% (80) 2.2% (81) 2.5%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 546 (81) 526 (82) 612
 EQUIVALENT TO 2.1 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1981) CRUDE OIL ,TEXTILES ,PHOSPHATES
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 325 (1981) 436 (1982) 95
 AS % OF TOTAL EXPORTS (1979) 9% (1980) 14% (1981) 17%
 MAJOR IMPORTS....(1982) , ,
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980) 207 (1981) 285 (1982) 215
 AS % OF TOTAL IMPORTS (1979) 6% (1980) 6% (1981) 8%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1979) -930(80) -1,071(81)-1,042
 TRADING PARTNERS: FRANCE ,ITALY ,WEST GERMANY
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 56.0%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 517
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981) 24.5%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 1.9% (1978) 2.6% (1983) 2.6%
 POPULATION IN URBAN AREAS.....(1970) 43% (1982) 53%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 39 (1983) 33
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1982) 27.0%
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 41.4% (15-64YRS) 54.9% (65+ YRS) 3.7%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 92
 PEOPLE PER PHYSICIAN..... (1979) 3,576
 MAJOR CAUSES OF
 DISEASE (1981) MEASLES ,TUBERCULOSIS ,HEPATITIS
 DEATH.. (1978) TUBERCULOSIS ,GASTROINTESTINAL ,DIPHTHERIA
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 115%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980) 70%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1979) TOTAL 102% MALE 119% FEMALE 85.0%
 SECONDARY..... (1979) TOTAL 25.0% MALE 31.0% FEMALE 19.0%
 POST SECONDARY.. (1978) TOTAL 4.0% MALE 5.6% FEMALE 2.3%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 197%

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

COUNTRY **TUNISIA**

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	33.7	32.2	29.3	39.8	15.7	949.5	226.3	722.7
Loans	18.5	14.8	17.3	25.2	8.5	430.9	226.3	204.1
Grants	20.2	17.4	11.7	14.6	8.2	518.6	-	518.6
a. A.I.D. and Precursor Agencies	20.1	14.4	10.9	25.3	5.0	422.4	109.9	312.6
Loans	9.5	5.2	4.7	16.0	-	236.6	109.9	126.8
Grants	10.6	9.2	6.2	9.3	5.0	185.8	-	185.8
(Economic Support Fund)	-	-	-	-	5.0	16.6	-	-
b. Food for Peace (PL 480)	17.4	16.4	17.4	13.7	10.6	507.6	117.0	390.6
Loans	9.0	9.6	12.6	9.2	8.5	194.3	117.0	77.3
Grants	8.4	6.8	4.8	4.5	2.1	313.3	-	313.3
Title I - Total Sales Agreements	9.0	9.6	12.5	9.2	8.5	201.7	117.0	84.7
Repayable in U.S. Dollars - Loans	9.0	9.6	12.6	9.2	8.5	129.8	53.4	76.4
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	71.9	63.6	8.3
Title II - Total Grants	8.6	6.3	4.8	4.5	2.1	305.9	-	305.9
Emerg. Relief, Econ. Develop. & World Food Program	2.4	2.8	3.9	1.3	-	255.2	-	255.2
Voluntary Relief Agencies	6.2	4.3	0.9	3.2	2.1	50.7	-	50.7
c. Other Economic Assistance	1.0	1.0	0.7	0.8	1.1	19.5	-	19.5
Loans	-	-	-	-	-	-	-	-
Grants	1.0	1.0	0.7	0.8	1.1	19.5	-	19.5
Peace Corps	1.0	1.0	0.7	0.8	1.1	19.5	-	19.5
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE — TOTAL	25.1	21.1	15.5	15.7	96.2	288.3	85.9	202.4
Credits or Loans	25.0	20.0	15.0	15.0	95.0	232.5	85.9	146.6
Grants	1.1	1.1	0.5	0.7	1.2	55.8	-	55.8
a. MAP Grants	*	*	*	*	-	40.5	-	40.5
b. Credit Financing - FMS	25.0	20.0	15.0	15.0	95.0	232.5	85.9	146.6
c. Military Assistance Service-Funded (MASF) Grants	1.1	1.1	0.5	0.7	1.2	8.4	-	8.4
d. Transfers from Excess Stocks	-	-	-	-	-	6.9	-	6.9
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	64.8	53.3	44.6	55.5	112.9	1237.8	312.7	925.1
Loans	43.5	34.3	32.3	40.2	103.5	663.4	312.7	350.7
Grants	21.3	18.5	12.3	15.3	9.4	574.4	-	574.4
Other U.S. Government Loans and Grants	-	11.7	11.5	56.9	-	131.7	50.7	81.0
a. Export-Import Bank Loans	-	11.7	11.5	56.9	-	111.0	27.1	83.9
b. All Other Loans	-	-	-	-	-	20.7	23.6	2.9

* 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 1946-82
TOTAL.....	157.6	216.1	150.3	1457.5
IBRD	152.6	160.5	148.8	1203.3
IFC	0.0	40.0	0.0	61.8
IDA	0.0	0.0	0.0	70.1
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	23.4
UNJP	0.0	3.6	0.0	47.0
OTHER-UM	0.0	0.3	1.5	10.9
EEC	5.0	12.3	0.0	41.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

TUNISIA	CY 1981	CY 1982	CY 1978-82
United States	13.0	14.0	69.0
France	57.1	58.8	338.1
Germany Fed. Rep.	64.8	67.0	274.3
Austria	11.7	0.3	85.4
Japan	22.3	10.4	62.1
Other	26.6	26.1	190.9
Total	195.5	176.6	1,019.8

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

	CY 1981	CY 1982	CY 1978-81
	55.0	N.A.	297.9

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1981	CY 1982	CY 1954-82
USSR	-	-	95
Eastern Europe	-	-	230
China	-	-	95
Total	-	-	420

TUNISIA

ECONOMIC SUPPORT FUND PROGRAM SUMMARY			
<i>(In millions of dollars)</i>			
	FY 1983 Actual	FY 1984 Estimated	FY 1985 Request
LOANS	-	-	-
GRANTS	5	1.5	3
TOTAL	5	1.5	3

A. DEVELOPMENT OVERVIEW

Tunisia has experienced impressive economic growth over the past 10-15 years. Helped by high revenues from petroleum exports after the oil price increases of 1974 and 1979, the country was able to channel major amounts into investment while, at the same time, sustaining growth in both public and private consumption. Its per capita GNP rose rapidly during the 1970s and continues to rise at present, though at a somewhat slower pace. At approximately \$1,300 in 1982, Tunisia's per capita GNP places it well within the boundaries of middle income status. Moreover, Tunisia has been judicious in its borrowings from abroad and its debt service ratio remains at a manageable 15 percent of export earnings.

At the present time, the economy's dependence on oil exports is beginning to squeeze growth prospects as current reduced world demand for oil translates into diminished Tunisian revenues. Also, Tunisia has been unable to deal successfully with a high level of unemployment, currently around 13 percent. Underemployment is also persistent, especially as evidenced by low agricultural productivity. Moving the economy away from excessive dependence on oil revenue and dealing with the unemployment problem will figure among the major problems for Tunisian economic policy makers during the 1980s.

B. U.S. INTERESTS AND OBJECTIVES

Tunisia is a moderate and progressive Arab state which shares United States views on a wide variety of international concerns. Its strategic geographic location and manifest willingness to work with the United States toward the goal of peace in the Middle East are important aspects of overall United States objectives in the area. President Bourguiba has maintained a longstanding friendship with the United States and plays a moderating leadership role in the Arab World.

FY - 1985
PROGRAM HIGHLIGHTS

- \$5 million in PL 480 Title I to help meet grain import needs and support a program for increased use of nitrogen fertilizer by Tunisian farmers.
- \$3 million in ESF to fund graduate-level training in development-related areas in U.S. universities.
- \$338,000 in PL 480 Title II for maternal and child health programs and for pre-school and school feeding programs.

In economic terms, Tunisia is the most advanced of the North African states and, in relation to its size, offers great potential for partnership with United States' firms and commercial interests. The United States therefore has an interest in Tunisia's continued economic expansion as well as a strong interest in its continued close friendship.

A.I.D ASSISTANCE STRATEGY

Because of Tunisia's strong economic performance and its achievement of relatively high per capita GNP levels over the past several years, Tunisia was graduated from Development Assistance in FY 1981. The Congress earmarked additional monies for Tunisia from Economic Support Funds in both fiscal years 1982 and 1983. A.I.D. has utilized the additional funds, \$5 million for each of these years, to strengthen and reinforce project accomplishments stemming from many years of cooperation in the Development Assistance program. Foremost is a continued emphasis on training and human development for key sectors of the economy. This is being accomplished largely through financing of advanced-degree training in the U.S. A.I.D. is also developing solidly based linkages which will endure after the phase-out of economic assistance. These include university relationships, arrangements with private voluntary organizations, and the strengthening of key governmental bodies, such as the Central Tunisian Development Authority, to function effectively without the stimulus of assistance from abroad.

A significant Tunisian policy initiative to which the A.I.D. program responds is a substantially increased emphasis on the private sector. As its petroleum revenues decline and it suffers a corresponding decrease in funds available for investment, Tunisia

has indicated that it will actively encourage both foreign and domestic private investment to play a substantially increased role. The response of the private sector will be critical to achievement of the investment and employment goals of the Sixth Development Plan.

A.I.D. Program (FYs 1983 and 1984). Economic Support Funds earmarked by the Congress in FY 1983 and made available by the Administration in FY 1984 are being used to further the strategy described above, and to assist with urban reconstruction for areas in Southern Tunisia that were seriously damaged by floods. Assistance was also provided for:

Technology Transfer (Project 664-0315). \$2 million was added to this project in FY 1983 for financing of advanced degree training for approximately 200 Tunisians studying economics, engineering, management and the sciences in U.S. universities. In FY 1984, an additional \$1.5 million will be used for graduate education in the United States.

Private Sector Development (Project 664-0328). This project was expanded by the addition of \$1.25 million in FY 1983 for consulting services and promotional efforts designed to stimulate private sector growth and interest in possible joint venture investments with U.S. investors.

Emergency Housing Repair/Reconstruction (Project 664-0329). \$1.75 million funded this project which, in conjunction with funds made available under the A.I.D. Housing Investment Guarantee program, made it possible for the Government of Tunisia to undertake extensive reconstruction efforts in areas of Southern Tunisia severely damaged by floods.

Requested Year Program (FY 1985)

For FY 1985, \$3 million in Economic Support Funds is requested. This will fund an extension of the program of scholarships for graduate level education in U.S. universities now under way under the Technology Transfer project (664-0315). This continued investment in the human infrastructure of the country, together with continuing efforts to build linkages between Tunisian and U.S. institutions and to stimulate private sector growth and interest in United States-Tunisian joint ventures, will support the phase-out process, while also giving evidence of continued U.S. interest in Tunisia's economic progress.

MISSION DIRECTOR: JAMES R. PHIPPARD

TUNISIA

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans	8,127	9,79	4,993
Grants	5,433	10,766	7,598
Total AID	1,356	20,564	12,591
P.L. 480**			
Title I (of which Title III is)	13,000	15,000	5,000
Title II	(1,495)	(1,331)	(854)
Total P.L. 480	14,495	16,331	5,854
Total AID and P.L. 480	28,055	36,895	18,445

*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	12	13	11
PASAC ^c	1	1	1
Contract	2	2	2
Total	15	16	14
Participants ^d			
Noncontract	110	121	118
Contract	42	45	36
Total	152	166	154

^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	63,000	13,000	90,000	15,000	32,000	5,000
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total (of which Title III is)		13,000		15,000		5,000
Title II						
Voluntary Agencies		1,495		1,331		854
World Food Programs		-		-		-
Gov't-to-Gov't						
Title II Total		1,495		1,331		854
Total P.L. 480		14,495		16,331		5,854

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

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PROGRAM: PORTUGAL

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PROJECT TITLE	* L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY83- OBLIG	EXPENDI TURES	-ESTIMATED FY84- OBLIG	EXPENDI TURES	-PROPOSED FY85- OBLIG	EXPENDI TURES	
ECONOMIC SUPPORT FUND											
TECHNICAL CONSULTANTS AND TRAINING	3 150-0001	75	80	10,750	10,750	10,000	7,229	---	2,000	---	2,000
AGRICULTURE PRODUCTION PROGRAM	3 150-0023	80	80	10,000	10,000	10,000	3,123	---	2,000	---	2,000
ADOPES REHABILITATION II	3 150-0025	81	81	5,000	5,000	5,000	3,050	---	1,500	---	1,421
CASH TRANSFER	3 150-3001	84	85	---	120,000	---	---	40,000	40,000	80,000	80,000

TOTAL FOR ACCOUNT GRANTS				25,750	145,750	25,000	13,407	40,000	45,500	80,000	85,421
LOANS				25,750	145,750	25,000	13,407	40,000	45,500	80,000	85,421
				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				25,750	145,750	25,000	13,407	40,000	45,500	80,000	85,421
LOANS				25,750	145,750	25,000	13,407	40,000	45,500	80,000	85,421
				---	---	---	---	---	---	---	---

* 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)

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PROGRAM: TUNISIA

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										
SUPERVISED AGRICULTURAL CREDIT	G 664-0302	78	80	937	937	937	739	---	148	---
SUPERVISED AGRICULTURAL CREDIT	L 664-0302	78	81	17,300	17,300	17,300	12,903	---	4,199	---
AGRICULTURAL TECHNOLOGY TRANSFER	G 664-0304	78	81	5,800	5,800	5,800	3,130	---	1,261	---
COMMUNITY DEVELOPMENT (SCF)	G 664-0307	77	81	1,317	1,317	1,317	1,181	---	136	---
CENTRAL TUNISIA RURAL DEVELOPMENT	G 664-0312	79	81	8,168	8,700	8,700	3,195	---	1,290	---
CENTRAL TUNISIA RURAL DEVELOPMENT	L 664-0312	79	81	13,950	9,655	9,655	1,323	---	2,781	---
INAT FACULTY DEVELOPMENT	G 664-0316	78	78	380	380	380	201	---	179	---
TOTAL FOR ACCOUNT				47,252	42,239	42,239	22,805	---	9,994	---
GRANTS				16,602	15,134	15,134	3,497	---	3,014	---
LOANS				31,250	27,155	27,155	14,306	---	6,980	---
HEALTH										
RURAL COMMUNITY HEALTH	G 664-0296	78	81	2,239	2,239	2,239	782	---	580	---
RURAL COMMUNITY HEALTH	L 664-0296	78	81	5,390	5,390	5,390	1,022	---	1,512	---
CENTRAL TUNISIA RURAL DEVELOPMENT	G 664-0312	79	80	2,232	2,232	2,152	1,971	---	99	---
CENTRAL TUNISIA RURAL DEVELOPMENT	L 664-0312	79	80	2,250	2,250	2,250	750	---	650	---
SILIANA RURAL CENTERS WATER SYSTEMS	L 664-0313	78	78	3,500	3,500	3,500	2,844	---	656	---
TOTAL FOR ACCOUNT				15,611	15,611	15,531	7,369	---	3,497	---
GRANTS				4,471	4,471	4,391	2,753	---	679	---
LOANS				11,140	11,140	11,140	4,616	---	2,818	---
SELECTED DEVELOPMENT ACTIVITIES										

* Refers to the planned project summary sheet

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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)

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PROGRAM: TUNISIA

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PROJECT TITLE	* L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHG PLANNED	-THROUGH FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-ESTIMATED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-PROPOSED FY85- OBLIG ATIONS	FY85- EXPENDI TURES
SCIENCE AND TECHNOLOGY DEVELOPMENT I	G 664-0300	78	79	1,987	1,987	1,987	---	---	---	---
TECHNOLOGY TRANSFER	G 664-0315	81	81	1,450	1,450	337	---	525	---	588
RENEWABLE ENERGY I	G 664-0323	79	80	1,548	1,548	1,187	---	361	---	---
RENEWABLE ENERGY II	G 664-0325	81	81	1,300	1,300	189	---	500	---	500
LEGAL RIGHTS FOR WOMEN I (LPS)	G 664-0332	81	81	90	90	90	---	65	---	---
TOTAL FOR ACCOUNT				6,375	6,375	3,534	---	1,451	---	1,088
GRANTS				6,375	6,375	3,534	---	1,451	---	1,088
LOANS				---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND										
TECHNOLOGY TRANSFER	G 664-0315	83	84	2,000	2,000	---	1,500	2,000	3,000	1,500
AGRICULTURE RESEARCH AND EXTENSION	G 664-0327	82	82	3,500	3,500	---	---	980	---	1,215
PRIVATE SECTOR DEVELOPMENT AND TECH	G 664-0328	82	83	2,750	2,750	4	---	892	---	1,121
EMERGENCY HOUSING REPAIR/RECONSTRUCTION	G 664-0329	83	83	1,750	1,750	---	---	1,750	---	---
TOTAL FOR ACCOUNT				10,000	12,500	4	1,500	5,622	3,000	3,836
GRANTS				10,000	12,500	4	1,500	5,622	3,000	3,836
LOANS				---	---	---	---	---	---	---
TOTAL FOR COUNTRY				79,838	76,775	74,195	1,500	20,564	3,000	12,591
GRANTS				37,448	38,480	35,900	1,500	10,766	3,000	7,598
LOANS				42,390	38,295	38,295	---	9,798	---	4,993

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* 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.

COUNTRY: (277) TURKEY

FY 85 CP ECONOMIC AND SOCIAL DATA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 49,155
 PER CAPITA GNP..... (DOLLARS,1981) 1,540
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 2.5%
 ANNUAL RATE OF INFLATION (1970-81) 37.7%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1970) 2.9%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 62.9 MALE 61.0 FEMALE 64.8
 (1970) TOTAL 56.6 MALE 55.5 FEMALE 57.7
 ADULT LITERACY RATE (1975) TOTAL 60% MALE 77% FEMALE 43%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) 1.1%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 21%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 301
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT ,BARLEY , 68% (1982)
 CASH: COTTON ,TOBACCO ,PULSES 9% (1982)

MAJOR AGRICULTURAL EXPORTS:(1982) TOBACCO ,COTTON ,
 MAJOR AGRICULTURAL IMPORTS:(1982) VEGETABLE OILS ,WHEAT ,GREASE WOOL

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 54%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1978) 12,116 (79) 16,366 (80) 11,820
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1978) 14,386 (79) 20,864 (80) 15,186
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1978) -2,270 (79) -4,499 (80) -3,366
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1978) 11.4% (79) 11.5% (80) 15.2%
 AS % OF GNP..... (1978) 3.1% (79) 3.3% (80) 3.8%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 1,433 (81) 1,444 (82) 1,082
 EQUIVALENT TO 2.3 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1981) COTTON ,TOBACCO ,FRUIT
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 127 (1981) 268 (1982) 179
 AS % OF TOTAL EXPORTS (1979) 5% (1980) 4% (1981) 6%
 MAJOR IMPORTS....(1981) CRUDE OIL ,MACHINERY ,TRANSPORT EQPT
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980) 442 (1981) 583 (1982) 741
 AS % OF TOTAL IMPORTS (1979) 9% (1980) 7% (1981) 8%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1979) -2,174(80) -3,799(81)-3,237
 TRADING PARTNERS: WEST GERMANY ,IRAQ ,UNITED STATES
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 28.5%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 1,168
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981) 27.8%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.4% (1978) 2.4% (1983) 2.1%
 POPULATION IN URBAN AREAS.....(1970) 38% (1982) 49%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 38 (1983) 31
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1978) 40.0%
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 39.0% (15-64YRS) 56.5% (65+ YRS) 4.5%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 96
 PEOPLE PER PHYSICIAN..... (1977) 1,762
 MAJOR CAUSES OF
 DISEASE (1981) MALARIA ,SALMONELLA INFECTION ,TUBERCULOSIS
 DEATH.. (19) , ,
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 116%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 75%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1978) TOTAL 105% MALE 115% FEMALE 96.0%
 SECONDARY..... (1978) TOTAL 34.0% MALE 46.0% FEMALE 22.0%
 POST SECONDARY.. (1976) TOTAL 6.6% MALE 10.0% FEMALE 2.9%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 47.3%

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 TURKEY									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	1981	1982	1983	1946-82
I. ECONOMIC ASSISTANCE - TOTAL	1.2	59.7	198.1	201.0	301.1	3579.7	978.1	2601.6	872.3	713.9	674.7	5561.3	
Loans	0.4	59.6	123.0	66.0	103.0	1907.6	978.1	929.5	722.0	647.8	669.4	4435.8	
Grants	0.8	0.1	75.1	135.0	201.1	1672.1	-	1672.1	13.5	14.5	5.3	265.9	
a. A.I.D. and Professional Agencies	1.1	69.6	198.0	200.0	300.0	2976.9	765.2	2211.7	0.0	0.0	0.0	0.0	
Loans	0.4	69.6	123.0	66.0	103.0	1580.0	765.2	814.8	0.0	0.0	0.0	0.0	
Grants	0.7	-	75.0	134.0	200.0	1396.9	-	1396.9	1.8	1.8	0.0	64.8	
(Economic Support Fund)	-	50.2	198.0	200.0	300.0	1599.4	-	-	0.0	0.5	0.0	11.7	
b. Food for Peace (PL 480)	0.1	0.1	0.1	*	0.1	572.4	198.2	374.2	0.0	0.0	0.0	0.0	
Loans	-	-	-	-	-	315.4	198.2	117.2	0.0	0.0	0.0	0.0	
Grants	0.1	0.1	0.1	-	0.1	257.0	-	257.0	0.0	0.0	0.0	0.0	
Title I - Total Sales Agreements	-	-	-	-	-	430.2	198.2	232.0	0.0	0.0	0.0	0.0	
Repayable in U.S. Dollars - Loans	-	-	-	-	-	90.0	41.2	48.8	0.0	0.0	0.0	0.0	
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	340.2	157.0	183.2	0.0	0.0	0.0	0.0	
Title II - Total Grants	0.1	0.1	0.1	*	0.1	142.2	-	142.2	0.0	0.0	0.0	0.0	
Emerg. Relief, Econ. Develop. & World Food Program	0.1	0.1	0.1	*	0.1	54.8	-	54.8	0.0	0.0	0.0	0.0	
Voluntary Relief Agencies	-	-	-	-	-	87.4	-	87.4	0.0	0.0	0.0	0.0	
c. Other Economic Assistance	-	-	-	1.0	1.0	30.4	14.7	15.7	0.0	0.0	0.0	0.0	
Loans	-	-	-	-	-	12.2	14.7	2.5	0.0	0.0	0.0	0.0	
Grants	-	-	-	1.0	1.0	18.2	-	18.2	0.0	0.0	0.0	0.0	
Peace Corps	-	-	-	-	-	15.2	-	15.2	0.0	0.0	0.0	0.0	
Narcotics	-	-	-	1.0	1.0	3.0	-	3.0	0.0	0.0	0.0	0.0	
Other	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0	
II. MILITARY ASSISTANCE - TOTAL	175.4	180.3	208.3	252.8	403.0	6033.2	348.1	5655.1	722.0	647.8	669.4	4435.8	
Credits or Loans	175.0	175.0	202.9	250.0	343.0	1580.9	348.1	1232.8	0.0	0.0	0.0	0.0	
Grants	0.4	5.3	5.4	2.8	60.0	4452.3	-	4452.3	0.0	0.0	0.0	0.0	
a. MAP Grants	0.4	5.0	4.0	1.1	57.0	3198.1	-	3198.1	0.0	0.0	0.0	0.0	
b. Credit Financing - FMS	175.0	175.0	202.9	250.0	343.0	1580.9	348.1	1232.8	0.0	0.0	0.0	0.0	
c. Military Assistance Service-Funded (MASF) Grants	-	0.3	1.4	1.7	3.0	117.5	-	117.5	0.0	0.0	0.0	0.0	
d. Transfers from Excess Stocks	-	-	-	-	-	857.7	-	857.7	0.0	0.0	0.0	0.0	
e. Other Grants	-	-	-	-	-	279.0	-	279.0	0.0	0.0	0.0	0.0	
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	176.6	250.0	406.4	453.8	704.1	9612.9	1326.2	8286.7	872.3	713.9	674.7	5561.3	
Loans	175.4	244.6	325.9	316.0	443.0	3488.5	1326.2	2162.3	722.0	647.8	669.4	4435.8	
Grants	1.2	5.4	80.5	137.8	261.1	6124.4	-	6124.4	13.5	14.5	5.3	265.9	
Other U.S. Government Loans and Grants	16.1	0.2	0.6	8.0	-	176.5	171.5	4.9	0.0	0.0	0.0	0.0	
a. Export-Import Bank Loans	16.1	0.2	0.6	8.0	-	176.5	171.5	4.9	0.0	0.0	0.0	0.0	
b. All Other Loans	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0	
* LESS THAN \$50,000.													

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. D.A.C. COUNTRIES (Gross Disbursements)				
TURKEY	CY 1981	CY 1982	CY 1978-82	
United States	99.0	397.0	884.0	
Germany Fed. Rep.	386.6	114.4	1,384.1	
Japan	58.4	32.1	113.9	
France	20.8	25.1	88.6	
United Kingdom	55.5	11.2	87.6	
Other	61.3	15.1	199.2	
Total	681.6	594.9	2,757.4	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
TURKEY	CY 1981	CY 1982	CY 1978-81	
	179.1	N.A.	447.0	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
TURKEY	CY 1981	CY 1982	CY 1954-82	
USSR	-	-	3,400	
Eastern Europe	-	-	755	
China	-	-	-	
Total	-	-	4,155	

TURKEY

ECONOMIC SUPPORT FUND PROGRAM SUMMARY			
<i>(In millions of dollars)</i>			
	FY 1983 Actual	FY 1984 Estimated	FY1985 Request
Grants	200.000	75.000	90.000
Loans	85.000	63.500	85.000
Total	285.000	138.500	175.000

Development Overview

In the late 1970s, Turkey experienced political instability, widespread terrorism, and rapid economic decline. A combination of misguided government economic policies, the impact of oil price increases and the general European recession contributed to Turkey's economic malaise. In January 1980, the government announced a major economic stabilization program which was supported by a \$1.6 billion IMF facility, large-scale aid and a major debt rescheduling by OECD and OPEC members.

In economic terms, the program showed results quickly. However, the government was less successful in dealing effectively with political instability and terrorism. As a result, in September 1980 the Turkish military took control of the government in a bloodless coup. The military government promised restoration of civilian rule and retained the principal managers of the economic reform program. The reform program was continued and the economy has been strengthened. On November 6, 1983 an election was held for a new civilian government. Turgut Ozal and the Motherland Party received a solid majority. Mr. Ozal has indicated that he will pursue the economic policies he instituted as the architect of the 1980 economic reform program.

Economic success was particularly marked with respect to combatting inflation, which was reduced from a three-digit level in 1980 to 25% in 1982, and in reducing the current account deficit in the balance of payments (from \$3.1 billion in 1980 to \$1.1 billion in 1982.) These figures -- impressive as they are -- reflect only imperfectly the changes in attitudes and expectations that took place in Turkey. The switch from a mainly inward-oriented and largely state-controlled economy towards an economic outlook giving greater reign to private initiative and market forces is widely recognized in Turkey and abroad as the principal factor in turning the economy around. The economic picture moved from a state of deep recession and loss of external credit worthiness to moderate growth and near equilibrium in the balance of payments.

In 1983 economic developments were somewhat less sanguine, and prospects are uncertain for the near term. Export growth slowed and foreign exchange remittances from Turkish workers abroad have diminished. At the same time, the rate of inflation edged upward to about 30% in 1983. In the latter part of 1984, the grace periods on previously rescheduled debts expire. It is not yet clear whether Turkey will be able to increase its foreign exchange

FY 1985
PROGRAM HIGHLIGHTS

- A \$175 million cash transfer is requested to continue support for Turkish economy.

earnings by enough to offset the increase in debt amortization payments, or whether commercial lenders will be willing to provide the new resources which Turkey will need.

Turkey's rapidly growing population compounds the difficulty of raising standards of living. The population growth rate has remained about 2.4% through the 1970's. The growth of food production has not kept pace. Growth of population, particularly in urban areas, also accelerates the need for services and makes the resolution of Turkey's serious unemployment problem very difficult.

U.S. Interests And Objectives

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

The United States has an interest in encouraging and supporting the growth and development of a democratic, Western-oriented Turkey, willing and able to meet its NATO commitments. U.S. objectives are to encourage economic growth and stability.

A.I.D.'s Assistance Strategy

A.I.D.'s strategy is to provide resources in conjunction with other donors (and private lenders) to permit Turkey to service its large debt while importing the goods and services it needs for economic growth, and while it consolidates its economic reforms.

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

Significant balance of payments assistance has been provided to Turkey as part of the U.S. contribution to the Turkish stabilization effort. Although \$350 million was pledged for CY 1982 through the OECD Consortium for Turkey

TURKEY

(to come from FY 1983 appropriations), only \$285 million became available through the budget process. An additional \$175 million was requested for FY 1984, of which \$138.5 million is available after budget reductions. The reduced level requested for FY 1984 reflects the fact that -- despite the difficulties experienced in 1983 -- Turkey's external financial position is improved.

Requested Year Program

For FY 1985, \$175 million is requested to continue support of Turkish economic reform and stabilization efforts. Turkey is expected to continue to emphasize policies to develop the private sector and enhance the climate for foreign investment.

The Government of Turkey is looking to the OECD countries to provide continuing economic assistance, and also hopes to generate additional support from Arab donors. Turkey is also once again able to turn to private banks to finance some of its imports and developmental projects. Hopefully the economy will continue to strengthen, despite the problems being encountered in 1983-84, and concessional assistance requirements will continue to decline.

TURKEY

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans	200,000	63,500	85,000
Grants	85,000	75,000	90,000
Total Aid	285,000	138,500	175,000
P.L. 480**			
Title I (of which Title III is)			
Title II	33	33	-
Total P.L. 480	285,033	138,500	175,000
Total Aid and P.L. 480			

*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			
PASA ^c			
Contract			
Total			
Participants ^d			
Noncontract			
Contract			
Total			

^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		33		33		-
Gov't-to-Gov't		-		-		-
Title II Total		33		33		-
Total P.L. 480		33		33		-

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

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PROGRAM: TURKEY

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO PLANNED	-THROUGH FY33- OBLIG ACTIONS	EXPENDI TURES	-ESTIMATED FY34- OBLIG ACTIONS	EXPENDI TURES	-PROPOSED FY35- OBLIG ACTIONS	EXPENDI TURES	
ECONOMIC SUPPORT FUND											
BALANCE OF PAYMENTS	G 277-K005	34	34	---	30,000	---	---	75,000	75,000	---	---
BALANCE OF PAYMENTS	L 277-K005	34	34	---	58,500	---	---	63,500	63,500	---	---
BALANCE OF PAYMENTS	* G 277-K006	35	35	---	100,000	---	---	---	---	90,000	90,000
BALANCE OF PAYMENTS	* L 277-K006	35	35	---	75,000	---	---	---	---	35,000	35,000
TOTAL FOR ACCOUNT				---	313,500	---	---	138,500	138,500	175,000	175,000
GRANTS				---	180,000	---	---	75,000	75,000	90,000	90,000
LOANS				---	133,500	---	---	63,500	63,500	35,000	35,000
TOTAL FOR COUNTRY				---	313,500	---	---	138,500	138,500	175,000	175,000
GRANTS				---	180,000	---	---	75,000	75,000	90,000	90,000
LOANS				---	133,500	---	---	63,500	63,500	35,000	35,000

* 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 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: TURKEY

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Cash Transfer		ESF			FY1985 90,000 (G)	85,000 (L)	Life of Project Funding 175,000
Number 277-R-006	<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					FY1985	FY1985	FY1985

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

Project Description: The activity will consist of a cash transfer of \$175 million to continue support of Turkish economic stabilization efforts. Of this amount \$75 million will be a loan with terms anticipated to be 20 years at 5% interest, with a five-year grace period on payment of principal.

Relationship of Project to A.I.D. Country Strategy: This assistance will be provided within the framework of a continuing Turkish stabilization effort. Turkey will need to make further adjustments to maintain the competitiveness of its exports, reduce the deficits of state economic enterprises and increase their efficiency, and continue to foster the growth and development of the private sector. It may take several more years of continued structural adjustments to fully restore Turkey's economic health. However, economic assistance requirements are expected to decline.

Host Country and Other Donors: The OECD-sponsored donor group (which includes the United States) pledged about \$3.9 billion in the years 1979 through 1982; the IMF approved a \$1.66 billion standby arrangement for the 3 year period ending June 1983 and a further one year standby extending into 1984. The World Bank has provided several structural adjustment loans, and additional loans and credits have also been received from Arab donors. The Turkish Government has also arranged to reschedule payments on government-sponsored and private loans. The OECD member countries recognize the need for continued assistance, although no new formal pledging session is planned.

Beneficiaries:

The people of Turkey benefit from economic stability and development. A.I.D. assistance finances needed imports which provide the materials and energy needed to produce, to keep

the transportation system operating, and to provide heat and electricity to homes, offices, and industry.

FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (279) YEMEN ARAB REP (SA)

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 5,744
 PER CAPITA GNP..... (DOLLARS,1981) 460
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 5.6%
 ANNUAL RATE OF INFLATION (1970-81) 15.6%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(.) . %
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 43.9 MALE 42.0 FEMALE 44.0
 (1970) TOTAL 38.5 MALE 37.8 FEMALE 39.3
 ADULT LITERACY RATE (1980) TOTAL 20% MALE 18% FEMALE 2%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) . %
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1980) 29%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 181
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: SORGHUM ,WHEAT ,PULSES 80% (1982)
 CASH: GRAPES ,COFFEE ,COTTON 2% (1982)
 MAJOR AGRICULTURAL EXPORTS:(1982) COTTON ,COFFEE ,HIDES & SKINS
 MAJOR AGRICULTURAL IMPORTS:(1982) WHEAT ,MEATS ,DAIRY PRODS.
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 74%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1979) 773 (80) 704 (81) 1,052
 ACUTE RESP. INFE
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1979) 958 (80) 1,095 (81) 1,503
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1979) -185 (80) -511 (81) -643
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1979) 39.0% (80) 30.0% (81) 29.5%
 AS % OF GNP..... (1979) 14.3% (80) 10.6% (81) 13.9%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1981) 962 (82) 555 (83) 325
 EQUIVALENT TO 1.5 MONTHS OF IMPORTS (1982)

FOREIGN TRADE

MAJOR EXPORTS... (1981) COTTON ,COFFEE ,HIDES & SKINS
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 1 (1981) 1 (1982) 0
 AS % OF TOTAL EXPORTS (1978) 4% (1979) 1% (1980) 9%
 MAJOR IMPORTS....(1981) TEXTILES ,MANUFACTURES ,PETROLEUM
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980) 86 (1981) 46 (1982) 42
 AS % OF TOTAL IMPORTS (1979) 2% (1980) 5% (1981) 3%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1979) -1,407(80) -1,857(81)-1,723
 TRADING PARTNERS: SAUDI ARABIA ,JAPAN ,FRANCE
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 54.9%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 59
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981) 572%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 1.9% (1978) 2.6% (1983) 2.6%
 POPULATION IN URBAN AREAS.....(1970) 6% (1983) 11%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 49 (1983) 46
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (.) . %
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 45.4% (15-64YRS) 51.5% (65+ YRS) 3.2%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 152
 PEOPLE PER PHYSICIAN..... (1980) 11,673
 MAJOR CAUSES OF
 DISEASE (1981) ,INTESTINAL INFEC ,
 DEATH.. (1975) GASTROINTESTINAL ,PARASITIC DISEAS ,
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 82%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980) 4%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1979) TOTAL 34.1% MALE 59.4% FEMALE 8.6%
 SECONDARY..... (1975) TOTAL 4.0% MALE 7.0% FEMALE 1.1%
 POST SECONDARY.. (1977) TOTAL 0.7% MALE 1.5% FEMALE 0.1%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) . %

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY	YEMEN	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			
		PROGRAM							
I. ECONOMIC ASSISTANCE -- TOTAL									
Loans		7.7	18.0	13.4	20.7	25.7	169.2	0.2	169.0
Grants		-	-	-	5.0	-	6.4	0.2	6.2
Total		7.7	18.0	13.4	25.7	25.7	162.8	-	162.8
a. A.I.D. and Predecessor Agencies									
Loans		5.8	16.5	11.6	19.4	23.3	139.0	0.2	138.8
Grants		-	-	-	5.0	-	6.4	0.2	6.2
(Economic Support Fund)		5.8	16.5	11.6	14.4	23.3	132.6	-	132.6
		-	-	-	-	-	25.1	-	-
b. Food for Peace (PL 480)									
Loans		0.2	0.3	0.7	0.3	1.2	23.4	-	23.4
Grants		-	-	-	-	-	-	-	-
Title I - Total Sales Agreements		*	0.3	0.7	0.3	1.2	23.4	-	23.4
Repayable in U.S. Dollars - Loans		-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use		-	-	-	-	-	-	-	-
Title II - Total Grants		0.2	0.3	0.7	0.3	1.2	23.4	-	23.4
Emerg. Relief, Econ. Develop. & World Food Program		0.2	0.3	0.7	0.3	1.2	15.7	-	15.7
Voluntary Relief Agencies		*	-	-	-	-	7.7	-	7.7
c. Other Economic Assistance									
Loans		0.7	1.1	1.1	1.0	1.2	6.8	-	6.8
Grants		-	-	-	-	-	-	-	-
Peace Corps		0.7	1.1	1.1	1.0	1.2	6.8	-	6.8
Narcotics		0.7	1.1	1.1	1.0	1.2	6.8	-	6.8
Other		-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE -- TOTAL									
Credits or Loans		0.8	0.6	0.5	0.9	12.2	15.5	-	15.5
Grants		-	-	-	-	13.0	10.0	-	10.0
Total		0.8	0.6	0.5	0.9	2.2	5.5	-	5.5
a. MAP Grants									
		-	-	-	-	1.0	1.0	-	1.0
b. Credit Financing - FMS									
		-	-	-	-	13.0	10.0	-	10.0
c. Military Assistance Service-Funded (MASF) Grants									
		0.8	0.6	0.5	0.9	1.2	4.5	-	4.5
d. Transfers from Excess Stocks									
		-	-	-	-	-	-	-	-
e. Other Grants									
		-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE									
Loans		8.5	13.5	13.9	21.6	37.9	184.7	0.2	184.5
Grants		-	-	-	5.0	13.0	16.4	0.2	16.2
Total		8.5	13.5	13.9	26.6	50.9	201.1	0.4	200.7
Other U.S. Government Loans and Grants		-	-	0.7	-	-	0.7	*	*
a. Export-Import Bank Loans		-	-	-	-	-	-	-	-
b. All Other Loans		-	-	0.7	-	-	0.7	*	*

* LESS THAN \$50,000.

A. ASSISTANCE FROM INTERNATIONAL AGENCIES -- COMMITMENTS

	FY 1981	FY 1982	FY 1983	FY 1946-82
TOTAL	46.1	45.6	51.5	392.9
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	4.0	7.2
IDA	41.0	42.0	47.5	338.8
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.1	3.6	0.0	38.9
OTHER-UN	5.0	0.0	0.0	8.0
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

YEMEN	CY 1981	CY 1982	CY 1978-82
United States	24.0	28.0	83.0
Germany Fed. Rep.	8.1	10.7	157.6
Netherlands	20.4	12.7	82.0
Japan	15.7	24.9	55.2
United Kingdom	5.2	5.0	22.8
Other	3.5	3.6	20.5
Total	76.9	84.9	421.1

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

	CY 1981	CY 1982	CY 1978-81
	216.9	N.A.	836.4

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

YEMEN

PROGRAM SUMMARY			
<i>(In millions of acilars)</i>			
	FY- 1983 Actual	FY- 1984 Estimated	FY- 1985 Request
Grants	28,082	27,500	30,000
Loans	-	-	-
TOTAL	28.082	27,500	30,000

The above obligation total for FY 1984 excludes \$1.4 million of previously deobligated Health funds which are intended for obligation under Small Rural Water Systems, 279-0044.

Development Overview

The Yemen Arab Republic (YARG) occupies a strategic position on the Arabian Peninsula. It abuts the entrance to the Red Sea and acts as a buffer between the Marxist-dominated People's Democratic Republic of Yemen (PDRY) and Saudi Arabia. Over the past 20 years, Yemen has been the peninsula's area of sharpest conflict among conservative, modern, liberal and communist ideals. Forces as diverse as the Saudis, Soviets, the United States, and the People's Democratic Republic of China contend for influence.

Unlike most of its neighbors on the peninsula, Yemen is a poor country with a 1981 per capita GNP of \$460 and no proven oil reserves. Life expectancy is only 43 years, adult literacy is low at 18% and infant mortality is high at 160 per 1,000 births. Only 4% of Yemen's 7,000,000 people have access to safe water. While 75% of Yemen's labor is employed in the agriculture sector, per capita agricultural production has declined since 1971.

These are bleak indicators of the quality of life, but Yemen's growth has been rapid and significant since its 1962 revolution. In the past 20 years, the country has advanced its socio-economic status and improved the quality of life for its citizens. Two examples are primary education, where enrollments went from 61,000 in 1962 to 589,000 in 1982, and Yemen's primary road network, which increased from a mere 700 kilometers in 1970 to 2,900 kilometers in 1982. During the 1970s, fueled by high levels of worker remittances and foreign assistance, GNP expanded by 6% per year.

FY - 1985
PROGRAM HIGHLIGHTS

- \$13.0 million for agriculture and rural development activities, including earthquake recovery assistance.
- \$10.0 for strengthening institutions associated with primary education and for augmenting YAR's human resources base through U.S. and third-country training.
- \$ 6.0 million to continue to improve primary health care in the impoverished Tihama region, to help provide more improved village water systems, and to direct special assistance to earthquake victims in the Dhamar region.
- \$ 1.0 million for a training and information project in population/family planning.

Now, however, oil-surplus countries on the Gulf which have provided assistance to Yemen and employed its labor are in a budget squeeze. Yemen began to feel the effects in 1982, as official worker remittances dropped from \$1.5 billion in 1979 to an estimated \$1.1 billion. Official Arab aid likewise has been reduced, both because of a drop in oil revenue and the diversion of funds to Lebanon and the Iran-Iraq war. Consequently, Yemen's foreign exchange reserves and GNP growth rate have tapered off. Foreign exchange reserves, equivalent to 20 months of imports in 1975, fell to seven months in 1981, and by late 1983 represented only about 2.5 months' imports. A \$705 million Government deficit in 1983 has led to a reduced level of development expenditures. Yemen's Second Five-Year Plan, which began in 1983, projected that 46% of a \$6 billion investment budget would be provided from foreign grants and loans. It is now likely that this Plan will have to be scaled back significantly.

The December 1982 earthquake added a new dimension to Yemen's troubled economic situation. The disaster caused an estimated \$2 billion in damage. A recent World Bank report estimates that \$620 million in public expenditures will be required in a four-year reconstruction program for houses, roads, schools, water systems and other infrastructure.

U.S. Interests and Objectives

The strategic location of the Yemen Arab Republic, its porous border with Saudi Arabia, and the large numbers of Yemenis working in the oil states of the Gulf underscore the importance of Yemen in terms of regional stability and hence to U.S. interests.

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U.S. objectives are to help develop, through economic and other assistance, a strong government in the Yemen Arab Republic, friendly to its neighbors, which will enhance U.S. interests in regional stability and security. Yemen has a strong, free enterprise tradition which is a countervailing model to the state-controlled economy of the People's Democratic Republic of Yemen (Aden). Tangible U.S. participation in the economic development of Yemen advances our interests and objectives in the region as a whole. In addition, the U.S. long-term program of human resources and institutional development lays a foundation for sustained national development and a stronger friendship between Yemen and the United States.

A.I.D. Development Strategy

Yemen's basic resources are its people and its agricultural potential. In addition, a high degree of private sector entrepreneurial activity has been channeled into development. However, Yemen lacks sufficient financial resources for the industrial plant and infrastructural base needed for its development. It also lacks the institutional and trained human resources needed for sustained development. Other (particularly Arab) donors have been providing assistance for capital investment. A.I.D.'s strategy is to help the YARG develop the human resources and institutional capabilities needed for sustained development. This is a long-term undertaking involving sustained technical assistance and training.

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

1. In agriculture, \$12,301,000 will be provided in FY 1984 for formal agricultural training at the secondary and higher levels and for assistance to the Ministry of Agriculture, Ministry of Education, and the Confederation of Yemen Development Associations. Of this amount, \$11,020,000 is for the Agriculture Development Support project (279-0052). This Title XII program, in its fifth year of implementation by the Consortium for International Development, expands Yemen's agricultural institutions, with emphasis on planning, statistics, horticulture, poultry and agricultural education. The funding will also permit participation in co-financing with an Arab donor of Sana'a University's Faculty

YEMEN

Agriculture. Other key outputs expected in FY 1984 include an additional 35 graduates from the Ibb Agricultural Institute, completion of a research and extension reference center for the Ministry of Agriculture, production and distribution of over 50,000 tree seedlings, and in-country training programs for extension workers and farmers in poultry, horticulture, and bee-keeping. Replacement of bees and hives and poultry flocks lost during the Dhamar earthquake will also continue under this project.

The Local Resources for Development project (279-0045) requires \$1,281,000 to complete its implementation in FY 1984. An external evaluation of the project was completed in early FY 1983 which concluded that village-level capacity to plan and construct water systems and schools had been improved, but that this institutional gain had not been matched at the Governate central coordinating level or at the central Government level (the Confederation of Yemen Development Associations). FY 1984 funding will be used to complete local-level activities.

The Rural Water Supply and Basic Education Development projects were also evaluated during FY 1983. These evaluations have advanced the bilateral, as well as A.I.D. and contractor, understandings necessary to bring about mid-course corrections and revisions.

Population growth is a priority development problem for Yemen. An A.I.D.-financed presentation, Resources for Awareness of Population Impact in Development, was held in Yemen in 1983 and established a national policy dialogue on population issues. As a follow-up, an A.I.D.-financed workshop conducted in October 1983 confirmed that project assistance is needed and strongly desired by the Government in 1984. Therefore, \$500,000 in Population Planning funds is required for a new project to train maternal/child health personnel, Ministry of Health staff, and owner/operators of pharmacies, in family planning technologies.

2. In the health sector, \$6,549,000 is planned for continuing activities in FY 1984. A new contractor is implementing the revised Tihama Primary Health projects, to continue training and to establish village health care outlets in the poorest

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area of the country. The Small Rural Water Systems project will be expanded to cover 32 additional water systems benefitting over 50 villages (about half of which replace systems destroyed in the Dhamar earthquake). \$3,049,000 in new health funds is planned for this project in FY 1984. The expanded project will continue to improve the institutional capabilities of the Rural Water Supply Division to plan, design, and supervise construction of village water systems.

3. In education, the planned program of \$8,150,000 is for one continuing project and one new project. \$3,500,000 is planned for the ongoing Basic Education Development project (279-0053) to support the long-term growth of indigenous educational institutions, including the Ministry of Education, Sanaa University, Primary Teacher Training Institutes, and an Instructional Media Center. About 130 Yemenis will have been trained to the M.A. level by the end of FY 1984 to replace expatriates in the education system. A.I.D. will continue long-term technical assistance, education of faculty staff to the Ph.D. level, and provision of math, science and other learning resource materials to Sanaa University's Faculty of Education. The new general participant training project, Development Training III (279-0080) begins in FY 1984 with planned funding of \$4,650,000. Up to 70 Yemeni will begin long-term training in the United States and up to 200 will attend specialized short-term courses in Yemen, the United States and nearby Arabic speaking countries. Upon their return to Yemen, participants will be employed in development-related administrative and technical positions.

As noted above, a significant element of the 1984 program is for Dhamar earthquake reconstruction. Through existing projects, A.I.D. will replace beehives and poultry flocks lost during the earthquake and will assist in the rehabilitation and reconstruction of damaged or destroyed water systems in the area. These project-funded activities will be supplemented by the planned use of local currency generated from a \$3,000,000 PL 480 Title I program during 1984.

A.I.D. cooperation with the Peace Corps will continue. One element is the Small Project Assistance program where \$40,000 per year is allocated to undertake self-help activities. In addition, Peace Corps volunteers are valuable inputs in U.S.A.I.D./Yemen projects involving rural water supply, English language training, and local development.

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Requested Year Program (FY 1985)

A.I.D. requests \$30,000,000 for Yemen in FY 1985 to implement its assistance strategy. No new projects are planned. \$13,000,000 is requested to increase agricultural productivity, with emphasis on horticulture, poultry, agricultural education, planning and statistics. Training programs now underway will deliver trained agricultural technicians to project activities in 1985. For example, we expect to phase out U.S. technical assistance for poultry extension and training in 1985. Methodology and curricula in high school agricultural education now being pioneered at the Ibb school will be applied to other high schools in Yemen. Assuming another donor will finance construction of Sana'a University's Faculty of Agriculture, A.I.D. will continue assistance for interim faculty staffing, an experimental and teaching farm, and training of future Yemeni faculty members. The Ministry of Agriculture functions of planning, statistics, and on-farm water management will be strengthened by technical assistance and training programs.

\$10,000,000 is requested to improve Yemen's primary education institutional infrastructure and for continuing the comprehensive human resources training program. Through 1985, about 190 participants will have returned to teach in Yemen's Primary Teacher Training Institutes and to assume education management positions. A.I.D. will continue assistance in curriculum development, use of appropriate instructional materials and training of professors for Sana'a University's Faculty of Education. In the Development Training III project, about 78 Yemeni participants will begin long-term U.S. academic programs in 1985 and 214 will begin short-term specialized training in the U.S. and in other Arabic-speaking countries.

A.I.D. will also help the YARG to prepare comprehensive manpower plans and to identify training needs to use in the Third Five-Year Plan to be prepared in 1985.

YEMEN

\$6,000,000 is requested for programs in health services and water resources. The Small Rural Water Systems project will require \$3,500,000 for development of rural potable water systems, technical assistance and training for the Rural Water Supply Division, and health sanitation improvements at the village level. Another \$2,500,000 will be needed for the Tihama Primary Health Care project to expand services in the impoverished Tihama region and for local, U.S. and third country training components of the project. The population sector will require \$1,000,000 to increase the training program and to initiate other interventions, such as assistance to private enterprise in marketing contraceptives and to disseminate information via television and radio on family planning and primary health care.

A PL-480 Title I program of \$5,000,000 is also requested. Proceeds from the sale of commodities will be used for reconstruction of village water systems and possibly schools and other infrastructure.

This FY 1985 request gives A.I.D. the necessary resources to advance U.S. regional and bilateral objectives. The proposed program will help to strengthen YARG institutions and to improve training in Yemen's primary and high schools, at Sanaa University and in programs in the U.S. and third countries. Yemen's basic resources--its people and its agricultural potential--will be in a better position to sustain equitable development and promote regional stability.

MISSION DIRECTOR: CHARLES F. WEDEN, JR.

YEMEN

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1983 (Actual)	FY 1984 (Estimated)	FY 1985 (Proposed)
Aid*			
Loans	605		
Grants	17,780	30,203	30,400
Total AID	18,385	30,203	30,400
P.L. 480**			
Title I (of which Title III is)	(--)	(3,000)	(5,000)
Title II	--	68	67
Total P.L. 480	--	3,068	5,067
Total AID and P.L. 480	18,385	33,271	35,467

*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	21	25	25
PASAC ^c	--	--	1
Contract	44	65	65
Total	65	90	91
Participants ^d			
Noncontract	42	70	65
Contract	95	90	80
Total	137	160	145

^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	S	MT	S	MT	S
Title I						
Wheat	--	--	--	1,000	--	2,000
Rice			9,100	2,000	15,150	3,000
Feedgrains	--	--	--	--	--	--
Vegoil	--	--	--	--	--	--
Non-food	--	--	--	--	--	--
Title I Total (of which Title III is)		--		3,000		5,000
Title II						
Voluntary Agencies				--		--
World Food Programs				68		67
Gov't-to-Gov't				--		--
Title II Total		--		68		67
Total P.L. 480		--		3,068		5,067

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

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PROGRAM: YEMEN

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PROJECT TITLE	* L PROJECT / NUMBER	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											
LOCAL RESOURCES FOR DEVELOPMENT	G 279-0045	79	84	3,720	6,720	7,439	6,475	1,281	2,377	---	---
AGRICULTURAL DEVELOPMENT SUPPORT	G 279-0052	79	93	53,128	95,000	34,795	16,757	11,020	12,300	13,000	13,000
TOTAL FOR ACCOUNT GRANTS				61,848	103,720	42,235	23,232	12,301	14,677	13,000	13,000
LOANS				---	---	---	---	---	---	---	---
POPULATION PLANNING											
FAMILY PLANNING IN PRIMARY HEALTH CARE	G 279-0075	84	88	---	7,500	---	---	500	300	1,000	700
TOTAL FOR ACCOUNT GRANTS				---	7,500	---	---	500	300	1,000	700
LOANS				---	---	---	---	---	---	---	---
HEALTH											
WATER SUPPLY SYSTEMS MANAGEMENT	G 279-0028	77	82	5,100	6,100	6,100	4,553	---	1,547	---	---
TAIZ WATER AND SEWERAGE CONSTRUCTION	G 279-0039	77	82	11,200	11,200	11,200	11,039	---	---	---	---
TAIZ WATER AND SEWERAGE CONSTRUCTION	L 279-0039	81	81	5,000	5,000	5,000	3,895	---	---	---	---
SMALL RURAL WATER SYSTEMS	G 279-0044	79	87	7,333	17,000	7,477	5,287	3,049	2,700	3,500	3,100
TIHAMA PRIMARY HEALTH CARE	G 279-0055	80	87	11,500	11,493	4,693	2,793	3,500	2,040	2,500	3,000
TOTAL FOR ACCOUNT GRANTS				41,133	50,793	34,470	27,572	6,549	6,287	6,000	6,100
LOANS				35,133	45,793	29,470	23,677	6,549	6,287	6,000	6,100
				5,000	5,000	5,000	3,895	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
DEVELOPMENT TRAINING II	G 279-0040	78	83	20,174	20,174	20,174	11,352	---	3,516	---	4,000

* Refers to the planned project summary sheet

□ Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 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)

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PROGRAM: YEMEN

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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
BASIC EDUCATIONAL DEVELOPMENT	G 279-0033	79	88	20,292 30,000	10,978	7,355	3,500	3,923	2,500	4,100
DEVELOPMENT TRAINING III	G 279-0030	84	88	--- 40,000	---	---	4,550	1,500	7,500	2,500
TOTAL FOR ACCOUNT= GRANTS LOANS				48,466 90,174 --- ---	31,152 31,152 --- ---	19,207 19,207 --- ---	8,150 8,150 --- ---	3,939 3,939 --- ---	10,000 10,000 --- ---	10,600 10,600 --- ---
TOTAL FOR COUNTRY GRANTS LOANS				151,447 252,187 146,447 247,187 5,000 5,000	107,357 102,357 5,000	70,011 55,116 3,895	27,500 27,500 ---	30,203 30,203 ---	30,000 30,000 ---	30,400 30,400 ---

The above obligation total for FY 1984 excludes \$1.4 million of previously deobligated Health funds which are intended for reobligation under Small Rural Water Systems, 279-0044.

* 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.

FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (145) ITALY

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 56,345
 PER CAPITA GNP..... (DOLLARS,1981) 6,960
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 2.3%
 ANNUAL RATE OF INFLATION (1970-81) 15.5%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1977) 6.2%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 73.5 MALE 71.0 FEMALE 76.2
 (1970) TOTAL 71.5 MALE 68.8 FEMALE 74.3
 ADULT LITERACY RATE (1971) TOTAL 94% MALE 95% FEMALE 93%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) 0.9%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1980) 6%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 835
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: , , % (19)
 CASH: , , % (19)
 MAJOR AGRICULTURAL EXPORTS:(19) , ,
 MAJOR AGRICULTURAL IMPORTS:(19) , ,
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 11%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1978) 89,396 (79) 113,919 (80) 144,686
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1978) 118,877 (79) 146,164 (80) 191,536
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1978) -29,481 (79) -32,246 (80) -46,850
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1978) 3.1% (79) 3.4% (80) 3.3%
 AS % OF GNP..... (1978) 1.4% (79) 1.6% (80) 1.6%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980)59,862 (81)49,127 (82)37,794
 EQUIVALENT TO 6.9 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (19) , ,
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980)4,122 (1981)5,084 (1982)5,191
 AS % OF TOTAL EXPORTS (1979) 7% (1980) 5% (1981) 7%
 MAJOR IMPORTS....(19) , ,
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980)6,924 (1981)6,136 (1982)5,855
 AS % OF TOTAL IMPORTS (1979) 7% (1980) 7% (1981) 7%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1979) -972(80)-16,415(81)-10786
 TRADING PARTNERS: WEST GERMANY ,FRANCE ,UNITED STATES
 EXTERNAL PUBLIC DEBT AS % OF GNP () %
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... () %
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... () %

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 0.6% (1978) 0.2% (1983) 0.1%
 POPULATION IN URBAN AREAS.....(1970) 64% (1982) 70%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 17 (1983) 11
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1979) 78.0%
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 22.2% (15-64YRS) 64.8% (65+ YRS) 13.0%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 14
 PEOPLE PER PHYSICIAN..... (1980) 490
 MAJOR CAUSES OF
 DISEASE (1979) MEASLES , ,CHILDHOOD DIS.
 DEATH.. (1978) HEART DISEASE ,STROKE ,HEART DISEASE
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 136%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY() %
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1979) TOTAL 102% MALE 103% FEMALE 102%
 SECONDARY..... (1979) TOTAL 73.0% MALE 75.0% FEMALE 71.0%
 POST SECONDARY.. (1977) TOTAL 21.7% MALE 25.3% FEMALE 17.9%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 14.8%

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY	ITALY	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	A. ASSISTANCE FROM INTERNATIONAL AGENCIES -- COMMITMENTS			
			1978	1979	1980	1981	1982				FY 1981	FY 1982	FY 1983	FY 1946-83
I. ECONOMIC ASSISTANCE -- TOTAL			23.4	3.6	3.0	4.7	52.2	3395.7	486.4	2909.3	0.0	0.0	0.0	399.6
Loans			-	-	-	-	-	400.9	486.4	35.5-	0.0	0.0	0.0	398.0
Grants			23.4	3.6	3.0	4.7	52.2	2994.8	-	2973.8	0.0	0.0	0.0	1.0
a. A.I.D. and Predecessor Agencies			23.4	3.6	3.0	4.7	52.2	1759.3	116.7	1642.6	0.0	0.0	0.0	0.0
Loans			-	-	-	-	-	95.6	116.7	21.1-	0.0	0.0	0.0	0.0
Grants			23.4	3.6	3.0	4.7	52.2	1663.7	-	1621.5	0.0	0.0	0.0	0.2
(Economic Support Fund)			-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.4
b. Food for Peace (PL 480)			-	-	-	-	-	465.4	99.5	365.9	0.0	0.0	0.0	0.0
Loans			-	-	-	-	-	95.0	99.5	3.5-	0.0	0.0	0.0	0.0
Grants			-	-	-	-	-	369.4	-	362.4	0.0	0.0	0.0	0.0
Title I - Total Sales Agreements			-	-	-	-	-	95.0	99.5	3.5-	0.0	0.0	0.0	0.0
Repayable in U.S. Dollars - Loans			-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
Payable in Foreign Currency - Planned for Country Use			-	-	-	-	-	96.0	99.5	3.5-	0.0	0.0	0.0	0.0
Title II - Total Grants			-	-	-	-	-	369.4	-	369.4	0.0	0.0	0.0	0.0
Emerg. Relief, Econ. Develop. & World Food Program			-	-	-	-	-	91.6	-	91.6	0.0	0.0	0.0	0.0
Voluntary Relief Agencies			-	-	-	-	-	277.8	-	277.8	0.0	0.0	0.0	0.0
c. Other Economic Assistance			-	-	-	-	-	1171.0	270.2	900.8	0.0	0.0	0.0	0.0
Loans			-	-	-	-	-	209.3	270.2	60.9-	0.0	0.0	0.0	0.0
Grants			-	-	-	-	-	961.7	-	839.9	0.0	0.0	0.0	0.0
Peace Corps			-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
Narcotics			-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
Other			-	-	-	-	-	961.7	-	839.9	0.0	0.0	0.0	0.0
II. MILITARY ASSISTANCE -- TOTAL			-	-	-	-	-	2545.3	0.3	2545.0	0.0	0.0	0.0	0.0
Credits or Loans			-	-	-	-	-	0.3	0.3	-	0.0	0.0	0.0	0.0
Grants			-	-	-	-	-	2545.0	-	2545.0	0.0	0.0	0.0	0.0
a. MAP Grants			-	-	-	-	-	2243.7	-	2243.7	0.0	0.0	0.0	0.0
b. Credit Financing - FMS			-	-	-	-	-	0.3	0.3	-	0.0	0.0	0.0	0.0
c. Military Assistance Service-Funded (MASF) Grants			-	-	-	-	-	46.6	-	46.6	0.0	0.0	0.0	0.0
d. Transfers from Excess Stocks			-	-	-	-	-	214.6	-	214.6	0.0	0.0	0.0	0.0
e. Other Grants			-	-	-	-	-	40.1	-	40.1	0.0	0.0	0.0	0.0
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE			23.4	3.6	3.0	4.7	52.2	5941.0	486.7	5454.3	0.0	0.0	0.0	0.0
Loans			-	-	-	-	-	401.2	486.7	85.5-	0.0	0.0	0.0	0.0
Grants			23.4	3.6	3.0	4.7	52.2	5539.8	-	5368.8	0.0	0.0	0.0	0.0
Other U.S. Government Loans and Grants			-	1.0	380.9	1.7	-	1321.0	1118.9	202.1	0.0	0.0	0.0	0.0
a. Export-Import Bank Loans			-	1.0	380.9	1.7	-	1321.0	1118.9	202.1	0.0	0.0	0.0	0.0
b. All Other Loans			-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0

* LESS THAN \$50,000.

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

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PROGRAM: ITALY

PROJECT TITLE	* I PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTH'D PLANNED	-THROUGH FY83- OBLIG ACTIONS	EXPENDE TURIS	-ESTIMATED FY84- OBLIG ACTIONS	EXPENDE TURIS	-PROPOSED FY85- OBLIG ACTIONS	EXPENDE TURIS	
INTERNATIONAL DISASTER ASSISTANCE											
ITALIAN PROGRAM	G 145-2021	81	83	70,200	70,200	69,999	5,174	---	25,222	---	25,222
TOTAL FOR ACCOUNT GRANTS ^{1/} LOANS				70,200	70,200	69,999	5,174	---	25,222	---	25,222
TOTAL FOR COUNTRY GRANTS LOANS				70,200	70,200	69,999	5,174	---	25,222	---	25,222

^{1/} Does not include \$10.0 million earmarked from Syria deobs.

* 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.

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Poland

FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (181) POLAND

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 36,556
 PER CAPITA GNP..... (DOLLARS, .)
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) . %
 ANNUAL RATE OF INFLATION (1970-81) 3.8%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(.) . %
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 72.2 MALE 69.0 FEMALE 75.6
 (1970) TOTAL 70.0 MALE 67.0 FEMALE 73.1
 ADULT LITERACY RATE (1978) TOTAL 99% MALE 99% FEMALE 98%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) -2.6%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1977) 16%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 483
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: , , % (19 .)
 CASH: , , % (19 .)
 MAJOR AGRICULTURAL EXPORTS:(19 .) , ,
 MAJOR AGRICULTURAL IMPORTS:(19 .) , ,
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 31%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (.) (.) (.)
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (.) (.) (.)
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (.) (.) (.)
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (.) . % (.) . % (.)
 AS % OF GNP..... (.) . % (.) . % (.)
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (.) (.) (.)
 EQUIVALENT TO . MONTHS OF IMPORTS (.)

FOREIGN TRADE

MAJOR EXPORTS... (19 .) , ,
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (.) . (.) . (.) .
 AS % OF TOTAL EXPORTS (.) .% (.) .% (.) .%
 MAJOR IMPORTS....(19 .) , ,
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (.) . (.) . (.) .
 AS % OF TOTAL IMPORTS (.) .% (.) .% (.) .%
 TRADE BALANCE(\$ MILLIONS, U.S.)(.) .(.) .(.) .
 TRADING PARTNERS: WEST GERMANY ,FRANCE ,UNITED STATES
 EXTERNAL PUBLIC DEBT AS % OF GNP (.) . %
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (.) .
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (.) . %

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 0.8% (1978) 0.9% (1983) 0.9%
 POPULATION IN URBAN AREAS.....(1970) 52% (1982) 58%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 17 (1983) 19
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977) 75.0%
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 24.2% (15-64YRS) 66.1% (65+ YRS) 9.8%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 21
 PEOPLE PER PHYSICIAN..... (1977) 605
 MAJOR CAUSES OF DISEASE (19) , ,
 DEATH.. (1979) HEART DISEASE ,CIRCULATORY ,HEART DISEASE
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 140%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1970) 47%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1979) TOTAL 99.0% MALE 103% FEMALE 99.0%
 SECONDARY..... (1979) TOTAL 54.0% MALE 47.0% FEMALE 62.0%
 POST SECONDARY.. (1977) TOTAL 15.3% MALE 13.5% FEMALE 17.2%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 92.7%

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY **POLAND**

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 1946-83			
	1978	1979	1980	1981	1982				TOTAL.....			
I. ECONOMIC ASSISTANCE — TOTAL	-	-	-	47.6	35.5	622.1	147.9	474.2	0.2	1.1	0.0	22.1
Loans	-	-	-	47.6	-	146.0	147.9	1.9-	0.0	0.0	0.0	0.0
Grants	-	-	-	-	35.5	476.1	-	476.1	0.0	0.0	0.0	0.0
a. A.I.D. and Prodecessor Agencies	-	-	-	-	5.0	66.0	96.3	30.3-	0.0	0.0	0.0	0.0
Loans	-	-	-	-	-	61.0	96.3	35.3-	0.0	0.0	0.0	0.0
Grants	-	-	-	-	5.0	5.0	-	5.0	0.0	0.0	0.0	0.0
(Economic Support Fund)	-	-	-	-	5.0	5.0	-	-	0.0	0.0	0.0	0.0
b. Food for Peace (PL 480)	-	-	-	47.6	30.5	154.4	-	154.4	0.0	0.0	0.0	0.0
Loans	-	-	-	47.6	-	47.3	-	47.3	0.0	0.0	0.0	0.0
Grants	-	-	-	-	30.5	107.1	-	107.1	0.0	0.0	0.0	0.0
Title I - Total Sales Agreements	-	-	-	47.6	-	47.3	-	47.3	0.0	0.0	0.0	0.0
Repayable in U.S. Dollars - Loans	-	-	-	47.6	-	47.3	-	47.3	0.0	0.0	0.0	0.0
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
Title II - Total Grants	-	-	-	-	30.5	107.1	-	107.1	0.0	0.0	0.0	0.0
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
Voluntary Relief Agencies	-	-	-	-	30.5	107.1	-	107.1	0.0	0.0	0.0	0.0
c. Other Economic Assistance	-	-	-	-	-	401.7	51.6	350.1	0.0	0.0	0.0	0.0
Loans	-	-	-	-	-	37.7	51.6	13.9-	0.0	0.0	0.0	0.0
Grants	-	-	-	-	-	364.0	-	364.0	0.0	0.0	0.0	0.0
Peace Corps	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
Narcotics	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
Other	-	-	-	-	-	364.0	-	364.0	0.0	0.0	0.0	0.0
II. MILITARY ASSISTANCE — TOTAL	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
Credits or Loans	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
Grants	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
a. MAP Grants	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
b. Credit Financing - FMS	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
e. Other Grants	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	-	-	-	47.6	35.5	622.1	147.9	474.2	0.2	1.1	0.0	22.1
Loans	-	-	-	47.6	-	146.0	147.9	1.9-	0.0	0.0	0.0	0.0
Grants	-	-	-	-	35.5	476.1	-	476.1	0.0	0.0	0.0	0.0
Other U.S. Government Loans and Grants	522.0	391.7	212.0	-	360.2	2256.6	1722.0	544.6	0.0	0.0	0.0	0.0
a. Export-Import Bank Loans	17.3	6.2	31.6	-	-	310.5	154.2	126.3	0.0	0.0	0.0	0.0
b. All Other Loans	504.7	385.5	180.4	-	360.2	1956.1	1537.8	418.3	0.0	0.0	0.0	0.0

* LESS THAN \$50,000.

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

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PROGRAM: POLAND

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
ECONOMIC SUPPORT FUND										
EMERGENCY ASSISTANCE	G 121-0001	82	82	5,000	5,000	3,300	---	1,700	---	---
TOTAL FOR ACCOUNT GRANTS				5,000	5,000	3,300	---	1,700	---	---
LOANS				---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				5,000	5,000	3,300	---	1,700	---	---
LOANS				---	---	---	---	---	---	---

* Refers to the planned project summary sheet

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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.

FY 85 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (276) SYRIAN ARAB REPUB

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1983) 9,739
 PER CAPITA GNP..... (DOLLARS,1981) 1,570
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1970-81) 5.4%
 ANNUAL RATE OF INFLATION (1970-81) 12.0%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..() . %
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1982) TOTAL 65.5 MALE 63.7 FEMALE 67.4
 (1970) TOTAL 57.3 MALE 56.1 FEMALE 58.5
 ADULT LITERACY RATE (1970) TOTAL 40% MALE 60% FEMALE 20%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1973-1982) 3.0%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 19%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 160
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT ,BARLEY ,PULSES 70% (1982)
 CASH: OLIVES ,COTTON ,GRAPES 15% (1982)
 MAJOR AGRICULTURAL EXPORTS:(1982) COTTON ,BARLEY ,LENTILS
 MAJOR AGRICULTURAL IMPORTS:(1982) DAIRY PRODS. ,WHEAT ,RAW SUGAR
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 33%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1978) 2,652 (79) 3,971 (80) 5,026
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1978) 3,400 (79) 3,894 (80) 6,293
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1978) -748 (79) 77 (80) -1,268
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1978) 35.7% (79) 40.6% (80) 35.8%
 AS % OF GNP..... (1978) 14.4% (79) 15.7% (80) 17.3%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1978) 409 (79) 610 (80) 366
 EQUIVALENT TO 1.1 MONTHS OF IMPORTS (1980)

FOREIGN TRADE

MAJOR EXPORTS... (1981) PETROLEUM ,TEXTILES ,TOBACCO
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 90 (1981) 61 (1982) 10
 AS % OF TOTAL EXPORTS (1979) 10% (1980) 4% (1981) 3%
 MAJOR IMPORTS....(1981) MACHINERY ,METAL MANUFACTUR ,TEXTILES
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1980) 220 (1981) 181 (1982) 152
 AS % OF TOTAL IMPORTS (1979) 4% (1980) 5% (1981) 4%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1979) -1,407(80) -1,898(81)-2,613
 TRADING PARTNERS: ITALY ,WEST GERMANY ,FRANCE
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 25.5%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1981) 411
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981) 18.4%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 3.4% (1978) 3.4% (1983) 3.4%
 POPULATION IN URBAN AREAS.....(1970) 43% (1982) 52%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 47 (1983) 46
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1973) 23.0%
 POPULATION (1980) IN AGE GROUP:
 (0-14YRS) 47.9% (15-64YRS) 48.4% (65+ YRS) 3.7%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1983) 59
 PEOPLE PER PHYSICIAN..... (1977) 2,571
 MAJOR CAUSES OF
 DISEASE (1978) ENTERIC DISEASE , ,
 DEATH.. (1978) ILL-DEFINED CAUS ,HEART DISEASE ,HEART DISEASE
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 104%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 75%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1979) TOTAL 96.0% MALE 107% FEMALE 84.0%
 SECONDARY..... (1979) TOTAL 47.0% MALE 60.0% FEMALE 35.0%
 POST SECONDARY.. (1975) TOTAL 10.3% MALE 15.1% FEMALE 5.3%
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1981) 164%

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-82	REPAY. MENTS AND INTEREST 1946-82	TOTAL LESS REPAY. MENTS AND INTEREST 1946-82
	1978	1979	1980	1981	1982			
	I. ECONOMIC ASSISTANCE – TOTAL							
Loans	93.4	93.1	-	-	-	500.5	56.4	444.1
Grants	12.0	17.7	1.1	1.9	-	87.8	-	87.3
x. A.I.D. and Predecessor Agencies	90.1	90.0	-	-	-	442.8	15.4	427.4
Loans	90.1	75.0	-	-	-	404.0	15.4	388.6
Grants	12.0	15.0	-	-	-	38.8	-	38.8
(Economic Support Fund)	90.0	90.0	-	-	-	438.0	-	-
b. Food for Peace (PL 480)	15.3	20.3	1.1	1.9	-	165.5	41.0	104.5
Loans	13.3	18.1	-	-	-	96.5	41.0	55.5
Grants	2.0	2.7	1.1	1.9	-	49.0	-	49.0
Title I - Total Sales Agreements	13.3	18.1	-	-	-	96.5	41.0	55.5
Repayable in U.S. Dollars - Loans	13.3	18.1	-	-	-	76.1	25.0	51.1
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	20.4	16.0	4.4
Title II - Total Grants	2.0	2.7	1.1	1.9	-	49.0	-	49.0
Emerg. Relief, Econ. Develop. & World Food Program	2.0	2.7	1.1	1.9	-	45.1	-	45.1
Voluntary Relief Agencies	-	-	-	-	-	3.9	-	3.9
c. Other Economic Assistance	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	-	-	-	-	0.1	-	0.1
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	0.1	-	0.1
a. MAP Grants	-	-	-	-	-	-	-	*
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	0.1	-	0.1
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	105.4	110.3	1.1	1.9	-	588.4	56.4	532.0
Loans	93.4	93.1	-	-	-	500.5	56.4	444.1
Grants	12.0	17.7	1.1	1.9	-	87.9	-	87.9
Other U.S. Government Loans and Grants	-	-	-	-	-	0.1	0.1	-
a. Export-Import Bank Loans	-	-	-	-	-	0.1	0.1	-
b. All Other Loans	-	-	-	-	-	-	-	-

* LESS THAN \$50,000.

	A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS			
	FY 1981	FY 1982	FY 1983	FY 1946-83
TOTAL.....	15.9	23.6	0.0	641.2
IBRD	15.6	22.0	0.0	525.7
IFC	0.0	0.0	0.0	0.0
IDA	0.0	0.0	0.0	47.3
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.3	0.1	0.0	44.3
OT4ER-UN	0.0	1.5	0.0	8.2
EEC	0.0	0.0	0.0	15.7
B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. D.A.C. COUNTRIES (Gross Disbursements)				
	CY 1981	CY 1982	CY 1978-82	
United States	19.0	30.0	173.0	
Germany, Fed Rep.	39.2	28.7	114.9	
France	5.1	6.8	22.9	
Japan	1.9	1.6	7.6	
Belgium	0.5	0.2	5.3	
Other	2.2	2.2	12.4	
Total	67.9	69.5	336.1	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
	CY 1981	CY 1982	CY 1978-81	
	459.0	N.A.	3,524.6	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
	CY 1981	CY 1982	CY 1954-82	
USSR	-	-	770	
Eastern Europe	-	-	1,155	
China	-	-	70	
Total	-	-	1,995	

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

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PROGRAM: SYRIA

PROJECT TITLE	* I PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY83-		-ESTIMATED FY84-		-PROPOSED FY85-		
					OBLIG ACTIONS	EXPENDITURES	OBLIG ACTIONS	EXPENDITURES	OBLIG ACTIONS	EXPENDITURES	
MIDDLE EAST SPECIAL REQUIREMENTS FUND											
GENERAL PARTICIPANT TRAINING	G 276-0004	75	75	1,000	1,000	1,000	990	---	10	---	---
DAMASCUS WATER SUPPLY I	L 276-0008	75	76	48,000	48,000	48,000	6,108	-41,892	---	---	---
TOTAL FOR ACCOUNT				49,000	49,000	49,000	7,098	-41,892	10	---	---
GRANTS				1,000	1,000	1,000	990	---	10	---	---
LOANS				48,000	48,000	48,000	6,108	-41,892	---	---	---
ECONOMIC SUPPORT FUND											
ENGLISH LANGUAGE TRAINING	G 276-0002	76	79	2,367	2,367	2,367	2,261	-106	---	---	---
AGRICULTURAL EDUCATION AND RESEARCH	G 276-0003	76	79	6,220	6,220	6,220	1,929	-4,291	---	---	---
GENERAL PARTICIPANT TRAINING	G 276-0004	75	79	6,108	6,108	6,108	4,883	---	1,225	---	---
TECH SERVICES AND FEASIBILITY STUDIES II	G 276-0005	77	77	3,500	3,500	3,500	3,196	-304	---	---	---
DAMASCUS WATER SUPPLY II	L 276-0010	76	76	14,500	14,500	14,500	2,118	-12,382	---	---	---
EUPHRATES BASIN IRRIGATION MAINTENANCE	I 276-0011	76	76	7,112	7,112	6,266	6,112	-154	---	---	---
DAMASCUS-DERAA HIGHWAY	L 276-0012	76	76	45,900	45,900	45,900	2,311	-43,589	---	---	---
TARTOUS-LATTAKIA HIGHWAY	L 276-0017	76	76	60,000	60,000	60,000	1,953	-58,047	---	---	---
RURAL ELECTRIFICATION	L 276-0018	77	77	34,700	34,700	34,700	25,486	-8,214	---	---	---
TECHNICAL HEALTH INSTITUTE	G 276-0019	76	79	5,550	5,550	5,550	4,185	-1,365	---	---	---
PROVINCIAL WATER SUPPLY	L 276-0024	76	79	17,600	17,600	17,600	6,360	-9,240	---	---	---
TECH SERVICES AND FEASIBILITY STUDIES II	G 276-0026	78	78	2,000	2,000	2,000	1,850	-150	---	---	---
RURAL ROADS	L 276-0033	79	79	26,400	26,400	26,400	5,102	-21,298	---	---	---
RURAL SCHOOLS I	L 276-0035	79	79	11,200	11,200	11,200	6,597	-4,403	---	---	---
REMOTE SENSING	G 276-0041	79	79	3,500	3,500	3,500	777	-2,723	---	---	---

* Refers to the planned project summary sheet

C Level of effort activity

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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)

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PROGRAM: SYRIA

PROJECT TITLE	* I PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY83-		-ESTIMATED FY84- ^{1/}		-PROPOSED FY85-	
					OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES
TOTAL FOR ACCOUNT			246,237	246,237	245,391	78,120	166,046	1,225	---	---
GRANTS			29,025	29,025	29,025	19,081	-8,719	1,225	---	---
LOANS			217,212	217,212	216,366	59,039	157,327	---	---	---
TOTAL FOR COUNTRY			295,237	295,237	294,391	85,216	207,638	1,235	---	---
GRANTS			30,025	30,025	30,025	20,071	-8,719	1,235	---	---
LOANS			265,212	265,212	264,366	65,147	199,219	---	---	---

^{1/} In keeping with the provisions of the Second Continuing Resolution of FY 1984 and the Department of State Authorization Act which were enacted in November, 1983, A.I.D. has terminated its economic assistance program for Syria and is deobligating all remaining fund balances from that program except for funds required to complete participant training programs already underway in the United States and funds required to pay legitimate expenses arising from the termination of contracts with United States or third-country contractors. All remaining funds not required for these purposes will be deobligated during FY 1984.

Refer to the planned project summary sheet

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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.