

AGENCY FOR INTERNATIONAL DEVELOPMENT



Congressional Presentation Fiscal Year 1980

ANNEX IV Near East

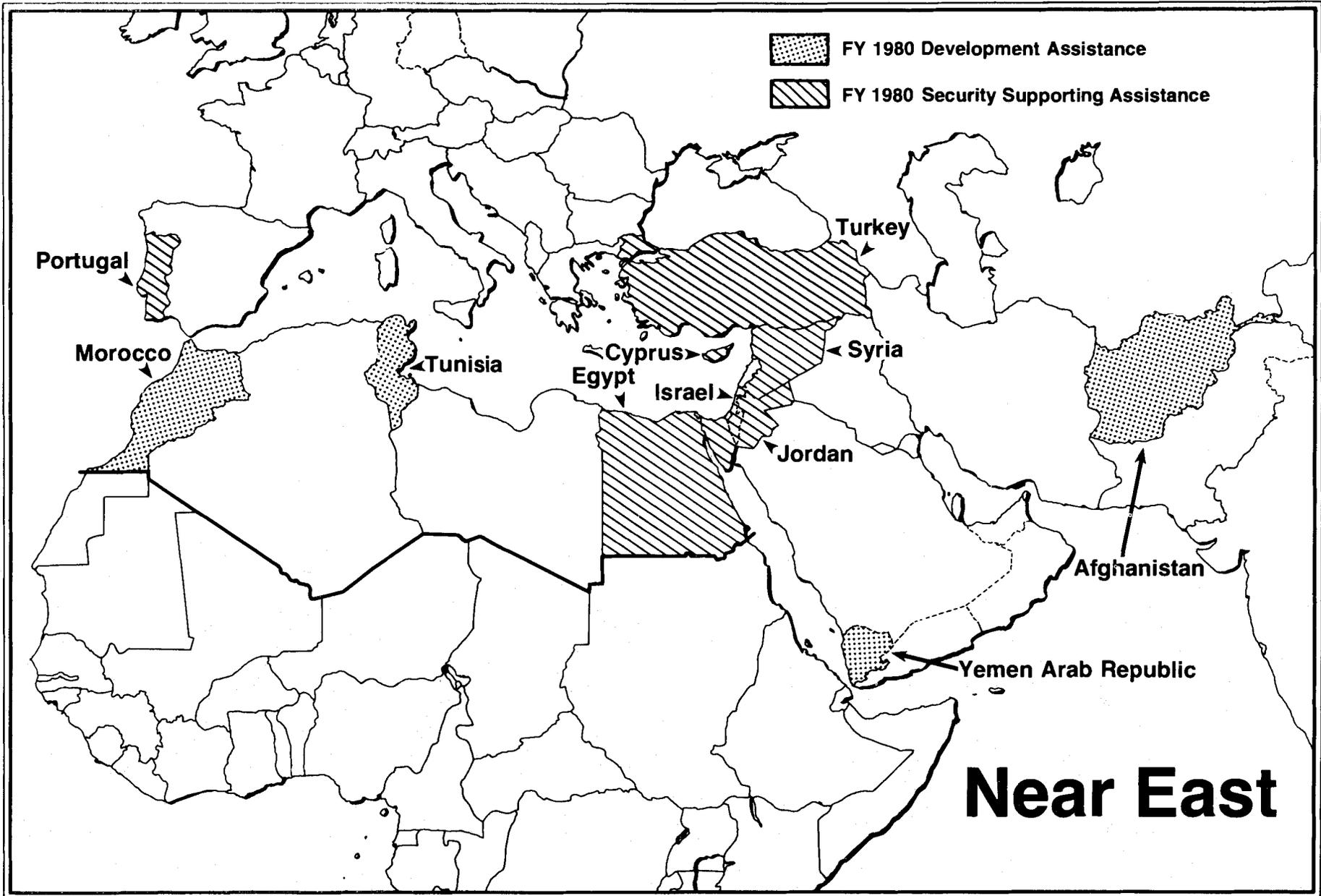
NEAR EAST

SECURITY SUPPORTING ASSISTANCE PROGRAMS

Responsible Officer:



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ANNEX IV

Annex IV presents to the Congress all Security Supporting Assistance (SSA) and Development Assistance (DA) programs proposed for the Near East for which A.I.D. is requesting funds for FY 1980. This Annex first presents an overview and Activity Data Sheets which describe the Security Supporting Assistance programs. Thereafter the reader will find an overview and Activity Data Sheets which explain the Programs for the four Development Assistance countries. Annex IV concludes with the Additional Program Requirements for the Development Assistance Programs and terminating programs for both SSA and DA.

Additional Program Requirements ("shelf projects") are those projects and activities not in the program proposal to the Congress but which represent valid development requirements. To the extent that additional funds become available from program attrition or for other reasons, such projects are candidates for funding in FY 80.

A.I.D. recognizes that inclusion of "shelf projects" does not constitute justification to the Congress for purposes of notification of program changes required under the current Appropriation Act.

NEAR EAST - TABLE OF CONTENTS

	<u>PAGE</u>
Overview of the Security Supporting Assistance Programs.....	1
Egypt.....	7
Israel.....	47
Jordan.....	55
Syria.....	73
Portugal.....	89
Turkey.....	97
Cyprus.....	105
Maqarin Dam and Jordan Valley Irrigation System.....	114
West Bank and Gaza Development Activities.....	116
Project Development and Support.....	117
Overview of the Near East Development Assistance Programs.....	119
Afghanistan.....	121
Morocco.....	139
Tunisia.....	153
Yemen Arab Republic.....	165
Regional Projects.....	181
Additional Program Requirements.....	193
Terminating Programs.....	195

**ECONOMIC AND SOCIAL DATA
REGIONAL SUMMARY¹**

REGION: NEAR EAST

CP 80-19(10-78)

COUNTRY	ECONOMY	EDUCATION	POPULATION						HEALTH			
	GNP per capita (dollars, 1976)	Literacy Rate (Percent)	Total (thousands, mid 1978)	Annual Growth Rate (Percent)	Density (Persons per square mile)		Percent in Urban Areas		Percent Labor Force in Agriculture	Number of People per Doctor	Life Expectancy (Years)	Infant Deaths Per 1,000 Live Births
					Pop/Agr Land	Pop/Total Land	1960's	1970's				
DEVELOPMENT ASSISTANCE PROGRAM												
Afghanistan	160	8	14,000	2.2	280	56	15	15	81	26,100	40.3	173
Morocco	540	21	18,819	2.9	210	109	32	38	50	12,800	52.9	130
Tunisia	840	55	6,235	2.3	190	99	45	47	46	4,770	54.1	63
Yemen A.R.	250	13	5,804	2.9	200	77	n.a.	11	73	17,700	44.8	175
SECURITY SUPPORTING ASSISTANCE PROGRAM												
Egypt	280	26	39,864	2.3	3,300	103	42	44	55	1,500	52.4	100
Israel	3,920	91	3,685	3.0	680	461	80	82	6	360	71.0	23
Jordan	610	46	2,956	3.5	430	78	44	56	39	2,400	53.2	97
Portugal	1,690	71	9,920	1.0	560	280	23	26	30	850	68.0	38
Syria	780	40	8,091	3.3	150	112	44	47	51	2,900	54.0	114
Turkey	990	51	42,710	2.5	190	142	39	45	69	1,900	56.9	153
Cyprus	1,480	82	645	0.6	310	181	42	39	28	1,200	71.4	27
Development Assistance Program Summary ²	426	21	44,858	2.6	230	87	28	29	62	16,500	48.1	140
Security Assistance Program Summary ²	869	44	107,871	2.4	1,400	147	41	45	56	1,700	56.5	113
AID RECIPIENT REGIONAL SUMMARY²	739	37	152,729	2.4	1,050	130	37	40	58	6,000	54.0	121

¹ Unless otherwise indicated data are for latest year available as noted in form number CP 80-16.

² Total population is sum of all AID recipient countries. All other values are averages weighted by country populations.

NEAR EAST PROGRAMS

Security Supporting Assistance			
PROGRAM SUMMARY ^{1/}			
(In millions of dollars)			
	FY 1978 Actual	FY 1979 Estimated	FY 1980 Proposed
Egypt	750.8	750.0	750.0
Israel	785.0	785.0	785.0
Jordan	93.0	93.0	60.0
Syria	90.0	90.0	60.0
Maqarin Dam and Jordan Valley Irrigation System	-	45.0	40.0
Portugal	300.0	-	50.0
Turkey	-	50.0	98.0
Cyprus	15.0	15.0	2.0
West Bank/Gaza Development Activities	-	3.0	3.0
Project Development and Support	.3	1.0	1.0
TOTAL	2034.1	1832.0	1849.0

^{1/} Reflects only programs proposed for FY 1980. See preceding Form CP-80-01 for all-inclusive listing of FY 1978-80 programs.

A.I.D. requests \$1849 billion in Security Supporting Assistance and \$57.6 million in Development Assistance to support bilateral aid programs and regional activities in the Near East in FY 80. The principal focus of this assistance is to encourage the achievement of peace between Israel and its Arab neighbors, and to contribute to equitable social and economic progress throughout the area. Important economic and political problems are also addressed through the assistance proposed for Portugal Turkey

Security Supporting Assistance Programs

The attainment of secure, enduring peace in the Middle East is a priority objective of U.S. foreign policy. Through our diplomatic efforts and economic programs we seek progress in negotiations leading to a peace settlement and in economic and social development within which peace can be maintained and become secure.

The countries of the region for which Security Supporting Assistance is proposed - Egypt, Israel, Jordan, and Syria - must contend with serious, although widely differing, economic and social problems. The economic health and prospects of each have a major impact on the achievement of the United States foreign policy objective. Our Security Supporting Assistance programs help these countries deal with their economic problems, manifest significant United States support for their moderate policies, and thereby further U.S. efforts to secure stability and peace in the area.

Assistance programs for these four countries are designed to address the more critical requirements of their individual economic systems for achieving rapid and lasting development. Increasingly, A.I.D.'s programs are also being directed toward meeting the basic needs of these countries' poor people.

Israel, which has an advanced social equity system, receives assistance in the form of direct cash transfers. These help provide the foreign exchange needed by Israel's civilian sector to maintain its economic growth while

NEAR EAST PROGRAMS

sustaining a heavy defense burden. In FY 1980 A.I.D. proposes to provide \$785 million to Israel for this purpose.

The development needs of Egypt call for continuation in FY 80 of an SSA program of \$750 million. The program increasingly includes assistance to expand Egypt's agricultural productivity and to provide health, family planning and educational services to less advantaged urban and rural Egyptians. The program also supports the rebuilding or expansion of basic components of Egypt's economic capacity and social infrastructure, such as fertilizer production, ports, telecommunications, and the water and sewerage systems needed for long term development. An important part of the program is focused on reviving Egypt's private sector by providing technical advisory services, credit, and feasibility study assistance. A.I.D. will provide \$200 million for commodity import financing to provide raw materials and capital goods for Egypt's industry and agriculture. An additional \$212 million in PL 480 assistance will help meet current consumption requirements.

For Syria, which continues to be of key importance to a lasting Middle East peace, \$60 million is requested in FY 1980. This will support Syria's efforts to achieve broad-based economic and social development, in such areas as upgrading health services in towns and villages, and expanding facilities for rural education. The Syrians will also use the proposed assistance to improve the government's capability to plan and carry out agricultural development and to assist smaller farmers to increase their productivity. A \$20 million commodity import loan will provide essential equipment for agricultural, medical, and other development needs.

Requested assistance for Jordan amounts to \$60 million including \$20 million for support of its development budget. Projects will be financed to increase agricultural production in the Jordan Valley, continue expansion of Jordan's education system, improve health planning and health care, and to construct water and sewerage systems in two urban areas. In addition, \$38 million is requested

for the second year's financing of the Maqarin Dam and Jordan Valley Irrigation System. This dam will provide both needed irrigation water and a reliable water supply for urban areas. It will also benefit downstream users in Israel by ensuring a steadier flow of irrigation water.

For Turkey, \$98 million in balance of payments support is requested in FY 1980 to help stabilize Turkey's economy.

For Portugal, \$50 million is requested to help the government carry forward its economic reform program, including efforts to stimulate private sector growth and exports.

For Cyprus, \$2 million is requested to demonstrate continued concern for the people of Cyprus and active interest in promoting a just and lasting settlement on the island.

In addition to these country programs, \$3 million is requested for continuation of development assistance activities in the West Bank and Gaza Strip, primarily conducted by U.S. private voluntary agencies, and \$1 million for project development and support activities.

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

REGION: BUREAU FOR NEAR EAST

CP-80-01

C O U N T R Y	TOTAL	SSA	DEVELOPMENT ASSISTANCE				OTHER PROGRAMS	
			AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	
AFGHANISTAN								
1978	4,989	---	3,327	191	1,080	391	---	---
1979	14,878	---	2,743	340	---	11,795	---	---
1980	16,992	---	9,779	1,564	---	5,649	---	---
BAHRAIN								
1978	---	---	---	---	---	---	---	---
1979	---	---	---	---	---	---	---	---
1980	---	---	---	---	---	---	---	---
CYPRUS								
1978	15,000	15,000	---	---	---	---	---	---
1979	15,000	15,000	---	---	---	---	---	---
1980	2,000	2,000	---	---	---	---	---	---
EGYPT								
1978	750,750	750,750	---	---	---	---	---	---
1979	750,000	750,000	---	---	---	---	---	---
1980	750,000	750,000	---	---	---	---	---	---
EUROPEAN REGIONAL								
1978	12,300	---	---	---	---	---	---	12,300
1979	700	---	---	---	---	---	---	700
1980	---	---	---	---	---	---	---	---
ISRAEL								
1978	785,000	785,000	---	---	---	---	---	---
1979	785,000	785,000	---	---	---	---	---	---
1980	785,000	785,000	---	---	---	---	---	---
JORDAN								
1978	93,000	93,000	---	---	---	---	---	---
1979	93,000	93,000	---	---	---	---	---	---
1980	60,000	60,000	---	---	---	---	---	---
LEBANON								
1978	20,914	20,000	---	---	---	---	---	914
1979	---	---	---	---	---	---	---	---
1980	---	---	---	---	---	---	---	---
MALTA								
1978	9,500	9,500	---	---	---	---	---	---
1979	---	---	---	---	---	---	---	---
1980	---	---	---	---	---	---	---	---

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

PAGE 2
12/26/78

REGION: BUREAU FOR NEAR EAST

C O U N T R Y	SSA		DEVELOPMENT ASSISTANCE				OTHER PROGRAMS	
	TOTAL		AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	
MOROCCO								
1978	9,978	---	2,746	366	---	6,866	---	---
1979	6,349	---	1,575	1,974	750	1,650	400	---
1980	6,549	---	1,334	2,920	---	2,295	---	---
N.E. REGIONAL - (DA)								
1978	4,862	---	743	---	31	3,891	197	---
1979	4,502	---	690	---	587	1,825	1,400	---
1980	7,600	---	950	---	650	4,050	1,950	---
N.E. REGIONAL - (SSA)								
1978	28	28	---	---	---	---	---	---
1979	54,000	54,000	---	---	---	---	---	---
1980	42,000	42,000	---	---	---	---	---	---
PORTUGAL								
1978	300,000	300,000	---	---	---	---	---	---
1979	---	---	---	---	---	---	---	---
1980	50,000	50,000	---	---	---	---	---	---
SYRIA								
1978	90,000	90,000	---	---	---	---	---	---
1979	90,000	90,000	---	---	---	---	---	---
1980	60,000	60,000	---	---	---	---	---	---
TUNISIA								
1978	20,051	---	11,397	1,405	5,711	---	1,538	---
1979	10,666	---	6,242	1,641	2,233	---	550	---
1980	12,459	---	9,894	1,615	950	---	---	---
TURKEY								
1978	700	---	---	---	---	---	---	700
1979	50,000	50,000	---	---	---	---	---	---
1980	98,000	98,000	---	---	---	---	---	---
YEMEN ARAB REPUBLIC								
1978	6,803	---	1,601	---	1,978	2,724	500	---
1979	13,505	---	5,800	---	5,575	2,130	---	---
1980	14,000	---	7,450	---	500	6,050	---	---
TOTAL								
1978	2,123,875	2,063,278	19,814	1,962	8,800	13,872	2,235	13,914
1979	1,887,600	1,837,000	17,050	3,955	9,145	17,400	2,350	700
1980	1,904,600	1,847,000	29,407	6,099	2,100	18,044	1,950	---

ECONOMIC AND SOCIAL DATA

COUNTRY: EGYPT

CP 80-16 (10-78)

BASIC DATA		FOREIGN TRADE	
Total population	(thousands, mid 1978) <u>39,864</u>	Major exports ... (1977) cotton, rice	
Per capita GNP	(dollars, 1976) <u>280</u>	Exports to U.S. (\$ millions, U.S., f.o.b.) (1975) <u>2</u> (76) <u>59</u> (77) <u>170</u>	as % of total exports (1975) <u>0.1</u> (76) <u>3.9</u> (77) <u>10</u>
Average annual per capita real GNP growth rate	(1970-75) <u>1.3%</u>	Major imports ... (1973) machinery and transport equipment, wheat, chemicals	
Average annual rate of inflation	(1960-1970) <u>3.5%</u> (1970-1976) <u>5.2%</u>	Imports from U.S. (\$ millions, U.S., c.i.f.) (1975) <u>757</u> (76) <u>624</u> (77) <u>81</u>	as % of total imports (1975) <u>19</u> (76) <u>16</u> (77) <u>1.7</u>
% national income received by low 20% of population	(1960) <u>4.6</u>	Total trade balance (\$ millions, U.S.) (1975) <u>2,532</u> (76) <u>2,285</u> (77) <u>3,100</u>	
Life expectancy at birth, in years (1970-1975)	total <u>52.4</u> male <u>51.2</u> female <u>53.6</u>	Main trading partners U.S., France, Germany (F.R.)	
	(1965-1970) total <u>49.9</u> male <u>48.7</u> female <u>51.1</u>	External public debt as % of GNP. (1976) <u>48.1</u>	
Literacy rate	(1972) total <u>26%</u> male <u>n.a.</u> female <u>n.a.</u>	Service payments on external public debt, (\$ millions, U.S.) (1976) <u>629</u>	
	(1960) total <u>26%</u> male <u>40%</u> female <u>12%</u>	as % of export earnings (debt service ratio) (1976) <u>17.6</u>	
AGRICULTURE		SOCIAL DATA	
Average annual per capita agricultural production growth rate	(1954-77) <u>-0.5%</u>	Population growth rate (1967-77) <u>2.3%</u>	
Agricultural production as % of GDP	(1976) <u>29</u>	% population in urban areas (1970) <u>42</u> (1975) <u>44</u>	
Population density per square mile of agricultural land	(1974) <u>3,300</u>	Total births per 1,000 population (1975) <u>37</u>	
% land owned () by: top 10% <u>n.a.</u> low 10% <u>n.a.</u>		% married women aged 15-49 yrs. using contraception (1977) <u>15</u>	
Major crop(s):	% of arable land	Year	
Subsistence corn, sorghum	56	(1977)	
Cash cotton	20	(1977)	
Major agricultural exports .. (1977) cotton, oranges, onions			
Major agricultural imports .. (1977) wheat and wheat flour, cottonseed oil, tobacco			
Proportion of labor force in agriculture (1970) <u>55%</u>			
CENTRAL GOVERNMENT FINANCES		Major causes of death (1973) all other diseases (not specified), symptoms and ill-defined conditions, bronchitis/emphysema/asthma	
Total domestic revenues (\$ millions, U.S.) (1974) <u>2,474</u> (75) <u>3,123</u> (76) <u>4,079</u>		Major disease(s) ... (1969) schistosomiasis, gastrointestinal diseases, diseases of infancy and childhood	
Total expenditures (\$ millions, U.S.) (1974) <u>6,001</u> (75) <u>7,350</u> (76) <u>8,490</u>		Per capita calorie supply as a % of requirements (1974) <u>113</u>	
Deficit (-) or surplus (\$ millions, U.S.) (1974) <u>-3,527</u> (75) <u>-4,227</u> (76) <u>-4,411</u>		% of population with reasonable access to clean water supply (1970) <u>93</u>	
Defense expenditures,		Total school enrollment as % of population in age group:	
as % of total expenditures (1974) <u>25.9</u> (75) <u>18.5</u> (76) <u>22.3</u>		Primary ... (ages 5-14) (1974) total <u>44.4</u> male <u>53.9</u> female <u>34.5</u>	
as % of GNP (1974) <u>14.9</u> (75) <u>11.3</u> (76) <u>13.1</u>		Secondary .. (15-19) (1974) total <u>51.8</u> male <u>67.3</u> female <u>35.4</u>	
Official international reserves, gross holdings end of period,		Post Secondary (20-24) (1973) total <u>10.9</u> male <u>15.2</u> female <u>6.4</u>	
(\$ millions, U.S.) (1975) <u>294</u> (76) <u>339</u> (77) <u>534</u>		Energy production as % of consumption (1970) <u>251</u>	
Equivalent to <u>1.3</u> months of imports (1977)			

*Physicians included in the calculation include only those employed in government service or in service of the Ministry of Health.

EGYPT

SECURITY SUPPORTING ASSISTANCE PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1978 Actual	FY 1979 Estimated	FY 1980 Proposed
PROJECT LOANS	317.4	--	50.0
PROJECT GRANTS	133.4	500.0	500.0
COMMODITY IMPORT PROGRAM	300.0	250.0	200.0
TOTALS	750.8	750.0	750.0

U.S. Interests

The intense and continuing role of the United States in achieving a comprehensive peace settlement reflects the strategic importance of Egypt to U.S. foreign policy in the Middle East. Our high level of aid to Egypt demonstrates our political commitment. A growing economy, increasingly able to meet the basic needs of the Egyptian people, will enhance confidence in and support for President Sadat's peace efforts.

Development Overview

Given its advantageous location, skilled work force, and natural resources, Egypt has considerable economic potential. Nonetheless, Egypt faces major obstacles to further development. Much of its industry and infrastructure is outmoded, deteriorated and hampered by an unrealistic price structure. While Government policy supports a more vigorous private sector, this sector has not realized its full potential. Foreign investment is still modest. Population growth of 2.3% per year places a huge burden on every sector of the economy, particularly housing, education, health services and employment. Agricultural production and rural development have not kept pace with the rest of the economy. In addition, while Egypt has an impressive social infrastructure of schools, clinics and social centers, the systems do not function well because

of inefficient management, lack of personnel incentive and shortages of equipment and supplies.

Socio-Economic Performance

Since resumption of U.S. assistance in 1974, Egypt has registered solid economic and social progress. The balance of payments has greatly improved over that of several years ago, and short-term debt has been reduced. Rapidly increasing foreign exchange earnings from the Suez Canal, petroleum exports, tourism, and expatriate workers remittances, along with continued foreign assistance, have fueled an average annual GNP growth of 8% since 1975. The Government has prepared a Five-Year Development Plan (1978-1982), and has undertaken a number of basic economic reforms which seek to maintain growth and an equitable distribution of income and quality of life for its poor.

Total Resources

The Arab oil states have, in the past, provided the largest share of assistance to Egypt. The level of future Arab economic assistance is, however, uncertain. In the recent past it has ranged between \$1.5 billion and \$2.5 billion a year, but might be considerably less next year. Since 1976, annual U.S. economic assistance commitments to Egypt have averaged about \$950 million, including \$750 million in Security Supporting Assistance and about \$200 million in food imports under PL 480. Other important assistance is provided by the World Bank (\$250 million per year), the International Monetary Fund (\$250 million per year anticipated under an Extended Fund Facility agreed to in July 1978), and European countries and Japan (\$400 to \$500 million per year).

In 1977, with strong support from the United States, the World Bank established a major donor consultative group for Egypt. Its second meeting was held in June 1978 and a third is planned for 1979. The consultative group has encouraged Egypt to increase the effectiveness of its planning and policies, focus on development priorities, provide a policy framework supportive of private sector growth, and give greater attention to population policy and progress.

EGYPT

A.I.D. Strategy

The A.I.D. program supports Egyptian efforts to achieve stable economic growth and improve the quality of life for its people. The Commodity Import Program (CIP) and food imports (mostly wheat) under PL 480 furnish vital consumables, raw materials, spare parts, intermediate goods and capital equipment needed for continued economic stability.

To spur growth, A.I.D. is rebuilding and expanding infrastructure, industry (with special emphasis on the private sector), and agricultural production. A.I.D.'s support for power, communications, and transportation provides a needed base for industrial growth. In industry, A.I.D. is assisting Egypt to complete unfinished industrial projects; to expand its private sector through credit programs and technical assistance; and to establish new industries which reduce imports or offer export potential. In agriculture, A.I.D. is attempting to increase production through research and extension on basic crops, and through land reclamation techniques, analysis of policy constraints, provision of irrigation and water drainage facilities, and support for fertilizer production.

A.I.D.'s strategy seeks to improve the quality of life for Egypt's poor, both through increasing the industrial and agricultural production which provide employment and income, and through social development. A.I.D. projects in housing, social infrastructure, health, family planning, water and sewer facilities, and basic village services impact directly on the quality of life of the Egyptian poor.

FY 80 PROGRAM HIGHLIGHTS	
*For FY 1980, a total of \$750 million is requested, two-thirds on grant terms and one-third on 40-year loan terms. Of this amount:	
-- \$200 million will be for Commodity Imports;	
-- \$198.9 million will be devoted to industry and infrastructure projects;	
-- \$164.2 million for agriculture;	
-- \$38.0 million for private sector development; and	
-- \$148.9 million for basic human needs and other priority concerns.	
*\$212 million for PL 480 (Title I and II).	

PERSONNEL/PARTICIPANTS DATA CP 80-17(10-78)			
Category	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID Personnel^a			
Direct Hire ^b	87	97	97
PASA ^c	2	3	3
Contract (PSC).....	2	4	4
Total	91	104	104
Participants^d			
Noncontract	306	575	492
Contract ..	17	311	520
Total	323	886	1,012
^a U.S. nationals on duty at the end of the fiscal year. ^b FY 1979 and FY 1980 position levels. ^c Participating agency technicians. ^d Programmed during the fiscal year.			

RESOURCE FLOWS			
<i>(In thousands of dollars)</i>			
Program	FY 1978	FY 1979	FY 1980
	(Actual)	(Estimated)	(Proposed)
AID*			
Loans	474.2	648.0	635.5
Grants	49.1	153.9	231.1
Total AID	523.3	801.9	866.6
P.L. 480**			
Title I	189.1	214.0	198.4
(of which Title III is)	(--)	(15.0)	(15.0)
Title II	12.6	17.6	21.2
Total P.L. 480	201.7	231.6	219.6
Total AID and P.L. 480	725.0	1,033.5	1,086.2
*AID levels represent actual and estimated expenditures.			
**P.L. 480 levels represent actual and estimated value of shipments.			

P.L. 480 PROGRAMS SUMMARY						
<i>(In 000MT/\$000)</i>						
Program	FY 1978		FY 1979		FY 1980	
	(Actual)		(Estimated)		(Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat	1,500	189.1	1,500	214.0	1,500	198.4
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total ..		189.1		214.0		198.4
(of which Title III is)		(-)		(15.0)		(15.0)
<i>Title II</i>						
Voluntary Agencies ..		9.4		14.5		16.4
World Food Programs		3.2		3.1		4.8
Gov't.-to-Gov't		-		-		-
Title II Total		12.6		17.6		21.2
Total P.L. 480		201.7		231.6		219.6

MISSION DIRECTOR: DONALD S. BROWN

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM EGYPT

CP 80-02(10-78)

PROJECT TITLE	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
				OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
SECURITY SUPPORTING ASSISTANCE										
COMMODITY IMPORT PROGRAM	*	L 263-CI00		---	---	---	---	200,000	75,000	---
COMMODITY IMPORT PROGRAM VIII		L 263-K000	79	---	---	250,000	90,000	---	90,000	---
COMMODITY IMPORT PROGRAM I		L 263-K026	75	80,000	77,342	---	2,658	---	---	---
COMMODITY IMPORT PROGRAM II		L 263-K027	75	70,000	60,982	---	9,018	---	---	---
COMMODITY IMPORT PROGRAM IIT		L 263-K029	76	100,000	92,018	---	7,928	---	---	---
COMMODITY IMPORT PROGRAM IV		L 263-K030	76	150,000	111,795	---	38,205	---	---	---
COMMODITY IMPORT PROGRAM V		L 263-K036	76	65,000	25,810	---	29,200	---	9,990	---
COMMODITY IMPORT PROGRAM VI		L 263-K038	77	440,000	278,234	---	81,800	---	79,966	---
COMMODITY IMPORT PROGRAM VII		L 263-K045	78	300,000	16,457	---	145,600	---	82,900	---
ELECTRIC DISTRIBUTION SYSTEM		G 263-0001	75	30,000	28,902	---	1,098	---	---	---
TECH TRANSFER AND MANPOWER DEVELOPMENT I		G 263-0002	75	1,000	930	---	70	---	---	---
FEASIBILITY STUDIES		G 263-0003	75	1,000	691	---	309	---	---	---
RD BUILDING EQUIP-SUEZ AREA		G 263-0007	75	14,000	13,879	---	121	---	---	---
GAS TURBINE GENERATORS		L 263-0008	76	69,000	19,764	---	26,700	---	11,500	---
ELECTRIC POWER PLANTS		G 263-0009	76	141,000	681	---	28,300	---	41,500	---
MAHALLA TEXTILE PLANT REHABILITATION		L 263-0010	76	96,000	699	---	49,700	---	40,500	---
TECH TRANSFER AND MANPOWER DEV II		G 263-0011	76	2,000	1,851	---	149	---	---	---
SUEZ CEMENT PLANT		G 263-0012	76	90,000	10,254	---	43,000	---	27,000	---
TECHNICAL AND FEASIBILITY STUDIES IY		G 263-0013	76	15,000	14,111	---	889	---	---	---
CARGO HANDLING EQUIPMENT (PORT OF ALEX)		L 263-0014	76	31,000	300	---	15,200	---	12,300	---
STRENGTHENING RURAL HEALTH DELIVERY		G 263-0015	76	3,600	1,381	4,200	1,960	---	1,850	---
APPLIED SCIENCE AND TECH RESEARCH	*	G 263-0016	77	8,100	203	---	5,040	5,800	3,500	---
WATER USE AND MANAGEMENT		G 263-0017	76	3,800	1,545	3,200	1,700	---	1,500	---
BANK OF ALEXANDRIA		L 263-0018	76	32,000	335	---	22,500	---	9,165	---
PVC PIPE DRAINAGE		L 263-0019	76	31,000	---	---	4,500	---	11,400	---
INTEGRATED SOCIAL WORK TRAINING CENTERS		G 263-0020	77	2,500	---	1,500	1,300	---	1,200	---
DEVELOPMENT DECENTRALIZATION	*	G 263-0021	78	1,400	4	2,500	1,890	2,700	2,780	900
NATIONAL ENERGY CONTROL CENTER		L 263-0023	76	41,000	2,210	---	12,100	---	8,800	---
TECH AND FEASIBILITY STUDIES III		G 263-0025	77	18,000	9,947	---	6,500	---	1,553	---
TECH TRANSFER AND MANPOWER DEV II		G 263-0026	77	8,500	1,682	7,000	6,000	---	3,500	---
RICE RESEARCH AND TRAINING		G 263-0027	77	3,867	---	4,300	1,300	---	2,500	---
GRAIN STORAGE FACILITIES		L 263-0028	75	44,275	2,553	---	23,700	---	11,800	---
FAMILY PLANNING	*	G 263-0029	77	10,000	1,011	6,500	5,400	7,000	8,200	---
AGRICULTURAL MECHANIZATION	*	G 263-0031	79	---	---	18,500	2,800	25,500	11,000	---
ELECTRIC POWER DISTRIBUTION		L 263-0033	77	46,012	---	---	11,000	---	26,000	---
CANAL DREDGING EQUIPMENT		L 263-0035	77	26,000	---	---	5,100	---	15,200	---
FOOD GRAIN/VEG OIL STOR. AND DIST. FAC		L 263-0037	77	42,000	64	---	8,800	---	17,500	---
ALEXANDRIA SEWERAGE	*	G 263-0038	77	---	---	50,000	---	34,000	5,612	---
ALEXANDRIA SEWERAGE		L 263-0038	77	15,000	1,112	---	7,000	---	6,888	---
IRRIGATION EQUIPMENT		L 263-0040	77	11,000	---	---	2,100	---	7,200	---
AGRICULTURAL DEVELOPMENT SYSTEMS		G 263-0041	77	5,000	5	6,000	2,500	---	2,360	---
TECHNICAL AND FEASIBILITY STUDIES IV	*	G 263-0042	78	12,000	220	5,000	9,000	6,000	7,700	---
DEVELOPMENT INDUSTRIAL BANK II		G 263-0045	78	2,000	---	25,000	6,000	---	9,500	---
SUEZ CANAL PORT DEVELOPMENT		L 263-0047	78	30,000	---	---	---	---	2,000	---
CANAL CITIES WATER AND SEWAGE SYSTEM		L 263-0048	78	60,000	---	36,000	5,000	---	25,000	---
MAADI CEMENT PLANT		L 263-0052	78	95,000	---	---	10,000	---	30,000	---

* Detailed project narrative -- See Activity Data Sheet.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM EGYPT

CP 80-02(10-78)

PROJECT TITLE	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
				OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
FLAT GLASS	G	263-0053	79	---	---	36,000	2,000	---	6,000	---
TELECOMMUNICATION EQUIPMENT	L	263-0054	78	40,000	---	---	10,000	---	13,000	---
AGRIBUSINESS DEVELOPMENT	* G	263-0056	80	---	---	---	---	25,000	---	---
POULTRY DEVELOPMENT	G	263-0060	77	3,971	---	600	3,900	---	500	---
DEVELOPMENT PLANNING STUDIES	* G	263-0061	78	3,800	---	---	1,800	3,900	1,900	---
VOCATIONAL TRAINING	G	263-0062	79	---	---	5,000	900	---	960	---
DEVELOPMENT INFORMATION SYSTEMS	G	263-0063	79	---	---	2,500	500	---	900	---
AQUACULTURE DEVELOPMENT	* G	263-0064	78	3,500	---	11,800	2,550	12,200	7,650	---
URBAN LOW COST HEALTH DELIVERY	* G	263-0065	79	---	---	5,000	900	20,300	1,700	---
LOW INCOME HOUSING/COMMUNITY UPGRADING	* G	263-0066	78	50,000	---	---	10,980	30,000	11,300	---
UNIV INSTRUCTIONAL MATLS AND LIBRARIES	* G	263-0067	79	---	---	2,500	1,000	1,500	1,200	16,000
MAJOR CEREALS	G	263-0070	79	---	---	8,500	200	---	1,700	---
HYDROGRAPHIC SURVEY	G	263-0071	77	8,000	5,250	---	2,750	---	---	---
PORT SAID SALINE PRODUCTION PLANT	G	263-0072	77	13,000	---	---	4,000	---	5,200	---
PROVINCIAL WATER AND SEWERAGE	* G	263-0073	80	---	---	---	---	36,000	---	---
TELECOMMUNICATIONS I	G	263-0075	79	---	---	65,000	---	---	26,000	---
PRIVATE SECTOR DEVELOPMENT	G	263-0078	79	---	---	8,000	300	---	430	---
SMALL FARMER PRODUCTION	* G	263-0079	79	---	---	7,000	1,500	5,500	6,300	---
LAKE QUARUN CHEMICALS	* G	263-0085	80	---	---	---	---	25,000	---	---
CAIRO WATER SYSTEM	L	263-0089	77	30,000	1,112	---	8,000	---	9,500	---
MIDDLE MANAGEMENT EDUCATION PROGRAM	G	263-0090	79	---	---	4,000	100	---	900	---
CAIRO SEWERAGE III	* G	263-0091	78	25,000	---	---	2,000	75,000	4,000	---
INVESTMENT SERVICES ADVISORY CENTER	G	263-0092	79	---	---	2,000	100	---	620	---
INDUSTRIAL FREE ZONE	* G	263-0093	80	---	---	---	---	10,000	---	---
ADVISORY SERVICES ON CREDIT	G	263-0094	79	---	---	1,400	100	---	800	---
AGRICULTURE COOPERATIVE DEV	G	263-0095	79	---	---	4,000	370	---	2,200	---
SMALL SCALE AGRICULTURE ACTIVITIES	G	263-0096	79	---	---	1,500	240	---	750	---
PRIVATE SECTOR CREDIT	* G	263-0097	79	---	---	40,000	1,200	25,000	5,500	---
INDUSTRIAL PRODUCTION	G	263-0101	78	7,500	---	16,000	1,000	---	13,000	---
INDUSTRIAL PRODUCTION	* L	263-0101	78	46,445	---	---	11,200	25,000	23,000	55
BASIC VILLAGE SERVICES	* G	263-0103	80	---	---	---	---	6,300	1,600	---
RURAL EMPLOYMENT GENERATION	* G	263-0104	80	---	---	---	---	2,000	500	23,000
IRRIGATION PUMPS	* G	263-0107	80	---	---	---	---	15,000	---	---
NEW LANDS DEVELOPMENT	* L	263-0108	80	---	---	---	---	50,000	---	---
FERTILIZER PRODUCTION AND DISTRIBUTION	* G	263-0109	80	---	---	---	---	20,000	---	---
ELECTRIC GENERATING PLANT	G	263-0110	79	---	---	100,000	---	---	8,000	---
PRIVATE SECTOR FEAS. STUDY	* G	263-0112	79	---	---	5,000	300	3,000	3,000	---
SINAI PLANNING STUDY	* G	263-0113	79	---	---	2,500	---	2,500	1,800	---
VEHICLE MAINT TRNG	G	263-0114	79	---	---	4,000	900	---	1,900	---
TAX ADMINISTRATION	* G	263-0115	80	---	---	---	---	1,800	200	---
AGRICULTURAL MANAGEMENT DEVELOPMENT	* G	263-0116	80	---	---	---	---	4,000	200	---
TELE COMMUNICATIONS III	* G	263-0117	80	---	---	---	---	70,000	---	---
TOTAL FOR ACCOUNT				2,478,270	783,336	750,000	801,925	750,000	866,574	
GRANTS				487,538	92,549	464,000	164,916	475,000	247,965	
LOANS				1,990,732	690,787	286,000	637,009	275,000	618,609	

* Detailed project narrative - See Activity Data Sheet.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM **EGYPT**

CP 80-02(10-78)

PROJECT TITLE	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
				OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
TOTAL FOR COUNTRY				2,478,270	783,336	750,000	801,925	750,000	866,574	
GRANTS				487,538	92,549	464,000	164,916	475,000	247,965	
LOANS				1,990,732	690,787	286,000	637,009	275,000	618,609	

* Detailed project narrative -- See Activity Data Sheet.

TITLE Commodity Import Program IX		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars) FY 80 200,000		
NUMBER 263-CI00 GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	PRIOR REFERENCE FY 79 Congressional Presentation, p. 49	INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 80
				LIFE OF PROJECT Continuing	ESTIMATED COMPLETION DATE OF PROJECT FY 84

Purpose: The Commodity Import Program provides the Government of Egypt with financing to import from U.S. sources the machinery, equipment, spare parts, industrial raw materials, semi-finished goods, and consumables needed to increase domestic production and maintain essential services and thereby support the general welfare of its population.

Background: Despite sizeable amounts of assistance from donor countries over the past few years, Egypt continues to face significant balance of payments problems and has requested support in the form of commodity financing. Under its current financial circumstances, Egypt is unable to import the goods it needs to reconstruct and revitalize its economy and improve the daily life of its citizens. This program demonstrates continued U.S. support to the moderate Egyptian leadership. Its support of continued domestic progress helps sustain domestic stability. Although the balance of payments situation in 1980 cannot be projected with quantitative precision, the deficit is expected to reach \$2.0-\$2.5 billion. The proposed A.I.D. loan, together with financing from other donors, will help narrow this deficit. During the period FY 1975-1978 commodity import allocations have centered on:

(\$ millions)

1. Consumer Oriented Supply Commodities	389
2. Industry	398
3. Transport and Communications	156
4. Power and Electricity	71
5. Agriculture and Irrigation	55
6. Suez Canal Authority	53
7. Private Sector Small Industry	35
8. Housing and Reconstruction	25
9. Health and Education	23
Total	1,205

Host Country and Other Donors: During the three-year period 1978-1981, the International Monetary Fund is expected to provide approximately \$250 million annually in balance-of-payments support. The magnitude of Arab financing, which has been the major source of balance of payments support in the past, is subject to considerable uncertainty but is likely to continue to be significant. Other commodity loans totaling about \$75 million are expected from Japan, West Germany and other European nations. The IBRD has also provided balance-of-payments financing.

Beneficiaries: Imports financed by this program encourage greater domestic production and employment and help maintain stable prices for basic consumer items. Therefore, benefits from this program are very widely dispersed throughout the Egyptian society.

FY 1980 Program: The \$200 million requested for FY 1980 will continue balance-of-payments support to the Egyptian economy that was begun in FY 1975. These funds will provide a portion of the foreign exchange financing that is necessary for Egypt to continue the substantial development programs that have been mounted.

A.I.D. Financed Inputs:	(\$ thousands) FY 80
Machinery, Equipment, Spare Parts, Raw and Semi-finished Goods and Consumables	200,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978				
Estimated Fiscal Year 1979				
Estimated through September 30, 1979				
Proposed Fiscal Year 1980	200,000	Future Year Obligations	Estimated Total Cost 200,000	

U.S. Private Sector Suppliers to be Selected.

TITLE Applied Science and Technology Research		FUNDS Security Supporting Assistance		PROPOSED OBLIGATION (In thousands of dollars) FY 80 5,800		LIFE OF PROJECT 13,900	
NUMBER 263-0016	NEW <input type="checkbox"/>	PRIOR REFERENCE FY 79	INITIAL OBLIGATION FY 77		ESTIMATED FINAL OBLIGATION FY 80		ESTIMATED COMPLETION DATE OF PROJECT FY 81
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>	Congressional Presentation, p. 13				

Purpose: To improve Egypt's institutional capability to develop and manage science and technology research addressing priority development problems.

Background and Progress to Date: Government of Egypt (GOE) science and technology policy provides that energies and resources be directed at practical problems affecting economic and social development. However, weaknesses in planning and management, together with a shortage of laboratory equipment, have inhibited applied research on problems of national interest. This project, developed in FY 1977, is designed to improve planning and management skills, assist in carrying out research and demonstration and provide needed equipment. The Egyptian Academy of Scientific Research and Technology (ASRT) and the National Research Council (NRC), the GOE agencies responsible for coordination of activities under the program, are being assisted under the project by the U.S. National Academy of Science and National Science Foundation. Equipment repair and maintenance (R&M) facilities are being established at the NRC and five Egyptian universities. To date, 95 persons have been trained in basic and digital electronic repair. An intermediate online access to international science and technology data bases via telex is operational and two persons have been trained in science and technology information systems. Approximately \$2.1 million of needed scientific equipment has been ordered. A Joint U.S.-Egyptian Consultative Advisory Committee has been established to review research and demonstration proposals for funding. One high-level scientist has been trained to coordinate planning. An American advisor for the NRC has been appointed. Two major demonstration sub-projects concerned with nutrition and hygiene and renewable resources are being implemented and eight other research and demonstration sub-projects are being planned.

Host Country and Other Donors: The GOE is providing facilities, salaries, and equipment estimated to total \$5.0 million over the

project's life. The ASRT and NRC participate and benefit from several bilateral and multilateral science and technology projects.

Beneficiaries: The project's activities will benefit those institutions responsible for implementing development activities by providing supportive science and technology inputs necessary in the process of modernization. Direct benefits will accrue to some 16,650 scientists, technicians and research workers involved in the upgraded institutions. Two demonstration sub-projects will benefit over 15,000 rural families.

FY 1980 Program: Facilities for repair and maintenance of equipment will be completed. Final design of science and technology information systems will be completed by project-trained technicians. Two major research and demonstration sub-projects will present results. Outside specialists will conduct in-depth evaluation and results will be considered in design of new sub-project proposals.

Major Outputs:

	<u>All Years</u>
1. ASRT Top Management Personnel Trained in Current Practices in Science Policy, Planning and Management	10
2. Research and Demonstration Sub-projects Completed	10-12
3. Nationwide Scientific and Technical Information System in Place and Operating	1
4. R&M Facilities for Scientific Instruments in NRC, Universities and Other Research Entities	7-9
5. Other Trained Personnel	450

A.I.D. Financed Inputs:

	<u>FY 80 (\$ thousands)</u>
1. Technical Advisors	3,250
2. Participants	1,500
3. Commodities and Other Costs	1,050
Total	5,800

<u>U.S. FINANCING (In thousands of dollars)</u>			PRINCIPAL CONTRACTORS OR AGENCIES National Science Foundation National Academy of Science
	<u>Obligations</u>	<u>Expenditures</u>	
Through September 30, 1978	8,100	203	
Estimated Fiscal Year 1979		5,040	
Estimated through September 30, 1979	8,100	5,243	
		<u>Future Year Obligations</u>	
Proposed Fiscal Year 1980	5,800		<u>Estimated Total Cost</u>
			13,900

PROGRAM:

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE Development Decentralization		FUNDS Security Supporting Assistance		PROPOSED OBLIGATION (In thousands of dollars)		LIFE OF PROJECT
NUMBER 263-0021		PRIOR REFERENCE		FY 80	2,700	7,500
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>	FY 79 Congressional Presentation, p.16		INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE OF PROJECT
NEW <input type="checkbox"/>				FY 78	FY 82	FY 83
CONTINUING <input checked="" type="checkbox"/>						

Purpose: To increase the capacity of local village councils to carry out economic and social development projects of benefit to the local community.

Background and Progress to Date: The project forms part of a broad Government of Egypt (GOE) initiative to decentralize responsibility for services to local government. Elected local government councils now complement appointed officials at all governorate, district and village levels. In addition, Law 52, promulgated by the GOE in 1975, authorized an "account for local services and development" which allows village councils to use funds collected and generated in the villages for locally-determined purposes. At the village level, the Organization for Reconstruction and Development of the Egyptian Villages (ORDEV) augments these funds with "seed money" and provides trained personnel to assist village councils in carrying out the increased financial, managerial and evaluative responsibilities. The project will strengthen ORDEV's capacity to assist village councils through training and technical assistance; and capitalizes a Local Development Fund (LDF) which provides loans to village councils for income-producing projects. ORDEV has conducted a series of seminars to orient governorate, district and village council officials on the program and council responsibilities for management, reporting and evaluation under the project. Officials from three levels of Government are being selected for training in the US and third countries. The project is also assisting ORDEV to establish a training academy for ORDEV and local officials. Construction of the academy is underway, and should be open in 1979. The project complements two rural-oriented projects planned for FY 80 directed at basic village services and rural employment.

Host Country and Other Donors: The GOE will provide budget support estimated at \$1.8 million for costs of administering LDF, major construction costs of a training academy, and in-service

training costs.

Beneficiaries: About 550 villages are included in the A.I.D. supported program for a cost of about \$14,000 for each village project. Over the next several years, the GOE plans 100% village coverage to serve the majority of the eight million poorest rural population.

FY 1980 Program: Loans for up to 100 new village projects will be provided. The training academy will conduct in-service training for 100 officials from ORDEV, governorate, district and local councils. Participant training will be provided for 39 ORDEV and village council officials.

Major Outputs:**All Years**

1. Loans to village councils (number of loans)	300
2. Participant Training	195
3. Training academy established/local officials trained.	400

A.I.D.-Financed Inputs:**FY 80 (\$Thousands)**

1. Technical Assistance	200
2. Participant Training	270
3. Equipment and Supplies	200
4. Capitalization of LDF and other costs	<u>2,030</u>

Total 2,700

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	1,400	6	1,394	To Be Selected.
Estimated Fiscal Year 1979	2,500	1,890		
Estimated through September 30, 1978	3,900	1,896	2,004	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	2,700	900	7,500	

PROGRAM: Egypt

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE Family Planning		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0029		PRIOR REFERENCE	FY 80	LIFE OF PROJECT	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>	FY79 Congressional Presentation, p.19	7,000	23,500	
			INITIAL OBLIGATION FY 77	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 82

Purpose: To assist the Government of Egypt to strengthen family planning services and contraceptive supply services nation-wide and to increase the number of couples actively practicing family planning.

Background and Progress to Date: Egypt's population growth rate of 2.3% is hindering overall economic growth and is placing a serious strain on the ability of the Egyptian Government to provide for basic human needs such as food, shelter, and health services. A.I.D.'s assistance, which began in 1977, is coordinated by the Ministry of Health which was recently reorganized to strengthen family planning operations and administration. Project sub-activities are designed to improve the administration, supply, and outreach of Egypt's family planning program. These include: (1) training of medical and paramedical personnel; (2) increasing the supply and distribution of contraceptives; (3) expanding information and educational activities; (4) testing new approaches to provision of family planning services; and (5) construction and renovation of an obstetrics and gynecology training center. By the end of FY 1980, family planning workers (both in clinics and in outreach activities) should be in active and close contact with an estimated 60% to 70% of the target group.

Host Country and Other Donors: The World Bank and the British Overseas Development Ministry will provide \$33 million and the Government of Egypt \$27.3 million to finance construction research and community based maternal child health/family planning activities in seven governorates. United Nations assistance totaling \$10 million (1976-1980) continues to support the population and family planning board with contraceptive materials and research to test the linkages between economic development and family planning acceptance.

Beneficiaries: Women of fertile age will benefit from better health care, and acceptance of family planning services should reduce maternal and infant mortality and improved social and economic benefits because of smaller families.

FY 1980 Program: The program will focus on further expansion and analysis of integrated social services delivery systems in the pilot governorate; training of medical school graduates in basic family planning and maternal and child health care techniques; completion of obstetrics and gynecology training center; contraceptive supplies and medical equipment; expansion of information, education, and communication efforts; and improvement of private and voluntary agency delivery systems.

Major Outputs:	<u>All Years</u>
1. Integrated social service programs (villages).	302
2. Trained staff.	5,300
3. Field and clinical training sites.	2
4. Couple-years of protection.	1,440,000

A.I.D.-Financed Inputs:	<u>FY 80 (\$Thousands)</u>
1. Technical Assistance	200
2. Training	200
3. Commodities	3,000
4. Other Costs (incl. Renovations, Info., Education, & Communications Program, Private VolAg.)	<u>3,600</u>
Total	7,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	10,000	1,011	8,989	American University in Cairo
Estimated Fiscal Year 1979	6,500	5,400		
Estimated through September 30, 1979	16,500	6,411	10,089	Others to be selected
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	7,000	--	23,500	

TITLE Agricultural Mechanization		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars) FY 80 25,500		LIFE OF PROJECT 44,000
NUMBER 263-0031 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>	PRIOR REFERENCE FY79 Congressional Presentation, p.21	INITIAL OBLIGATION FY 79	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 81

Purpose: To create the institutional framework and credit mechanism through which various types of farm machinery can be purchased, effectively used and maintained by individual farmers, farmer groups or cooperatives.

Background and Progress to Date: Comparisons of food production trends with projected rapid population growth underline the vital need to increase food production through better use of modern technology including mechanization. There exists considerable scope for revitalization of production through rehabilitation/replacement of existing machinery and expansion of use of appropriate efficient small and intermediate scale mechanical equipment. The long-term required support for farm mechanization which meets appropriate technology criteria will be determined through a major technical, economic and social feasibility study undertaken in 1978. Phase I of the project will concentrate on rehabilitation/replacement of capital equipment and establishing organization/procedures to service the small farmers involving private sector trading companies in importation, demonstration, credit, maintenance/repair, etc. Farmers will be given access to credit for purchase of new or rehabilitation of old equipment. Average loans will range between \$400-\$1,000. During FY 1979, analysis of the economic and feasibility study will be completed for final design of the project. Contract advisors will assist on initiating agreements with farm equipment firms in Egypt for training, maintenance, credit and sale of equipment. The project provides new and complementary resources to various ongoing and planned projects in the agricultural sector, particularly to Water Use and Management, Rice Research and Training, Major Cereals, Small Farmer Production and Small-Scale Agricultural Development.

Beneficiaries: The number of farm families affected through credit/financing facilities will range from 38,000-60,000.

However, other project activities will affect directly or indirectly approximately one million farm families through the availability of new equipment and better service/maintenance on existing equipment.

FY 1980 Program: The program activities will include: (1) importing a line of tillage, planting, land leveling, repair and service equipment; (2) developing a testing and demonstration center for mechanization; and (3) establishing service network (farm credit, training, extension, etc.) with the private sector trading companies. A large portion of the funding will provide farmer credit to purchase locally produced farm items and to obtain services from the domestic agribusiness sector.

Major Outputs: All Years

1. Procedures and organization to deliver increased services to farmers (private sector companies).
2. Testing/demonstration prototype equipment (private sector companies).
3. Detailed long-term mechanization plan (Phase II design).
4. Trained Equipment Specialists
5. Loans for new or rehabilitation of existing equipment.

38,000-60,000

A.I.D.-Financed Inputs:

FY80 (\$Thousands)

- | | |
|-------------------------------|--------------|
| 1. Technical Assistance | 4,100 |
| 2. Training | 650 |
| 3. Commodities | 16,000 |
| 4. Credit Fund Capitalization | 3,250 |
| 5. Other Costs | <u>1,500</u> |

Total 25,500

U.S. FINANCING (In thousands of dollars)			PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures		Unliquidated
Through September 30, 1978			
Estimated Fiscal Year 1979	18,500	2,800	
Estimated through September 30, 1979	18,500	2,800	15,700
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1980	25,500		44,000

To Be Selected

TITLE Alexandria Sewerage III		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0038		PRIOR REFERENCE	FY 80	LIFE OF PROJECT	
GRANT <input checked="" type="checkbox"/> & LOAN <input checked="" type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>	FY 78 Congressional Presentation, p. 23	34,000	99,000	
			INITIAL OBLIGATION FY 77	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY. 85

Purpose: To improve the Alexandria sanitary sewerage system by rehabilitation and construction of improved collection, treatment and disposal facilities.

Background and Progress to Date: Alexandria is the principal seaport of Egypt and second only to Cairo as a population and industrial center. Its permanent population is increased by about 30% during the summer tourist season. Alexandria experiences higher enteric disease rates than any other large governorate, including Cairo. Its typhoid-paratyphoid attack rate is over 10% higher than Cairo's, and its infectious hepatitis rate more than twice as great. The A.I.D.-assisted program for Alexandria addresses sewerage system problems by providing for improved sanitary sewage treatment facilities and for the safe and environmentally-acceptable disposal of water-borne sanitary wastes. In FY 1977, A.I.D. provided a \$15.0 million loan for initial improvement to Alexandria's sewerage system including: establishment of a solid waste collection/disposal system; rehabilitation and reconstruction of existing sewer lines; and provision of new service to an unsewered area. The A.I.D.-financed efforts to assist in immediate clean-up and rehabilitation of sewage lines undertaken in FY 1978 have already resulted in very noticeable improvement in drainage and collection of sewage, particularly affecting low income areas of Alexandria. In FY 1979, a \$50 million grant will finance detailed engineering, equipment procurement and facility construction of ocean disposal systems based on studies and an environmental assessment which have determined that treatment and disposal five to six miles offshore represents the best and environmentally safest alternative.

Host Country and Other Donors: The Government of Egypt, through the General Organization for Sewerage and Sanitary Drainage (GOSSD), will provide all local currency funding required,

estimated to equal about \$175 million. No other donor participation in this project is anticipated.

Beneficiaries: The majority of the 2.3 million permanent inhabitants and tourists in Alexandria will be the direct beneficiaries of this project in the form of improved health, unpolluted environments and related cost savings. Secondary benefits will accrue to local industries and tourist service enterprises due to improved workers' health/output and environmental attractiveness.

FY 1980 Program: Clean-up and rehabilitation work initiated in FY 1978 will continue. The engineering designs prepared during FY 1979 for the outfall facility will be bid, and construction work will begin. FY 1980 inputs provide for expansion of sewage disposal through construction of a second outfall facility.

Major Outputs: All Years: New and/or rehabilitated sewage treatment facilities, including collection systems and an environmentally-acceptable sewage disposal system.

<u>A.I.D.-Financed Inputs:</u>	<u>FY 80 (\$ Thousands)</u>
1. Engineering Services	3,500
2. Equipment/Materials	<u>30,500</u>
Total	34,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	15,000 (Loan)	1,112	13,888	
Estimated Fiscal Year 1979	50,000 (Grant)	7,000		
Estimated through September 30, 1979	65,000	8,112	56,888	
Proposed Fiscal Year 1980	34,000 (Grant)	Future Year Obligations	Estimated Total Cost	
			99,000	Camp Dresser-McKee, Incorporated

TITLE Technical and Feasibility Studies		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 80 6,000	LIFE OF PROJECT 23,000	
NUMBER 263-0042	NEW <input type="checkbox"/>	PRIOR REFERENCE FY 79	INITIAL OBLIGATION FY 78	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 81
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>	Congressional Presentation, p. 11			

Purpose: To improve and expand the quality and quantity of sector assessments, analytical studies, feasibility studies and pre-project pilot activities available to the Government of Egypt.

Background and Progress to Date: A serious constraint to Egyptian economic development continues to be the shortage of thoroughly planned projects and programs suitable for financing by bilateral and multilateral institutions or private investors. Egypt has requested our assistance in conducting studies required mainly for projects proposed for U.S. financing. Similar grants have been made since 1975. By the end of FY 1979, the Mission expects to have undertaken technical and feasibility studies for Damietta Port, Regional Water Supply, Suez Area Water Supply, Edfu Pulp and Paper Mill, Suez Power Plant, Canal Cities Oceanographic Studies, and several pre-feasibility studies of industrial projects which would be potentially suitable for development by the private sector. In addition, several smaller studies will be undertaken to develop technical assistance projects, sub-sector studies, new activities resulting from the recent energy assessment, and pre-project pilot test activities which will lay the foundation for sounder project designs. As a result of studies completed under previous grants, major A.I.D. financed projects in such areas as telecommunications, water and sewage, housing, port development, and grain storage have been developed.

Host Country and Other Donors: Some bilateral donors provide similar funding for feasibility studies and project development work for projects they are considering. The Government of Egypt (GOE) provides for local costs of contracts on feasibility studies receiving A.I.D. dollar funding.

Beneficiaries: Direct beneficiaries are the GOE and potential investors. The ultimate beneficiaries will be those Egyptians

whose living standards are improved by the provision of goods and services from projects undertaken as a result of the studies.

FY 1980 Program: Six million dollars is requested for use in engaging U.S. private sector expertise to assist the GOE in a wide variety of new development project studies for public and private investments.

Major Outputs: All Years. Increased numbers of projects that are ready for financing by A.I.D. and other donors/investors during FY 1980 and beyond.

<u>A.I.D. Financed Inputs:</u>	(\$ thousands)
	<u>FY 80</u>
1. Technical Assistance	5,850
2. Other Costs (including travel)	<u>150</u>
Total	6,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	12,000	220	11,780	Various U.S. Contractors to be Selected.
Estimated Fiscal Year 1979	5,000	9,000		
Estimated through September 30, 1979	17,000	9,220	7,780	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	6,000		23,000	

PROGRAM:

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE Agribusiness Development		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0056	NEW <input checked="" type="checkbox"/>	PRIOR REFERENCE	FY 80 25,000	LIFE OF PROJECT 25,000	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input type="checkbox"/>	FY 79 Congressional Presentation, p.25	INITIAL OBLIGATION FY80	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 83

Purpose: To encourage and enlarge the role of the private sector in new agricultural production for export.

Background: Agriculture exports now account for over half of all exports with substantial potential for expansion or development of new crops for export and import substitution. New policies and incentives are being promoted to encourage foreign and domestic investments in agriculture. The Government of Egypt (GOE) has already installed major infrastructure (main canals and drains) in new agriculture areas and US and other donor programs are providing other technical and capital assistance to strengthen the sector. Sizeable capital investment is still required, however, to finance equipment, seed, technology, transportation, storage, sorting and packing facilities to expand/establish economically efficient agribusiness ventures. The proposed project will provide financing for the GOE to support US-Egyptian private sector agribusiness joint ventures and to establish a private sector promotional/credit/investment institution. The new private credit/investment institution would support and promote private agribusiness ventures both from domestic as well as international investors. In FY 1979, agribusiness sector studies and planning for the establishment of an agricultural investment/credit institution will be completed.

Host Country and Other Donors: We expect private equity capital investments (Egyptian, Arab, US or other investors) to finance over one-half of the projects or investments up to \$50 million over the life of this project.

Beneficiaries: The Egyptian economy will benefit from an increased amount of national income, foreign exchange earnings and employment from foreign and domestic investment, plus benefits from new technology, modern management and progressive credit and investment practices introduced.

FY 1980 Program: Two-large scale agribusiness ventures will be initiated with completed designs and specifications. Credit and investment mechanisms will be organized to undertake large-scale investments and feasibility studies.

Major Outputs: All Years

1. New private Agribusiness Investment Credit Institutions established. 6
2. Support services/infrastructure, e.g., transport, storage, packing facilities established.
3. New crops for export developed.

A.I.D.-Financed Inputs: FY 1980 (\$Thousands)

- | | |
|-----------------------------------|---------------|
| 1. Technical Services | 1,000 |
| 2. Training | 200 |
| 3. Equipment and Materials | 500 |
| 4. Other Dollar Costs (Sub-Loans) | 23,300 |
| Total | 25,000 |

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES To Be Selected.
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978				
Estimated Fiscal Year 1979				
Estimated through September 30, 1979				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	25,000		25,000	

TITLE Development Planning Studies		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0061		PRIOR REFERENCE FY 79 Congressional Presentation, p. 28	FY 80 3,900	LIFE OF PROJECT 7,700	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>		INITIAL OBLIGATION FY 78	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 83

Purpose: To strengthen the capabilities of Government of Egypt ministries to carry out sector, sub-sector, feasibility and pre-feasibility studies.

Background and Progress to Date: Egypt's development efforts are seriously constrained by the Government's limited capacity to plan, execute and manage development programs. Virtually every sector of the economy is affected by this weakness which impedes industrial growth, investment, income promotion, savings, and social progress. A pilot program between Massachusetts Institute of Technology (MIT) and Cairo University demonstrated the feasibility of developing an institutional capability at Cairo University to strengthen the planning and project implementation capabilities of participating ministries. To date, studies underway have influenced Government programs or policies in the areas of water resource management, urban transportation, highway maintenance, housing and construction, and macro-economic development policy. Other studies will affect Government policies on health delivery, worker migration, and small business development. In FY 1979, the Cairo University/MIT activity will be fully under way. Necessary staff is being provided, a permanent quasi-independent institution will be established at Cairo University, and at least 12 applied research studies will be active at any one time. In addition, the Institute will develop programs of advisory services and training for Government ministries.

Host Country and Other Donors: The Government is expected to provide major local cost support to the cooperative Cairo University/MIT program including, to an increasing extent, ministry financing of individual study costs. The total value of this support over the project lifetime is estimated at \$6.7 million. The possibility of other donor financing of the program is being explored.

Beneficiaries: An estimated 225 University staff and Government personnel associated with the 70 studies planned will learn techniques and skills required to develop and assess other economic and social development programs and projects. Improvements in the method by which Egyptian resources are allocated will benefit the general population.

FY 1980 Program: Applied research programs initiated in FY 1978 and FY 1979 will be completed, and an independent evaluation of the project will expand to address other priority research needs. An increasing portion of the cost of the services provided by the Institute will be funded directly by the users.

Major Outputs:	All Years
1. Institute of Technological Planning Established	1
2. Studies Completed	70
3. Personnel Trained: Cairo University Ministries	75 150
A.I.D. Financed Inputs:	(\$ thousands) FY 80
1. Technical Assistance	2,700
2. Participant Training	600
3. Commodities	200
4. Other Costs (Administrative Support, Reports, Computer Usage)	400
Total	3,900

	U.S. FINANCING (In thousands of dollars)			PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	3,800		3,800	Massachusetts Institute of Technology
Estimated Fiscal Year 1979		1,800		
Estimated through September 30, 1979	3,800	1,800	2,000	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	3,900	-	7,700	

TITLE Aquaculture Development		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0064		PRIOR REFERENCE FY79 Congressional Presentation, p.31	FY 80 12,200	LIFE OF PROJECT 27,500	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>		INITIAL OBLIGATION FY 78	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 82

Purpose: To increase fish production by 4,000 tons per year by 1986, and to help provide a capability for sustained development of the fish farming industry on an economic basis through improved institutions for planning and coordination, applied research, training and extension.

Background and Purpose to Date: The continued growth of Egypt's population together with the expected increase in per capita income will generate a rapidly increasing demand for protein food. Fish, an important element of the Egyptian diet and excellent source of inexpensive animal protein, has been in short supply in recent years. The result has been a steady rise of fish prices and lowered nutritional standards for the poorer population.

A.I.D.-financed aquaculture studies have concluded that the rapid growth in demand cannot be met by reliance on natural fisheries and existing fish farms. Based on these studies, efforts to increase fish production will include: (a) establishment of a Natural Fish Farming Center which will provide training, extension and research; (b) a model production center; (c) additional fish farms and hatcheries; (d) additional mullet fry collection centers and a new mullet hatchery; and (e) long-term training and financial support and advisory services to the entire fish farming sector. A grant agreement was executed in late FY 1978 and implementation is expected to start early in FY 1979.

Host Country and Other Donors: The Government of Egypt is providing approximately 25% of project costs for land, personnel, facilities and local cost financing. The Food and Agriculture Organization is providing about \$125,000 for technical assistance for a pilot aquaculture project. The World Bank is completing plans for a large fish farming project in Egypt. The Canadian Government is testing methods for cage and pen culture of fish.

Beneficiaries: The urban and rural population will be directly benefitted by increased supplies and reduced prices of fish and, therefore, better balanced diets.

FY 1980 Program: The focus in FY 1980 will be in: (a) the completion of new physical facilities financed in FY 1979; (b) continuation of training and planning activities started in FY1979; and (c) establishment of the revolving credit fund.

Major Outputs:All Years

- | | |
|---|---------------|
| 1. National Aquaculture working group established | 1 |
| 2. National Fish Farm Center Established | 1 |
| 3. Model Fish Farming Operation Created | 1 |
| 4. Revolving Fund Functioning and Financing | |
| Additional Acreage Devoted to Fish Production | 3,800 (acres) |
| 5. Aquaculturists trained | 45 |

A.I.D.-Financed InputsFY80 (\$Thousands)

- | | |
|---|-------|
| 1. Technical Assistance | 4,160 |
| 2. Participants | 1,870 |
| 3. Commodities | 300 |
| 4. Other Costs (Operating Expenses, Revolving Fund) | 5,870 |

Total

12,200

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	3,500	-	-	To Be Selected
Estimated Fiscal Year 1979	11,800	2,550		
Estimated through September 30, 1979	15,300	2,550	12,750	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	12,200		27,500	

TITLE Urban Low-Cost Health Delivery		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars) FY 80 20,300		LIFE OF PROJECT 25,300
NUMBER 263-0065 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>	PRIOR REFERENCE FY79 Congressional Presentation, p.32	INITIAL OBLIGATION FY 79	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 84

Purpose: To demonstrate an urban health care delivery system capable of providing curative and preventative services to the majority of the residents at costs affordable to the society. Features of the demonstration would be replicable in other urban areas.

Background and Progress to Date: The Government of Egypt (GOE) has a large and complex system for health delivery in urban areas that relies on central facilities with little outreach capacity. The GOE desires to provide more efficient urban health services. This project will assist the Ministry of Health in improving overall operations and services, particularly outreach to the poorer neighborhoods of Cairo by providing assistance in: (1) decentralizing the organization of most services; (2) coordinating the training, treatment and referral functions of the Ministry of Health, the Ministry of Social Affairs, universities and private health systems; (3) improving management, administration and supervision; (4) introducing stronger elements of preventive care, MCH and family planning throughout the system; (5) emphasizing delivery of services in the neighborhood; and (6) construction and renovation of urban health facilities.

Host Country and Other Donors: The Government of Egypt will provide local cost financial support for implementation of improved systems and a cost-share of the construction and renovation of facilities that will be needed. The World Health Organization and UNICEF have supported urban health delivery by providing technical assistance and equipment for maternal and child health activities. The World Bank is supporting a health/population-oriented project in selected areas of Cairo. These programs are well coordinated with the U.S. urban health project.

Beneficiaries: The project will benefit directly an estimated population of 1.7 million who reside in the target area of Cairo.

Of these, 66% are in the low-income bracket and approximately 625,000 are women of child-bearing age and children under six years of age. These latter groups constitute the primary target to be reached under the project. Project cost per population served is estimated at about \$15 over the life of the project.

FY 1980 Program: Health sector assessment studies in the project area, local training in urban health services delivery, management and maintenance and participant training will continue. Home visitor, oral rehydration and other health service innovations will be initiated and commodities procured for these activities. Based upon the findings and recommendations of studies to be conducted during FY 1979, construction and renovation of urban health facilities will be initiated.

Major Outputs:

	All Years
1. Trained Personnel	1,500
2. MCH Centers Renovated, Equipped, Staffed	10
3. Intermediate Health Care Units Established	14
4. Referral Pediatric Hospital and Training Center Functioning	1
5. Improved Management and Administration	

A.I.D.-Financed Inputs:

	FY80 (\$Thousands)
1. Technical Assistance	900
2. Participant Training	600
3. Equipment and Supplies	4,000
4. Construction and Renovation	14,100
5. Other Costs (In-Country Training, Social and Evaluation Studies)	700

Total 20,300

U.S. FINANCING (In thousands of dollars)	PRINCIPAL CONTRACTORS OR AGENCIES		
	Obligations	Expenditures	Unliquidated
Through September 30, 1978			
Estimated Fiscal Year 1979	5,000	900	
Estimated through September 30, 1979	5,000	900	4,100
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1980	20,300	--	25,300

To Be Selected

PROGRAM: Egypt

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE Low-Income Housing and Community Upgrading		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		LIFE OF PROJECT
			FY 80	30,000	80,000
NUMBER 263-0066	NEW <input type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION FY 78	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 83
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>	FY79 Congressional Presentation, p.33			

Purpose: To design policies and plans for low-cost housing and to assist the Government of Egypt (GOE) to provide improved low-cost housing through upgrading existing informal settlements and constructing a new community for low-income families.

Background and Progress to Date: The GOE has placed a high priority on meeting the housing needs of its population, particularly the poor, but recognizes that a new approach is required which combines the resources of the public and private sector in a co-ordinated fashion. In response to a request from the GOE, A.I.D. financed a series of studies of the housing market. Growing out of these studies was a series of policy changes on the part of the Government and a number of jointly agreed upon working objectives between the GOE and A.I.D.: (1) reduce housing subsidies; (2) recover a larger percentage of the costs from the target population; (3) distribute subsidies in accordance with the ability of beneficiaries to pay; (4) extend to the lower-income groups housing finance with a rationalized interest structure; (5) mobilize private savings to be invested in the private sector; (6) encourage private sector to participate in all aspects of the housing program; and (7) develop better planning and building standards. As a result, A.I.D. has agreed to participate in a program to: construct new housing for low-income families; upgrade six existing informal settlements; provide integrated community services in these project areas; and assist the GOE in developing a national urban land policy. In FY 79, major design work will be completed, training in support of service programs will be initiated and linked to other A.I.D. programs, and commodities and equipment related to upgrading of finance facilities will be procured.

Host Country and Other Donors: The GOE will contribute \$80 million in local currency to the project. The World Bank is assisting in the development of a \$21 million sites and services, core housing and upgrading program in Alexandria, Assiut and a small area of Cairo.

Beneficiaries: The direct project beneficiaries will be approximately 125,000 Cairenes living in the six upgraded areas and 35,000 people who will obtain small core expandable housing units in the new community. The average cost per beneficiary will be \$188 per person in FY 80 and \$500 over the life of the project.

FY 80 Program: The construction of the off-site and first section of the on-site infrastructure and initial section for the housing/community buildings in the new community will be undertaken in early CY 80. Loans will be made in the upgrading areas and technical assistance will be provided in housing and land policy.

Major Outputs:

All Years

1. Demonstration Projects
 - a. Upgraded Informal Settlements (125,000 pop.) 25,000 loans
 - b. New Community Development (35,000 pop.) 7,000 loans
 - c. Better Services in Project Areas: Schools (21), Health, Social, and Training Centers, Water and Sewerage Facilities
2. Direct Employment Generation 12,000 work yrs.
 - a. During Construction Period (10,000 work yrs.)
 - b. After Construction Period (2,000 work yrs.)
3. Housing Finance Systems Improved 1
4. Feasibility Studies (Housing/Land Policy) 3
5. Trained Personnel 330

A.I.D. Financed Inputs:

(\$ thousands)

- | | |
|--|--------|
| | FY 80 |
| 1. A&E Services | 1,200 |
| 2. Equipment/Materials (Imported) | 14,300 |
| 3. Local Materials (Cement, Steel, etc.) | 13,300 |
| 4. Technical Assistance/Training | 1,200 |
| Total | 30,000 |

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	50,000		50,000	
Estimated Fiscal Year 1979		10,980		
Estimated through September 30, 1979	50,000	10,980	39,020	
Proposed Fiscal Year 1980	30,000	Future Year Obligations	Estimated Total Cost	
			80,000	To Be Selected

TITLE University Instructional Materials and Libraries		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0067		PRIOR REFERENCE FY 79 Congressional Presentation, p. 34	FY 80 1,500	LIFE OF PROJECT 20,000	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>		INITIAL OBLIGATION FY 79	ESTIMATED FINAL OBLIGATION FY 83	ESTIMATED COMPLETION DATE OF PROJECT FY 84

Purpose: To introduce modern instructional materials into selected Egyptian universities.

Background and Progress to Date: Education in Egypt has a high priority and is available without cost to the user from elementary through higher education. Since 1952, enrollment at the university level has increased from 35,000 to 400,000. Unfortunately, the current higher education system is not turning out the types of expertise required to meet and support Egypt's socio-economic goals. The problem is quite complex and has many aspects deeply ingrained in tradition highly resistant to change. The long-range solutions will require major policy changes, better planning and major resources. There are, however, short-term effective means to improve the quality of instruction and guide instruction toward practical applications through modernization of instructional materials and training in their effective use. This project will provide university instructional materials to selected universities and assist in the development of model libraries and learning resource centers. In FY 79, training in the United States, in-country demonstrations and testing of processes for adapting new materials and techniques will be initiated. Materials will be procured for translations, reprinting and distribution.

Host Country and Other Donors: The Government of Egypt will provide cost-share financing of construction and renovation of facilities for model libraries and learning resource centers and will facilitate the development of the local publishing industry to produce low-cost editions of modern textbooks in Arabic and English. Cost-share of construction and renovation is estimated at \$32.0 million, or 66% of the total.

Beneficiaries: A majority of the 400,000 students, plus graduates and professors participating in various development studies will

benefit from the new materials, systems and services provided through this project. The nation's development programs will benefit from better human resources developed at the university. The major teacher-training institution in Egypt will have begun the process of changing the way teachers will teach in the future at the primary and secondary schools in the country.

FY 1980 Program: A.I.D. will finance publication of low-cost Arabic translations and low-cost reprints of selected American university textbooks and other instructional materials. Plans for two model university library-resource centers and a library science school will be developed and modern education technologies will be introduced, tested, adapted and revised for use in Egyptian universities.

Major Outputs:

	<u>All Years</u>
1. Model University Libraries Developed	3
2. School Library Science Developed	1
3. Professors Trained-Retrained	150
4. Textbooks Translated/Published (000)	1,500
5. Reference Materials, Journals, Other Provided (000)	50
6. Model University Technology Learning Centers	2

A.I.D. Financed Inputs:

	(\$ thousands)
	<u>FY 80</u>
1. Contract Services	400
2. Participant Training	300
3. Commodities	700
4. Other Costs (including reference materials, etc.)	100
Total	1,500

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978				
Estimated Fiscal Year 1979	2,500	1,000		
Estimated through September 30, 1979	2,500	1,000	1,500	
Proposed Fiscal Year 1980	1,500	16,000	20,000	

To Be Selected.

PROGRAM: EGYPT

ACTIVITY DATA SHEET

CP 80-05 (10-78)

TITLE Provincial Water and Sewerage		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 80 36,000	LIFE OF PROJECT 36,000	
NUMBER 263-0073	NEW <input checked="" type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input type="checkbox"/>	None	FY 80	FY 80	OF PROJECT FY 84

Purpose: To improve the general health and quality of life of approximately two million people in provincial population centers by constructing and/or improving water and sewerage systems.

Background: The present population of Egypt is about 40 million. Of these, some 4.8 million live in provincial towns with populations greater than 10,000. It is estimated that only about 50% of the population of the provincial towns are directly served with piped water. This figure is misleading, as the supply is intermittent owing to insufficient production, inadequate storage, large system losses and pumping deficiencies. With the exception of the cities of Cairo and Alexandria, only 18 other population centers have some form of sewerage systems serving only about 30%-45% of the people in these centers. In the existing provincial systems, the collection, pumping and treatment facilities are old and in a poor state of repair. As may be expected, the resultant incidence of diseases is high. Because of the general inadequacy of water supply and sewerage services, the World Bank (IDA) is presently providing finance for a \$2.0 million study to help prepare a regional water supply plan. While this study will identify areas with urgent water problems, it will not address the critical wastewater problems. This project will provide for foreign exchange costs required to address the basic water and sewerage problems in the selected areas, design and engineering services, construction equipment and materials, and construction supervision.

Host Country and Other Donors: Egypt is expected to provide for local costs estimated to equal about \$75.0 million. IDA anticipates financing some of the identified water projects. However, because of the magnitude of the problem, IDA's work will probably be confined to the Governorates of Behera and Kafr El Sheikh. A.I.D. and IDA have held several discussions on this project, and

close planning, coordination and cooperation are being maintained to prevent duplication.

Beneficiaries: Direct benefits will accrue to about 35,000 lower-income families now presently resident in areas poorly-served by water and sewerage utilities. In terms of better health and well-being, overall health and well-being benefits will result to the whole population of these urban areas by providing safe water supplies and from the collection and reduced discharge of untreated wastes from populated areas.

FY 1980 Program: The project will consist of the planning, design and construction and/or improvement of potable water and sewerage systems in provincial towns. Technical assistance will be provided to improve the operation and managerial capabilities of the local operating staffs and to establish the appropriate service rate schedules needed to sustain the financial viability of these systems.

Major Outputs: All Years

- | | |
|---|---|
| 1. New or Rehabilitated Potable Water Facilities | 3 |
| 2. New, Rehabilitated or Expanded Sewerage Facilities | 3 |

A.I.D. Financed Inputs: (\$ thousands)
FY 80

- | | |
|----------------------------|---------------|
| 1. A&E Services | 5,000 |
| 2. Equipment and Materials | <u>31,000</u> |
| Total | 36,000 |

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978			.	
Estimated Fiscal Year 1979				
Estimated through September 30, 1979				
Proposed Fiscal Year 1980	36,000	Future Year Obligations	Estimated Total Cost 36,000	

To Be Selected.

TITLE Small Farmer Production and Credit		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0079		PRIOR REFERENCE FY 79	FY 80 5,500	LIFE OF PROJECT 12,500	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>	Congressional Presentation, p. 39	INITIAL OBLIGATION FY 79	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 84

Purpose: To increase agriculture productivity and small farm income by making production inputs more readily available.

Background and Progress to Date: Given Egypt's limited lands for agricultural production, precision in the timing of production inputs is required in order to maximize soil, water and plant relationships over time. Under this project, initial efforts will be directed toward assisting the recently established Village Bank system, under the supervision of the Principal Bank for Development and Agricultural Credit, in providing required types and quantities of production inputs, particularly credit, on a timely basis to the farmer. As the project progresses, increasing attention will be directed toward the development of an effective input delivery system more directly responsive to farmer requirements. This will include encouragement and development of a greater role for the private sector to augment the totally government system which now exists. The provision of technical assistance at the national level to the Principal Bank by a separate World Bank project will permit this project to focus more directly on necessary improvements at the farm production level. Credit activities under this project will be available to support a number of A.I.D.-supported projects, particularly the Major Cereals and Rice Development projects.

Host Country and Other Donors: The World Bank will provide technical assistance to the Principal Bank in loan servicing and packaging and for review of basic loan policy as part of their Agricultural Development Project. Inputs from the Government of Egypt will approximate \$3.0 million for loan capital, salaries, land and operating costs.

Beneficiaries: Beneficiaries will be in both "old" lands and newly reclaimed lands. It is anticipated that 125,000 to 150,000 families will be directly benefited over the life of the project

with new technology and benefits spreading to larger numbers as systems are developed.

FY 1980 Program: Activities will focus on provision of farmer services through the establishment and development of five new Village Banks in previously unserved areas. A loan fund will provide capital for loans to be channeled through these five model Village Banks. Approximately 30 employees of these banks will receive short-term training in modern banking practices, particularly management of rural credit. In other selected areas, where Village Banks are already in operation, the project will provide funds for renovation and construction of warehouses for fertilizer, pesticides and other agricultural inputs to reduce waste and spoilage. Transportation equipment for handling and delivery of agricultural inputs will also be provided to selected locations.

Major Outputs:	<u>All Years</u>
1. Baseline Survey	1
2. Loan Fund Capitalized	
3. Storage Warehouses	140
4. Transportation Trucks	40
5. Village Banks Modernized	23
6. Personnel Trained	385

A.I.D. Financed Inputs:	(\$ thousands)
	<u>FY 80</u>
1. Technical Assistance	1,400
2. Training	200
3. Commodities	900
4. Storage Facilities (LE Cost)	<u>3,000</u>
Total	5,500

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978				
Estimated Fiscal Year 1979	7,000	1,500		
Estimated through September 30, 1979	7,000	1,500	5,500	
Proposed Fiscal Year 1980	5,500	Future Year Obligations	Estimated Total Cost	
			12,500	To Be Selected.

PROGRAM: EGYPT

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE Lake Quarun Chemicals		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0085		PRIOR REFERENCE None	FY 80 25,000	LIFE OF PROJECT 25,000	
GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>		INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 83

Purpose: To increase Egypt's production of sodium chloride and other chemicals to meet projected domestic demand; secondarily, to stabilize the salinity of Lake Quarun and thereby maintain the existing fish population in the lake as an important food source for the area.

Background: The salinity level of the Lake at Fayoum (Lake Quarun) exceeds the level of ocean water. Currently, Egypt is barely self-sufficient in sodium chloride and with population growth, will shortly need to import this basic material for human consumption and for industrial processes. Plans have existed for many years to harvest sodium chloride from Lake Quarun, but the project has not been implemented due to a shortage of foreign exchange. This project will assist El Nasr Salines Company, an existing public sector company, in the design, engineering, procurement of equipment and construction of a chemical process facility capable of producing 108,000 tons of sodium sulphate; 7,500 tons of sodium sulphide; 21,000 tons of magnesium oxide and 200,000 tons of sodium chloride. Training also will be provided. A British consulting-engineering firm, under contract with El Nasr Salines, completed a preliminary technical and financial study of the project in August 1976. A U.S. consulting-engineering firm will be selected to prepare a detailed feasibility study of the project in early 1979. A.I.D. will finance the foreign exchange cost of the U.S. consultant from its Feasibility Studies Project.

Host Country and Other Donors: El Nasr Salines will finance the Egyptian currency costs required for operations and all other local currency costs required for the project. Total contribution should exceed \$10.0 million during the life of the project.

Beneficiaries: Domestic production of chemicals (including the sodium chloride) will benefit various industrial firms also

providing savings in foreign exchange and new employment opportunities from expanded plant operations. Sodium chloride is an important basic consumer food item and increased availability of sodium chloride at reduced prices will benefit the entire population. Important food benefits from an improved fish culture will develop after several years of the plant's operation.

FY 1980 Program: The selection of consulting engineers for design, procurement and construction services will be completed. Initial project implementation will commence.

Major Outputs: All Years: A fully-operating chemical process plant adequately staffed by trained personnel.

A.I.D.-Financed Inputs:	FY 80 (\$ Thousands)
1. A&E Services	2,300
2. Equipment/Training	<u>22,700</u>
Total	25,000

U.S. FINANCING (In thousands of dollars)			PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	
Through September 30, 1978			To Be Selected
Estimated Fiscal Year 1979			
Estimated through September 30, 1979			
		Future Year Obligations	
Proposed Fiscal Year 1980	25,000		
		Estimated Total Cost	25,000

TITLE Cairo Sewerage		FUNDS Security Supporting Assistance		PROPOSED OBLIGATION (In thousands of dollars) FY 80 75,000		LIFE OF PROJECT 100,000
NUMBER 263-0091	NEW <input type="checkbox"/>	PRIOR REFERENCE FY 79 Congressional Presentation, p. 42		INITIAL OBLIGATION FY 78	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 85
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>				

Purpose: To improve the general health and quality of urban life for the approximately eight million residents of the greater Cairo area by expansion of the sewage collection system's capacity and coverage, and by providing improved sewage treatment and disposal facilities.

Background and Progress to Date: Cairo consists of an urbanized area of about 260 square kilometers. Of this area, it is estimated that only about 74% is sewered, and only about 45% of the buildings are connected to the public sewer system. Approximately 50% of the sewage collected is passed through treatment works for minimal treatment; the remainder is discharged untreated into open drains. It is clear that, with an ever-increasing population in the Cairo area and with the expansions underway to the potable water systems, it will be necessary to expand and upgrade the present sewerage system. Studies of the system indicate a need for about \$600.0 million to rehabilitate and construct a minimum standard system to service Cairo through 1990. In FY 78, A.I.D. provided \$25 million for the initial repair and rehabilitation improvements of the system as set forth in the master plan for further design, and training. FY 80 financing will provide \$75 million for the expansion of the sewerage system into heavily populated areas not presently sewered, including rehabilitation and expansion of the sewerage treatment works to reduce the amount of untreated sewerage being discharged into open drains.

Host Country and Other Donors: The Government, through the General Organization for Sewerage and Sanitary Drainage, will provide all local currency required, estimated at about \$350 million equivalent. The British Government has proposed funding an additional \$100.0 million equivalent beginning in FY 79 to further improve the system. The UK and U.S. efforts will be worked out in close coordination with a joint engineering effort. It is expected that other Arab donors will also participate in financing specific

elements in the program.

Beneficiaries: The direct benefits of this project, in terms of better health and unimpaired earning capacity, will accrue foremost to the estimated 1.5 million of the lower-income families now resident in presently-unsewered areas. However, overall health benefits will result from reduced discharge of untreated wastes on agricultural lands and into open drains adjacent to populated areas.

FY 1980 Program: New resources will provide for construction of additional pump stations, main sewer collectors and treatment facilities to expand the system in order to handle projected flows through the year 1990. This program will be closely coordinated with assistance provided by the British Government.

Major Outputs: All Years

- | | |
|--|---|
| 1. New or rehabilitated sewerage treatment facilities. | 2 |
| 2. Expansion of the collection network into presently-unsewered areas. | |

A.I.D.-Financed Inputs: FY 80 (\$ Thousands)

- | | |
|----------------------------|---------------|
| 1. Engineering Services | 4,000 |
| 2. Equipment and Materials | 71,000 |
| Total | 75,000 |

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	25,000 (loan)		25,000	
Estimated Fiscal Year 1979		2,000		
Estimated through September 30, 1979	25,000	2,000	23,000	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	75,000 (grant)		100,000	To Be Selected

PROGRAM:

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE Industrial Free Zones		FUNDS Security Supporting Assistance		PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0093		PRIOR REFERENCE		FY 80	10,000	LIFE OF PROJECT 10,000
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	FY 79 Congressional Presentation, p.44		INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 83

Purpose: To develop industrial free zones for foreign and domestic private capital investments in industries for both export and domestic markets.

Background and Progress to Date: The Government of Egypt's "open door" policy (Law 43) includes provision for free zones as a means of stimulating foreign and domestic private investment, employment generation and exports. Legislation provides for tax advantages, release from exchange controls and other incentives on export-related trade. Free Zones are being developed in Cairo, Alexandria, Port Said and Suez based on Egypt's potential advantage in exports for the Middle East markets. The Egyptian Government has requested assistance from the U.S. to review plans and policy and to provide needed resources for expansion/strengthening of Free Zone sites and services. Working with the Foreign Investments and Free Zone Authority, A.I.D. will assist in (a) surveys of markets and product demand; (b) technical assistance in the organization and operations of industrial free zones and (c) design and development of infrastructure (electric, sewer, water, communications, transport, buildings, etc.) for existing or new industrial free zones. In FY 1979, under separate funding, surveys of markets and analysis of existing operations and facilities will be completed and a phased master plan for industrial free zones will be prepared.

Host Country and Other Donors: The Government will provide local cost financing and counterpart staff. West Germany is providing assistance for the establishment of a free zone in Alexandria.

Beneficiaries: New or expanded facilities and services will provide for the establishment of 100 new ventures and service capacity for an additional 100 over subsequent years. The Egyptian economy will benefit through increased employment and

foreign exchange earnings by free zone exporters.

FY 1980 Program: Selection and beginning operation by a U.S. firm for design, detailed engineering, specification writing, procurement and construction. Equipment and materials procurement, training programs and promotion efforts will be initiated.

Major Outputs:	All Years
1. Free Zone Master Plan	1
2. Conceptual, organizational and operational improvements of the Authority.	1
3. Sites/services complex developed or improved.	1

A.I.D.-Financed Inputs:	FY 80 (\$Thousands)
1. Technical and Engineering Services	880
2. Equipment, Materials, Infrastructure	8,600
3. Training, Maintenance, Promotion	520
Total	10,000

U.S. FINANCING (in thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978				
Estimated Fiscal Year 1979				
Estimated through September 30, 1979				
Proposed Fiscal Year 1980	10,000	Future Year Obligations	Estimated Total Cost 10,000	

To Be Selected

TITLE Private Sector Credit		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars) FY 80 25,000		LIFE OF PROJECT 65,000
NUMBER 263-0097	NEW <input type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION FY 79	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 82
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>	FY 79 Congressional Presentation, p.48			

Purpose: To provide needed medium-term credit support for financing new or expanding Egyptian private sector industry.

Background and Progress to Date: Egypt's development strategy places heavy reliance on private sector expansion for increasing production, foreign exchange earnings and employment generation. However, this expansion is constrained by lack of term credit for new and existing industry. Additional institutions and credit mechanisms are needed to permit improvements in the spotty but aggressive growth of the private sector. Based on A.I.D.'s experience with assistance to the Development Industrial Bank (DIB) over the last two years, plans are being developed in FY 79 for an expanded credit and technical assistance program for both the large/medium class of industry and also the small-scale artisan class. In FY 79, a \$40 million initial credit was made available to several banking institutions, principally for sub-loans to small-scale industry and artisans. This project will also provide advisory services and equipment to improve bank operations in carrying out these programs. A major element will be technical assistance and training to banks in credit analyses of small-scale industry. The project complements grant programs to the DIB for large and medium-size private business credit and a technical assistance program to modernize training and banking procedures and a program to directly-support/advise private sector entrepreneurs.

Host Country and Other Donors: The Egyptian Government, World Bank and other donors presently support the DIB and other banks with concessionary loans. The Government of Egypt is providing related programs with personnel and facilities to support the strengthening of lending institutions and streamlining credit policies and procedures.

Beneficiaries: Private sector business establishments, including small-scale industries and artisans, will benefit through increased availability of credit and improved procedures and services. The Egyptian population will benefit from increased productivity, creation of new jobs and a greater amount and variety of goods and services.

FY 1980 Program: During FY 80, additional credit facilities, together with technical assistance for financial institutions, will be made available to continue and expand the program.

Major Outputs: All Years

Additional credit facilities for private sector development will be developed. Medium-term credit for private enterprises will be provided and the effectiveness of financial institutions will be improved.

A.I.D.-Financed Inputs:	FY 80 (\$ Thousands)
1. Technical Assistance	700
2. Participants	200
3. Commodities	100
4. Private Sector Credit Funds	24,000
Total	25,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978				To Be Selected
Estimated Fiscal Year 1979	40,000	1,200		
Estimated through September 30, 1979	40,000	1,200	38,800	
Proposed Fiscal Year 1980	25,000		65,000	
		Future Year Obligations	Estimated Total Cost	

TITLE Industrial Production		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0101			FY 80	25,000	LIFE OF PROJECT 95,000
GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>	PRIOR REFERENCE Advice of Program Change #363, August 15, 1978	INITIAL OBLIGATION FY 78	ESTIMATED FINAL OBLIGATION FY 81	ESTIMATED COMPLETION DATE OF PROJECT FY 84

Purpose: To increase industrial output, improve product quality and reduce improper disposal of industrial waste.

Background and Progress to Date: Industry represents a large and increasingly significant sector of the Egyptian economy. Industry's share of Gross Domestic Product increased from about 10% in 1946 to about 21% in 1975. The sector also was responsible for some 35% of total exports. The Egyptian industrial sector is dominated by about 200 large public sector companies. In 1975, these companies generated three-fourths of total production output and provided about one-half of the total industrial employment. Recent performance, with respect to aggregate output growth in real terms, was 2.6% per annum in 1974 but increased to 9.1% per annum in 1975. Despite this improved performance, it falls far short of the potential since few, if any, firms operate near capacity. The primary constraint is shortage of modern equipment; most equipment is outdated and worn out. Additionally, few technical improvements have been made in the past two decades, either in product quality or production techniques.

The A.I.D. program for industrial production will provide funds to the existing public sector industrial companies for replacement of equipment, elimination of production bottlenecks and the correction of technical/managerial deficiencies. Additionally, funds will be made available to industrial firms for investments which will reduce harmful environmental acts. Candidate industrial companies will be selected by A.I.D. and the General Organization for Industrialization based on a satisfactory study which covers the technical feasibility, economic desirability and commercial viability of the company and its effect on the environment. Studies of five industrial sub-sectors have been completed by foreign consultants through funding by the World Bank. These studies will provide the initial basis for selection of candidate projects. Activities programmed in FY 78 will continue into

FY 79 to assist selected industries. Experience gained through implementation of projects funded in FY 78 and FY 79 will be incorporated in the project design of the FY 80 program.

Host Country and Other Donors: Direct Egyptian Government contribution is expected to reach \$900,000. Participating industries are expected to provide internally-generated company funding to total some \$44.7 million.

Beneficiaries: Increased industrial output will result in additional economic growth-earnings and savings of needed foreign exchange through a reduction in imports. In addition, new/expanded production will provide new employment and income opportunities for the population. Of major importance will be the benefits resulting from the environmental improvements in waste disposal which are now a major hazard to the health and welfare of the population.

FY 80 Program: Approximately 10 candidate projects will be selected for assistance with management, operations, provision of needed equipment, and technical services.

Major Outputs: All Years

1. Increased industrial production, that is economically beneficial to Egypt, from approximately 20 existing industrial companies.
2. Improved human health safeguards and environmental standards.

<u>A.I.D. Financed Inputs:</u>	(\$ thousands)
	FY 80
Consultant Services	800
Machinery and Equipment	24,200
Total	25,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	53,945		53,945	To Be Selected
Estimated Fiscal Year 1979	16,000	12,200		
Estimated through September 30, 1978	69,945	12,200	57,745	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	25,000	55	95,000	

TITLE Basic Village Services		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 80 6,300	LIFE OF PROJECT 6,300	
NUMBER 263-0103	NEW <input checked="" type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 85
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input type="checkbox"/>	None			

Purpose: To augment the skills of village-level technical and managerial officials to plan, upgrade and manage village infrastructure and services.

Background: The project is part of a broad initiative by the Government of Egypt (GOE) to increase village-level services and to decentralize local government responsibility for the development of village services. The Government has undertaken a range of activities in various ministries which carry out programs at the village level. A central objective of these programs is to develop a mechanism to allow the greatest participation in the decision-making process by as large a group of local people as possible. One of these programs is a major rural infrastructure project under the terms of the PL 480 Title III provision. Under the Title III project, the GOE will finance rural infrastructure activities and the United States provides PL 480 loan forgiveness equal in value to the agreed-upon GOE investment. The Basic Village Services project will train local officials in the required technical and managerial skills to plan for and execute modern infrastructure and utility-type programs. It will also provide for technical advice regarding implementation methods for rural works projects to the various GOE agencies that carry out these programs. Other support surveys and research studies will also be funded to investigate employment and other socio-economic effects associated with rural works programs. The project complements other rural-oriented programs directed at rural employment and development decentralization.

Host Country and Other Donors: GOE-planned investment under the parallel PL 480 program will reach \$75.0 million over the life of the project. Other GOE contributions for the project will reach \$1.5 million. There are no other donor programs in this area.

Beneficiaries: In the first two years of operation this project will directly benefit 570 Egyptian villages with a combined population that could exceed 10 million inhabitants.

FY 1980 Program: During the first year, technical advisors will assist the GOE to undertake a major analysis of technical planning and managerial problems in the provision of basic village services. A training program will begin to train a cadre of provincial level staff with technical and management skills.

Major Outputs:

All Years

- | | |
|---|-----|
| 1. Basic Village Service Sector Analysis | 1 |
| 2. Trained Village Council Core Groups (Two Technicians, One Planner, Two Financial Managers, Two Maintenance Technicians) | 200 |
| 3. Trained Provincial Core Groups (Four Technicians, Four Planners, Six Financial Managers, Four Maintenance Support Specialists) | 10 |
| 4. Technical and Management Plans for: | |
| - New Potable Water Supplies | 200 |
| - Extended Potable Water Systems | 200 |
| - Other Village Service Projects | 800 |

A.I.D. Financed Inputs:

(\$ thousands)
FY 80

- | | |
|-------------------------|-------|
| 1. Technical Assistance | 3,600 |
| 2. Participant Training | 1,800 |
| 3. Training Equipment | 900 |

Total 6,300

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978				
Estimated Fiscal Year 1979				
Estimated through September 30, 1979				
Proposed Fiscal Year 1980	6,300	Future Year Obligations	Estimated Total Cost 6,300	

To Be Selected.

PROGRAM: EGYPT

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE Rural Employment Generation		FUNDS Security Supporting Assistance		PROPOSED OBLIGATION (In thousands of dollars)		
				FY 80	2,000	LIFE OF PROJECT 25,000
NUMBER 263-0104	NEW <input checked="" type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input type="checkbox"/>	None	FY 80	FY 84	OF PROJECT FY 85	

Purpose: To create off-farm employment opportunities and facilities expansion and improvements of selected rural industry.

Background: Much of the rural manpower in Egypt is not fully productive. A major factor is that about one-half of the rural population does not own land and is dependent on agriculture for seasonal employment. The major non-farm employment sources -- food processing, textiles, woodwork, metal work -- are poorly developed or are not integrated into regional and national markets which, in turn, discourages new investments/job creation possibilities. This project seeks to identify selected rural areas which have sufficient potential or comparative advantages in non-farm employment and areas which can be shown to be economically sound for new investment. Technical and capital assistance will be provided to appropriate units at the governorate level or entrepreneurs in selected areas to establish or improve rural based production. Technical advisors will provide assistance in project appraisal, planning, marketing and other required services plus coordinate selected U.S. and in-country training. Capital assistance will provide loans to about 2,250 small and medium-size rural production enterprises during the life of the project. The project will draw support from other A.I.D.-financed projects in agriculture, industrial development, private sector and rural development.

Host Country and Other Donors: The Government of Egypt, at the selected governorates, will provide direct and indirect local cost support and personnel at an estimated cost of \$6.5 million over the life of the project. Private voluntary organizations will be encouraged to support the program as appropriate.

Beneficiaries: Direct short-term beneficiaries of this project will be the 12,500 newly-employed rural workers and indirect short-

term beneficiaries will be the 100,000 rural workers in enterprises deriving services but not capital from the project.

FY 1980 Program: A national inventory of rural non-farm production activities will be undertaken which will permit the selection of an initial group of governorates with potential for new non-farm productive employment. An intensive sub-sector analysis will be conducted on one or more production areas within each of the selected governorates to permit development of specialized appraisal, planning and lending capacities at the governorates. The first year will be entirely technical assistance (including appropriate participant training) necessary to prepare for subsequent capital funding.

	(\$ thousands)
<u>Major Outputs:</u>	<u>All Years</u>
1. Loans to Medium-size Rural Production Enterprises	250
2. Loans to Small Rural Production Enterprises	2,000
3. New Jobs in Medium Enterprises	2,500
4. New Jobs in Small Enterprises	10,000
5. Technical Services to Non-farm Enterprises	10,500

	(\$ thousands)
<u>A.I.D. Financed Inputs:</u>	<u>FY 80</u>
1. Technical Assistance	1,600
2. Participant Training	400
Total	2,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978				
Estimated Fiscal Year 1979				
Estimated through September 30, 1979				
Proposed Fiscal Year 1980	2,000	23,000	25,000	

To Be Selected.

TITLE Irrigation Pumps		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0107		PRIOR REFERENCE None	FY 80 15,000	LIFE OF PROJECT 15,000	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>		INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 82

Purpose: To increase agricultural production through reliable supply of irrigation water.

Background: Egypt has one of the longest histories of continuous agriculture. With the advent of the Aswan Dam, which now controls the Nile River waters, irrigation and distribution is primarily through a series of primary and secondary channels from the Nile. Most of the primary channels are dependent on the use of pump stations to provide a reliable and adequate supply of water. There are over 1,000 pump stations, most of which are in need of repair or rehabilitation because of lack of spare parts and age of equipment. In FY 1977, A.I.D. authorized a loan of \$11.0 million to rehabilitate 34 of these pump stations. Actions to bring these stations to an operational state are underway and maintenance and workshop programs are being established. Under this proposed program, an additional 30 pump stations will be rehabilitated and maintenance and workshop programs expanded. The project is complemented and coordinated with the A.I.D. technical assistance Water Use and Management project which focuses on improved on-farm water use practices for increased agricultural production. An A.I.D.-financed consultant is now preparing a rank order and proposed schedule of primary pump stations which are in most critical need of repair or replacement. The experience gained from the FY 1977 program will be incorporated in the design of the expanded program.

Host Country and Other Donors: The Government of Egypt will provide all local currency support estimated to equal about \$50.0 million.

Beneficiaries: The primary beneficiaries will be the estimated two million small farmers directly or indirectly served by the

rehabilitated pump stations and maintenance programs. Costs per family unit affected is nominal. Benefits will spread to larger farm populations as maintenance and rehabilitation programs are improved through experience and inputs from this program.

FY 1980 Program: Selection of a consultant engineering firm to assist in planning and implementation will be completed and procurement of equipment will be initiated.

Major Outputs: All Years: Thirty fully-operating primary pump stations.

<u>A.I.D.-Financed Inputs:</u>	<u>FY 80 (\$ Thousands)</u>
1. Engineering Services	500
2. Equipment	14,500
Total	15,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978				
Estimated Fiscal Year 1979				
Estimated through September 30, 1979				
Proposed Fiscal Year 1980	15,000	Future Year Obligations	Estimated Total Cost 15,000	

To Be Selected

TITLE New Lands Development		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars) FY 80 50,000			LIFE OF PROJECT 50,000
NUMBER 263-0108 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	PRIOR REFERENCE None	INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 84	

Purpose: To increase the productivity of already reclaimed lands and extend operations into additional new areas in order to settle as many farmers as possible on economically viable units of production.

Background: Since the completion of the Aswan High Dam settlement and expansion through reclamation of new land areas has been a top priority in GOE planning for the agricultural sector. However, barely a third of the reclaimed lands farmed by settlers or publicly operated state farms have been brought above marginal levels of productivity (low yields, uncertain economic viability) primarily because of agronomic as well as managerial and institutional problems. The project will address the above problems in a three-phased approach: (1) farmers already settled in a reclaimed area will be provided the technical assistance and institutional support necessary for them to reach and maintain economic viability, including cooperative development; (2) areas inadequately developed and operated as a state farm will be provided the required infrastructure and technical assistance to allow settlement by farmers who can establish viable operations; (3) a new undeveloped area will be provided necessary land preparation, irrigation facilities, roads and other infrastructure to bring it to a level of development suitable for settlement. Knowledge and experience gained in the earlier phases will be built into succeeding phases. The end result will be the demonstration of a phased effort which can be replicated with suitable modifications in other reclamation areas of Egypt. In addition to the technical and managerial assistance indicated above, the project will make available credit for the farmer settlers as well as the development of marketing systems and social infrastructure as needed.

Host Country and Other Donors: The GOE has requested assistance from all major donors, including the World Bank and the UN

Développement Program, both of which are planning new lands projects. The GOE is expected to provide the equivalent of approximately \$20 million for financing of local currency requirements.

Beneficiaries: Direct beneficiaries will be the approximately 10,000 farm family members at an average development cost of \$5,000 per family. Additional farmers will benefit as the methodology is applied to new areas.

FY 1980 Program: Major activities to be initiated during the first year include: (1) purchase and installation of major capital equipment, (2) technical assistance to previously settled farmers, (3) selection and training of settlers for new areas, (4) establishment of highest priority processing, marketing and social infrastructure facilities, and (5) training of 20 participants in farm management.

Major Outputs:	<u>All Years</u>
1. Support to previously settled area (acres).	10,000
2. Development and settlement of new area (acres).	10,000
3. Preparation and development of raw area for agricultural use (acres).	10,000
4. Processing/marketing facilities.	5
5. Participants trained.	40

A.I.D.-Financed Inputs:	<u>FY80 (\$Thousands)</u>
1. Technical Services	7,440
2. Training	820
3. Equipment	31,000
4. Construction and Land Development	<u>10,740</u>
Total	50,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978				
Estimated Fiscal Year 1979				
Estimated through September 30, 1979				
Proposed Fiscal Year 1980	50,000	Future Year Obligations	Estimated Total Cost 50,000	

To Be Selected

PROGRAM: EGYPT

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE Fertilizer Production & Distribution		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0109		NEW <input checked="" type="checkbox"/>	FY 80 20,000	LIFE OF PROJECT	20,000
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>	CONTINUING <input type="checkbox"/>	PRIOR REFERENCE None	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 82

Purpose: To provide an increased supply of phosphatic fertilizers for increased food production.

Background: Egypt presently has three phosphatic fertilizer plants with a rated production capacity of 685,000 MT per year of single super-phosphate. However, actual production is far below this level and is decreasing annually as plant equipment and efficiency deteriorates. Physical facilities have suffered as a result of war damage; outdated and uneconomical process for production of sulphuric acid is being used; and basic ancillary production units are completely lacking (e.g., bagging units). There is a serious need for new technology to improve the quality of raw material processed. Without a major effort to modernize and rationalize existing facilities, Egypt will shortly need to import phosphatic fertilizers. This would be a major drain on scarce FX resources and could have serious effect on food production. The project will rehabilitate the existing three phosphatic fertilizer plants, replacing worn out equipment and add process units that are presently missing. Also, major investments will be made at the existing phosphate rock mines to modernize and increase the quality of the basic raw material processing to allow the production of more cost-effective triple super-phosphate. Two fertilizer sector studies have been completed and will provide the basic data to design this project; initial technical reviews have been made of two of the three plants. New studies are being initiated on distribution systems for agriculture inputs, particularly fertilizers. It is expected that new resources will be required to improve parallel distribution systems.

Host Country and Other Donors: The Government of Egypt will finance all the local currency costs required for the project estimated at \$4.5 million.

Beneficiaries: The direct beneficiary will be the entire agriculture sector. Improved fertilizers and adequate supplies will benefit the entire population through maintenance of a critical farm input for food production.

FY 1980 Program: Planning and design of modernized systems, equipment procurement and facility renovation will be initiated based on studies completed.

Major Outputs: All Years: Three improved fertilizer plants with basic equipment and modernized processing systems.

A.I.D.-Financed Inputs: FY 80 (\$ Thousands)

1. A & E Services	2,000
2. Equipment	<u>18,000</u>
Total	20,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978				
Estimated Fiscal Year 1979				
Estimated through September 30, 1979				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	20,000		20,000	

To Be Selected

TITLE Private Sector Feasibility Studies		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0112		PRIOR REFERENCE None	FY 80 3,000	LIFE OF PROJECT 8,000	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>		INITIAL OBLIGATION FY 1979	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1983

Purpose: To stimulate U.S. private sector investment in Egypt by establishing a system that will enable the Government of Egypt (GOE) to share, with prospective firms, the costs of pre-investment studies needed by these firms to determine profitability of proposed ventures.

Background and Progress to Date: With the announcement of its Open Door Policy in 1973, the GOE made known its intention to look increasingly toward the private sector for future economic growth and, as an important part of this policy, to encourage private investment from abroad. A new investment law (Public Law 43) was passed in 1974 and, following recommendations by the Egypt/U.S. Business Council, was revised in 1977 to further increase incentives to foreign investors. An Investment Authority was created to serve as a clearing house for investment opportunities and to coordinate GOE processing of joint venture applications.

Despite these measures and despite considerable interest in Egypt shown by the U.S. business community, very little foreign investment has actually taken place to date. It has become clear that a major factor in the failure of interested firms to follow through on perceived opportunities has been a hesitancy on the part of these firms to undertake the studies needed to make investment decisions. These studies frequently are expensive and the degree of uncertainty is somewhat higher in Egypt than many other areas for potential investment.

This project will make available funds on a cost-sharing basis, to finance pre-investment feasibility studies with prospective U.S. investors in Egypt; it also will establish a system, within the GOE, for screening applicant firms, negotiating appropriate agreements with these firms and otherwise administering the project.

Host Country and Other Donors: The GOE will support the project with facilities and staff. The Ford Foundation is providing consultant and training services in the area of investment promotion.

Beneficiaries: The impact of increased foreign investment will be spread widely throughout the society, particularly in urban areas, through increased employment and income opportunities.

FY 1980 Program: Advisory services will be provided to the GOE to establish the policy and procedural framework for administering this program. A fund will be created and its existence announced to the U.S. business community.

Major Outputs: All Years

Pre-investment studies completed by U.S. firms interested in investment in Egypt. 15-20

A number of private sector investments consummated.

A.I.D. Financed Inputs: FY 80 (\$Thousands)

- | | |
|--------------------------------------|--------------|
| 1. Consultant Services | 500 |
| 2. Pre-Investment Study Cost Sharing | <u>2,500</u> |
| Total | 3,000 |

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978				To be selected
Estimated Fiscal Year 1979	5,000	300		
Estimated through September 30, 1979	5,000	300	4,700	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	3,000	--	8,000	

TITLE Sinai Planning Studies		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0113		PRIOR REFERENCE None	FY 80 2,500	LIFE OF PROJECT 5,000	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>		INITIAL OBLIGATION FY 79	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 82

Purpose: To establish sound development objectives and feasible investment alternatives in the Sinai by assisting the Egyptian Government to carry out economic and regional planning efforts and feasibility studies.

Background: With the expectation that Egypt will again exercise sovereignty over the Sinai, the country must initiate plans for the settlement and development of the Sinai Peninsula as part of its national development program. As peace is established, the Egyptian Government must be in a position to quickly initiate viable economic activities. A.I.D. proposes to assist the Egyptians to establish an updated data base for planning and marshalling their own technical and economic resources to implement such plans. A.I.D. grant funds will provide funding support for: (1) regional economic and planning studies aimed toward defining national regional development objectives and strategies; and (2) engineering/economic feasibility studies of specific projects identified in the regional plans. It is expected that the initial projects will include agricultural, industrial and mining activities as well as supporting infrastructure for community development.

Host Country and Other Donors: The Egyptian Government will provide for the local cost of contracts and feasibility studies receiving A.I.D. dollar funding. Several bilateral and multilateral donors have expressed interest in providing assistance for Sinai development.

Beneficiaries: Projects undertaken and completed as a result of positive feasibility studies will provide Egypt with new resources, new employment opportunities, and attract settlers to these undeveloped areas away from crowded urban centers.

FY 1980 Program: A.I.D.-financed U.S. consultants will assist the Egyptian Government under host country contracting arrangements in conducting regional planning in the Sinai and performing feasibility studies of specific, promising projects.

Major Outputs: All Years. Projects prepared for Egyptian, A.I.D. and other donor investments.

<u>A.I.D. Financed Inputs</u>	(\$ thousands)
	<u>FY 80</u>
A. Technical Assistance	2,400
B. Other Costs (Contingency)	<u>100</u>
Total	2,500

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978				To Be Selected.
Estimated Fiscal Year 1979	2,500			
Estimated through September 30, 1979	2,500			
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	2,500		5,000	

TITLE Tax Administration		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 80 1,800	LIFE OF PROJECT 1,800	
NUMBER 263-0115	NEW <input checked="" type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input type="checkbox"/>	None	FY 80	FY 80	OF PROJECT FY 82

Purpose: To modernize the administration of the Government of Egypt's (GOE's) personal and business income tax systems, improving tax equity and providing additional tax revenue for development.

Background: The GOE's personal and business income tax systems and administration are weak, inefficient, and inequitably applied. Because of this, non-compliance and tax evasion is widespread, tax assessments are several years behind the current tax year, income tax revenues are only 25% of total tax revenues, and total revenues have fallen short of GOE current and capital expenditures by some \$1.4 billion annually. Studies requested by the GOE have identified areas for reform, including the strengthening of the Income Tax Department, audit and collection procedures, training of tax officials, and income tax policy reform. At the GOE's request, A.I.D. provided a full-time advisor from the Internal Revenue Service to assist in a phased program of: (1) reorganization and training in the Income Tax Department; (2) automation of income tax operations; and (3) implementation of improved systems in a pilot area. Under separate funding, reorganization of the Income Tax Department will be initiated, related training will begin, and a small pilot automated data processing operation will be started, while a complementary legal reform program will draft new tax legislation. The objective of this project is to capitalize on earlier efforts in order to create income tax systems that are more efficiently administered and equitable, with the tax burden being distributed on as broad a base as possible, related to income and ability to pay. Also, recommendations on tax incentives to attract needed foreign and domestic private investment for continued economic expansion and development will be made.

Host Country and Other Donors: The GOE will provide direct and indirect local cost financial support for implementation of

improved systems estimated to reach \$2.0 million equivalent. The International Monetary Fund (IMF), World Bank and Ford Foundation are providing assistance in tax policy and legislation.

Beneficiaries: The project will provide a necessary supportive component to all development activities through added revenues generated and in the longer-term to improvement of government financing. The 17,000 member Income Tax Department will benefit from better organization, training, and improved internal operations. Taxpayers will benefit from a more equitable tax system that is more efficiently administered. Private sector investors will benefit as new tax incentives are introduced through the legislative process.

FY 80 Program: In FY 80, reorganization of the Income Tax Department will continue with the focus on refinement of operating procedures; expansion of the automated data processing computerizing more taxpayer information to assist audit and collection, and efforts to broaden the tax base; and, initiation of a training of trainers program.

Major Outputs: All Years

Functional Reorganization	
Operational Automated Data Processing Center	1
Trained Personnel	40

A.I.D. Financed Inputs: (\$ thousands)

	<u>FY 80</u>
Technical Assistance	725
Participant Training	75
Commodities	<u>1,000</u>

Total 1,800

U.S. FINANCING (In thousands of dollars)			PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	
Through September 30, 1978			Internal Revenue Service
Estimated Fiscal Year 1979			
Estimated through September 30, 1979			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1980	1,800		1,800

PROGRAM: EGYPT

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE Agricultural Management Development		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 80 4,000	LIFE OF PROJECT 4,000	
NUMBER 263-0116	NEW <input checked="" type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input type="checkbox"/>	None	FY 80	FY 80	OF PROJECT FY 85

Purpose: To improve the managerial capability of personnel involved in planning and implementing Egypt's agricultural programs.

Background: Numerous studies of the agricultural sector have concluded that weakness in management within the Ministry of Agriculture is one of the principal deterrents to the modernization and acceleration of agricultural production. With assistance from a centrally-funded program, a pilot program has been developed to upgrade the management skills of middle and senior-level officials with the objective of bridging the gap between planners and farmers. Since October 1977, the program has trained 95 officials in Egypt. Sixteen of these officials are being given advanced training to serve as the core for an Egyptian-conducted training program to involve both Government and private sector personnel. In FY 79, training of key personnel will continue under the pilot program utilizing central funds. Concurrent with the continuation of this pilot program, detailed plans will be developed for a major expansion in agricultural management training to begin in FY 80.

Beneficiaries: The immediate beneficiaries of this activity are the 4,800 Egyptian agricultural managers from the governmental and private sector expected to be reached by this program. Average cost per trainee is estimated at \$800.

FY 1980 Program: The contract training team will conduct 32 short-term courses for 768 trainees and give eight advanced courses for 128 advanced trainees. Four Egyptians will be sent to the U.S. for intensive training in agricultural management. Upon their

return, they will become instructors at the training institutes. Initial training efforts will concentrate on supporting ongoing projects in Rice Research, Major Cereals and Agricultural Mechanization. Further work will commence on an agricultural management manpower survey in order to define more sharply Egypt's training needs.

Major Outputs:

	<u>All Years</u>
1. Agricultural Management Survey	1
2. Agricultural Management Training Institute Established	5
3. Agricultural Management Trainers Trained	350
4. Persons Trained in Agricultural Management	4,800

A.I.D. Financed Inputs:

	(\$ thousands)
	<u>FY 80</u>
1. Technical Assistance	3,200
2. Commodities	260
3. Participants	240
4. Other Costs	300
Total	4,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978				
Estimated Fiscal Year 1979				
Estimated through September 30, 1979				
Proposed Fiscal Year 1980	4,000	Future Year Obligations	Estimated Total Cost	
			4,000	To Be Selected.

PROGRAM: EGYPT

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE Telecommunications		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 80 70,000	LIFE OF PROJECT 70,000	
NUMBER 263-0117	NEW <input type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>	FY78 Congressional Presentation, p.42	FY 80	FY 80	OF PROJECT FY 84

Purpose: To improve the capacity and the reliability of the Egyptian telecommunications system to meet demands of industry, commerce and private and government consumers.

Background and Progress to Date: The existing telecommunications network in Egypt requires major renovation and expansion in order to meet current and projected demand. Without a major effort to correct this problem, expansion of economic activity will be severely constrained. Deficiencies exist in almost all areas-- planning/management, equipment, operation and maintenance. A recently completed A.I.D.-financed master development plan for Egypt's telecommunications sector estimates that \$3.0 billion would be needed over the next seven years to bring the system up to minimal standards. Considerable additional investment will be required over the succeeding 15 years to further expand the system. In FY 1978, A.I.D. authorized a loan of \$40 million to assist the telecommunications authority to finance: (a) improvement of its overall management; (b) training of its personnel; and (c) procurement of urgently needed equipment. A separate follow-on project is expected to be authorized in FY 1979 for replacement of the rotary exchanges in Cairo.

Host Country and Other Donors: In FY 1978, the World Bank authorized a \$53 million loan to buy additional telecommunications equipment. Other donors (Saudi Arabia, IBRD, France) have indicated interest in participating in the systems improvement. The Government of Egypt is expected to provide local currency support for this project estimated to total \$70.0 million.

Beneficiaries: Industry, commerce, government agencies and a wide variety of social services will operate more efficiently with the rehabilitated and expanded system. Benefits will extend to consumers at all levels through increased efficiencies and availability of communications facilities. New investment should

be attracted as a result of a better business environment and result in increased employment and income.

FY 1980 Program: Replacement of non-functioning equipment in the Cairo and connecting exchanges will be completed and basic improvements to the Alexandria network undertaken. These improvements will be accompanied by training in operation and maintenance and technical assistance in systems management.

Major Outputs: All Years:

1. Improved and expanded systems including management operations and maintenance.
2. Trained personnel (numbers to be determined).
3. Equipment installed and functioning.

A.I.D.-Financed Inputs:

FY80 (\$Thousands)

1. A&E Services	2,000
2. Equipment and Supplies	68,000
Total	70,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978				
Estimated Fiscal Year 1979				
Estimated through September 30, 1979				
Proposed Fiscal Year 1980	70,000	Future Year Obligations	Estimated Total Cost 70,000	

To Be Selected



ECONOMIC AND SOCIAL DATA

COUNTRY: ISRAEL

CP 80-16 (10-78)

BASIC DATA

Total population (thousands, mid 1978)	<u>3,685</u>
Per capita GNP (dollars, 1976)	<u>3,920**</u>
Average annual per capita real GNP growth rate . . (1970-79)	<u>4.0%</u>
Average annual rate of inflation (1960-1970)	<u>5.9%</u> (1970-1976) <u>23.7%</u>
% national income received by low 20% of population . (1970)	<u>7.8</u>
Life expectancy at birth, in years (1970-1975)	total <u>71.0</u> male <u>69.4</u> female <u>72.6</u>
(1965-1970)	total <u>70.2</u> male <u>68.8</u> female <u>71.7</u>
Literacy rate (1970)	total <u>91%</u> male <u>n.a.</u> female <u>n.a.</u>
(1961)	total <u>84%</u> male <u>91%</u> female <u>78%</u>

AGRICULTURE

Average annual per capita agricultural production growth rate . (1954-77)	<u>4.8%</u>	
Agricultural production as % of GDP (1976)	<u>8</u>	
Population density per square mile of agricultural land (1973)	<u>680</u>	
% land owned () by: top 10% <u>n.a.</u> low 10% <u>n.a.</u>		
Major crop(s):	% of arable land	Year
Subsistence wheat	25	(1977)
Cash citrus	10	(1977)
Major agricultural exports . . (1977)	citrus, cotton, processed agricultural products	
Major agricultural imports . . (1977)	wheat, feed grains, soybeans	
Proportion of labor force in agriculture (1974)	<u>6%</u>	

CENTRAL GOVERNMENT FINANCES

Total domestic revenues (\$ millions, U.S.) (1974)	<u>3,307</u> (75) <u>4,574</u> (76) <u>6,505</u>
Total expenditures (\$ millions, U.S.) . . . (1974)	<u>4,796</u> (75) <u>7,412</u> (76) <u>10,592</u>
Deficit (-) or surplus (\$ millions, U.S.) (1974)	<u>-1,489</u> (75) <u>-2,838</u> (76) <u>-4,087</u>
Defense expenditures,	
as % of total expenditures (1974)	<u>43.3</u> (75) <u>43.3</u> (76) <u>41.0</u>
as % of GNP (1974)	<u>31.2</u> (75) <u>34.0</u> (76) <u>35.8</u>
Official international reserves, gross holdings end of period,	
(\$ millions, U.S.) (1975)	<u>1,182</u> (76) <u>1,373</u> (77) <u>1,571</u>
Equivalent to <u>3.3</u> months of imports (1977)	

FOREIGN TRADE

Major exports . . (1977) diamonds, citrus, metals and electronics, chemicals	
Exports to U.S. (\$ millions, U.S., f.o.b.) (1975)	<u>308</u> (76) <u>437</u> (77) <u>553</u>
as % of total exports (1975)	<u>16</u> (76) <u>18</u> (77) <u>18</u>
Major imports . . (1976) rough diamonds, petroleum and chemicals, machinery and transport equipment	
Imports from U.S. (\$ millions, U.S., c.i.f.) (1975)	<u>999</u> (76) <u>892</u> (77) <u>1,056</u>
as % of total imports (1975)	<u>17</u> (76) <u>16</u> (77) <u>18</u>
Total trade balance (\$ millions, U.S.) (1975)	<u>-4,056</u> (76) <u>-3,252</u> (77) <u>-2,704</u>
Main trading partners European Community, U.S., U.K.	
External public debt as % of GNP. (1976)	<u>51.1</u>
Service payments on external public debt, (\$ millions, U.S.) (1976)	<u>533</u>
as % of export earnings (debt service ratio) (1976)	<u>12.1</u>

SOCIAL DATA

Population growth rate (1967-77)	<u>3.0%</u>
% population in urban areas (1964)	<u>80</u> (1974) <u>82</u>
Total births per 1,000 population (1977)	<u>26</u>
% married women aged 15-49 yrs. using contraception ()	<u>n.a.</u>
% of the population (1975) in age group: (0-14 yrs.)	<u>32.8</u> (15-64 yrs.) <u>59.5</u> (65+ yrs.) <u>7.7</u>
Infant deaths during first year of life per 1,000 infants (1975)	<u>23</u>
* People per physician (1973)	<u>360</u>
Major causes of death (1974) circulatory diseases, diseases of the nervous system, malignant neoplasms	
Major disease(s) . . . (1970) infectious and parasitic diseases, diseases of the nervous system, malignant neoplasms	
Per capita calorie supply as a % of requirements ()	<u>n.a.</u>
% of population with reasonable access to clean water supply . . (1970)	<u>100</u>
Total school enrollment as % of population in age group:	
Primary . . (ages 5-14) (1974) total	<u>76.6</u> male <u>76.2</u> female <u>77.0</u>
Secondary . . (15-19) (1974) total	<u>53.8</u> male <u>50.4</u> female <u>57.4</u>
Post Secondary (20-24) (1972) total	<u>23.3</u> male <u>n.a.</u> female <u>n.a.</u>
Energy production as % of consumption (1970)	<u>n.a.</u>

*Not all physicians included in the calculation are actually resident and working in the country.

**A.I.D. sources estimate per capita GNP at \$3438 in 1976.

ISRAEL

SECURITY SUPPORTING ASSISTANCE PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1978 Actual	FY 1979 Estimated	FY 1980 Proposed
<u>Total</u>			
Loans	260	260	260
Grants	525	525	525
Total	785	785	785

U.S. Interests

Israel's political and economic stability are requisites for achieving peace in the Middle East. U.S. assistance programs, including both Foreign Military Sales and Economic Support Fund activities, tangibly reflect U.S. support and help give Israel confidence to take the risks necessary to reach a peace settlement.

The \$785 million in economic assistance proposed for FY 1980 will directly support Israel's civilian economy, facilitating resumption of economic growth without aggravating Israel's balance-of-payments problem or necessitating heavy reliance on borrowing at market terms.

Development Overview

After the 1973 war, several events converged that threatened Israel's ability to provide for the security and economic well-being of its people. First, the need to rearm and to maintain adequate military forces necessitated a massive diversion of civilian manpower and financial resources, over one-third of GNP and 20 - 25 percent of the labor force, to meet these needs.

Concurrently with military reconstruction and resupply came the general world inflation affecting the prices of key commodities. The cost of petroleum imports rose from approximately \$97 million in 1972 to approximately \$720 million in 1977. Finally, the 1974-1975 recession in

the economies of Israel's traditional trading partners seriously affected its ability to export.

The resultant large balance-of-payments deficit became the principal non-military problem facing the Government. To deal with it, Israel introduced policies designed to slacken demand for imports and stimulate exports. Devaluation and economic slowdown were the principal instruments to arrest the payments deficit.

By 1977, it was evident that these policies had worked. The trade deficit, which had reached \$4 billion in 1975, was reduced to \$2.6 billion. This turnaround, together with continued assistance from the U.S. Government and private sources, permitted Israel to reduce its short-term debt and rebuild foreign exchange reserves. On the other hand, economic growth, which had fallen off abruptly in 1974 and 1975, effectively stagnated in 1976 and 1977.

Since then, Israel began redirecting its attention toward stimulating more rapid economic growth. It expects GNP to grow by 4.5 percent in 1978 and hopes to sustain a faster growth rate in subsequent years. It recognizes that renewed emphasis on growth carries with it the danger of deterioration in the balance-of-payments, and accordingly hopes the support which the U.S. Government and private donors have been providing will be continued.

Socio-Economic Performance

Israel is a social welfare state. Budgetary allocations to social and welfare services are only exceeded by those for defense; housing claims about 40 percent of the development budget; many "basic commodities and services" are subsidized; indexing of wages partially protects workers against the rampant inflation which Israel has experienced during the past few years; interest rates on housing loans are held below the rate of inflation.

Total Resources

In FY 1977 and FY 1978 most U.S. Government assistance was provided through the Security Supporting Assistance and Foreign Military Sales programs. In each year, resources provided from these two sources totalled \$1.785 billion. Other U.S. Government funding included small PL 480, Title I programs, Housing Investment Guaranties, assistance with resettlement of immigrants and allocations from the American Schools and Hospitals Abroad program. Total obligations under these programs were \$55.8 million and \$57.6 million for FY 1977 and FY 1978 respectively.

Other important sources of external funding include remittances from private sources, sale of Government bonds, restitution to private individuals from the West German Government, and borrowing at market and near market terms. For 1977 the resources made available to Israel were approximately:

Private Remittances	\$740 million
German Restitution Payments	\$345 million
Commercial Borrowing	\$350 million
Bond Borrowing	\$355 million

A.I.D. Strategy

In FY 1980 A.I.D. proposes to allocate \$785 million from Security Supporting Assistance as a cash transfer to Israel.

The proposed cash transfer program will permit Israel to meet short-term balance-of-payments requirements and to import the goods and services it needs to accelerate economic growth without resorting to borrowing large amounts at market terms. Additionally, it may be used to further accumulate foreign exchange reserves and to retire short-term debt.

FY 80 PROGRAM HIGHLIGHTS
Consists of \$785 million for a cash transfer from Security Supporting Assistance.

PERSONNEL/PARTICIPANTS DATA			
CP 80-17(10-78)			
Category	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID Personnel ^a			
Direct Hire ^b			
PASA ^c	2	2	2
Contract			
Total	2	2	2
Participants ^d			
Noncontract			
Contract			
Total	-	-	-

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1979 and FY 1980 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

RESOURCE FLOWS			
<i>(In thousands of dollars)</i>			
Program	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID*			
Loans	236,739	520,000	260,000
Grants	604,479	569,437	527,500
Total AID	841,218	1,089,437	787,500
P.L. 480**			
Title I	(-)	(-)	(-)
(of which Title III is)			
Title II			
Total P.L. 480	7,200	5,400	1,000
Total AID and P.L. 480	848,418	1,094,837	788,500
*AID levels represent actual and estimated expenditures.			
**P.L. 480 levels represent actual and estimated value of shipments.			

P.L. 480 PROGRAMS SUMMARY						
<i>(In 000MT/\$000)</i>						
Program	FY 1978 (Actual)		FY 1979 (Estimated)		FY 1980 (Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat	70	7,200	40	5,400	8	1,000
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total .. (of which Title III is)		7,200 (-)		5,400 (-)		1,000 (-)
<i>Title II</i>						
Voluntary Agencies ..		-		-		-
World Food Programs		-		-		-
Gov't.-to-Gov't		-		-		-
Title II Total		-		-		-
Total P.L. 480		7,200		5,400		1,000

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM ISRAEL

CP 80-02(10-78)

PROJECT TITLE	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
				OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
DESALTING PLANT	G	271-0005	75	20,000	800	---	2,500	---	2,500	---
TOTAL FOR ACCOUNT				20,000	800	---	2,500	---	2,500	
GRANTS				20,000	800	---	2,500	---	2,500	
LOANS				---	---	---	---	---	---	
SECURITY SUPPORTING ASSISTANCE										
CASH TRANSFER	G	271-K001	79	---	---	525,000	525,000	---	---	---
CASH TRANSFER	L	271-K001	79	---	---	260,000	260,000	---	---	---
CASH TRANSFER	* G	271-K002	80	---	---	---	---	525,000	525,000	---
CASH TRANSFER	* L	271-K002	80	---	---	---	---	260,000	260,000	---
COMMODITY IMPORT PROG	L	271-K144	78	182,000	---	---	182,000	---	---	---
COMMODITY IMPORT PROG	L	271-K145	78	78,000	---	---	78,000	---	---	---
COMMODITY IMPORT PROG	G	271-K612	78	225,000	183,063	---	41,937	---	---	---
TOTAL FOR ACCOUNT				485,000	183,063	785,000	1,086,937	785,000	785,000	
GRANTS				225,000	183,063	525,000	566,937	525,000	525,000	
LOANS				260,000	---	260,000	520,000	260,000	260,000	
TOTAL FOR COUNTRY				505,000	183,863	785,000	1,089,437	785,000	787,500	
GRANTS				245,000	183,863	525,000	569,437	525,000	527,500	
LOANS				260,000	---	260,000	520,000	260,000	260,000	

* Detailed project narrative - See Activity Data Sheet.

TITLE Cash Transfer		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 271-K002		PRIOR REFERENCE FY 1979 Congressional Presentation, page 1122	FY 80 \$785,000	LIFE OF PROJECT To be determined	
GRANT <input checked="" type="checkbox"/>	LOAN <input checked="" type="checkbox"/>	NEW <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>	INITIAL OBLIGATION FY 1976	ESTIMATED FINAL OBLIGATION FY To be determined
				ESTIMATED COMPLETION DATE OF PROJECT	FY To be determined

Purpose: To provide the Government of Israel with immediately available foreign exchange resources to meet short-term balance-of-payments requirements.

Background and Progress to Date: In conjunction with the Sinai II peace accords of September 4, 1975, cash grants were initiated as a component of the Security Supporting Assistance program to Israel in consideration of extraordinary readjustment costs resulting from the withdrawal. On that basis, \$150 million, \$15 million, and \$200 million, respectively, were provided in FY 1976, the Transitional Quarter, and FY 1977.

On September 15, 1977, Congress was notified of A.I.D.'s intention to increase the FY 1977 cash grant from \$200 million to \$300 million in response to a special request by the Government of Israel. In support of that request, the Government of Israel informed us that administrative problems associated with the use of the commodity import program prevented the timely transfer of resources provided under the Security Supporting Assistance program.

In April 1978 A.I.D. further notified Congress of its intention to phase out the Commodity Import Program component of Security Supporting Assistance entirely beginning in FY 1979, and to provide all assistance in the form of a cash transfer. This was done in recognition of the serious administrative problems involved in administering a commodity import program, problems which delayed expenditure of A.I.D. funds, thereby subverting achievement of the project purpose.

Host Country and Other Donors: The Foreign Military Sales and PL 480, Title I, programs also assist Israel to meet short-term balance of payment problems. Other sources of foreign exchange

for this purpose include Israeli Government bonds, private remittances, restitution to private individuals from the West German Government, and borrowing at market and near market terms (including borrowing from the Export-Import Bank). Israel is attempting to overcome its balance-of-payments problems and to accelerate the pace of economic development by stimulating exports and discouraging non-essential imports.

Beneficiaries: Achievement of the project purpose will benefit all Israelis.

FY 1980 Program: A.I.D. proposes a \$785 million program (two-thirds grant and one-third loan). As in FY 1979, this request is conditional upon receipt of satisfactory Israeli Government assurances that Israel will continue to import from the United States an amount of civilian goods at least equivalent to our level of aid as well as insuring U.S. exporters equal access to Israel's markets.

A.I.D. Financed Inputs:

	(\$ millions)
	<u>FY 80</u>
Cash Program Transfer	785

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	N/A
Through September 30, 1978	765,000	765,000		
Estimated Fiscal Year 1979	785,000	785,000		
Estimated through September 30, 1979	1,550,000	1,550,000		
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	785,000	To be determined	To be determined	

ECONOMIC AND SOCIAL DATA

COUNTRY: JORDAN

CP 80-16 (10-78)

BASIC DATA			
Total population	(thousands, mid 1878)	2,956	
Per capita GNP	(dollars, 1976)	610	
Average annual per capita real GNP growth rate	(1970-75)	1.9%	
Average annual rate of inflation	(1980-1970)	1.1%	(1970-1976) 9.6%
% national income received by low 20% of population	()	n.a.	
Life expectancy at birth, in years	(1870-1975)	total 53.2	male 51.7 female 54.8
	(1865-1870)	total 50.7	male 49.3 female 52.2
* Literacy rate	(1972)	total 46%	male n.a. female n.a.
	(1961)	total 32%	male 50% female 15%
AGRICULTURE			
Average annual per capita agricultural production growth rate	(1954-77)	-1.0%	
Agricultural production as % of GDP	(1976)	14	
Population density per square mile of agricultural land	(1970)	430	
% land owned () by: top 10%	n.a.	low 10% n.a.	
Major crop(s):	% of arable land	Year	
Subsistence wheat	(East Bank) 14	(1975)	
Cash fruits and vegetables	(East Bank) 7	(1975)	
Major agricultural exports	(1977) citrus, vegetables		
Major agricultural imports	(1977) cereals, sugar		
Proportion of labor force in agriculture	(1970)	39%	
CENTRAL GOVERNMENT FINANCES			
Total domestic revenues (\$ millions, U.S.)	(1974)	199 (75) 254	(76) 333
Total expenditures (\$ millions, U.S.)	(1974)	451 (75) 619	(76) 686
Deficit (-) or surplus (\$ millions, U.S.)	(1974)	-252 (75) -365	(76) -353
Defense expenditures,			
as % of total expenditures	(1974)	29.7 (75) 23.3	(76) 24.4
as % of GNP	(1974)	14.4 (75) 12.9	(76) 10.2
Official international reserves, gross holdings end of period,			
(\$ millions, U.S.)	(1975)	492 (76) 491	(77) 678
Equivalent to	5.9	months of imports (1977)	
FOREIGN TRADE			
Major exports	(1977) phosphates		
Exports to U.S. (\$ millions, U.S., f.o.b.)	()	n.a. () n.a.	() n.a.
as % of total exports	()	n.a. () na	() n.a.
Major imports	(1976) petroleum products, textiles, capital goods		
Imports from U.S. (\$ millions, U.S.,			
c.i.f.)	(1975)	57 (76) 82	(77) 136
as % of total imports	(1975)	8 (76) 8	(77) 10
Total trade balance (\$ millions, U.S.)	(1975)	-579 (76) -815	(77) -1,132
Main trading partners	Saudi Arabia, Germany (F.R.), U.S.		
External public debt as % of GNP	(1976)	28.7	
Service payments on external public debt, (\$ millions, U.S.)	(1976)	28	
as % of export earnings (debt service ratio)	(1976)	2.8	
SOCIAL DATA			
Population growth rate	(1967-77)	3.5%	
% population in urban areas	(1961)	44	(1975) 56
Total births per 1,000 population	(1975)	44	
% married women aged 15-49 yrs. using contraception	()	n.a.	
% of the population (1975) in age group: (0-14 yrs.)	46.5	(15-64 yrs.)	50.7 (65+ yrs.) 2.8
Infant deaths during first year of life per 1,000 infants	(1972)	97	
**People per physician	(1974)	2,400	
Major causes of death (1975) symptoms and ill-defined conditions, other forms of heart disease (not specified)			
Major disease(s) (1975) trachoma, measles, infectious hepatitis			
Per capita calorie supply as a % of requirements	(1974)	90	
% of population with reasonable access to clean water supply	(1970)	77	
Total school enrollment as % of population in age group: (East Bank only)			
Primary ... (ages 5-14)	(1974)	total 77.7	male 90.6 female 64.0
Secondary .. (15-19)	(1974)	total 72.0	male 76.6 female 67.2
Post Secondary (20-24)	(1973)	total 5.4	male 7.1 female 3.6
Energy production as % of consumption	()	n.a.	

*AMMAN 8017, October 31, 1977 shows: literacy rate 1977 - overall - 71, male - 82, female - 55.

**East Bank only.

U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS (U.S. Fiscal Years - Millions of Dollars)						ECONOMIC PROGRAMS OF OTHER DONORS (Millions of Dollars)								
COUNTRY JORDAN						A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS								
PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-78	REPAY- MENTS AND INTEREST 1946-78	TOTAL LESS REPAY- MENTS AND INTEREST 1946-78	TOTAL					
	1975	1976	TQ	1977	1978				TQ	FY 1977	FY 1978	FY 1946-78		
I. ECONOMIC ASSISTANCE - TOTAL	99.3	61.9	86.6	83.6	102.9									
Loans	25.0	18.6	19.0	30.3	54.0									
Grants	74.3	43.3	67.6	53.3	48.9									
a. A.I.D. and Predecessor Agencies	87.5	46.4	86.2	70.0	93.0									
Loans	18.6	7.0	19.0	20.5	48.3									
Grants	68.9	39.4	67.2	49.5	45.0									
(Security Supporting Assistance)	87.5	46.4	86.2	70.0	93.0									
b. Food for Peace (PL 480)	11.6	15.5	0.4	13.6	9.9									
Loans	6.4	11.6	-	9.8	6.0									
Grants	5.2	3.9	0.4	3.8	3.9									
Title I - Total Sales Agreements	6.4	11.6	-	9.8	6.0									
Repayable in U.S. Dollars - Loans	6.4	11.6	-	9.8	6.0									
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-									
Title II - Total Grants	5.2	3.9	0.4	3.8	3.9									
Emerg. Relief, Econ. Develop. & World Food Program	3.4	2.1	0.2	2.1	1.5									
Voluntary Relief Agencies	1.8	1.8	0.2	1.7	2.4									
c. Other Economic Assistance	0.2	-	-	-	-									
Loans	-	-	-	-	-									
Grants	0.2	-	-	-	-									
Peace Corps	-	-	-	-	-									
Other	0.2	-	-	-	-									
II. MILITARY ASSISTANCE - TOTAL	104.5	137.7	-	131.5	127.4									
Credits or Loans	30.0	82.5	-	75.0	71.0									
Grants	74.5	55.2	-	56.5	56.4									
a. MAP Grants	68.8	54.4	-	55.0	55.0									
b. Credit Sales under FMS	30.0	82.5	-	75.0	71.0									
c. Intl. Military Education & Training Program	1.0	0.8	-	1.0	1.4									
d. Transfers from Excess Stocks	4.7	-	-	0.5	*									
e. Other Grants	-	-	-	-	-									
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	203.8	199.6	86.6	215.1	230.3									
Loans	55.0	101.1	19.0	105.3	125.0									
Grants	148.8	98.5	67.6	109.8	105.3									
Other U.S. Government Loans and Grants														
a. Export-Import Bank Loans														
b. All Other Loans														
* LESS THAN \$50,000.						TQ - TRANSITIONAL QUARTER								

FIGURES NOT AVAILABLE AT TIME OF PRINTING

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

TOTAL	TQ	FY 1977	FY 1978	FY 1946-78
	10.0	0.8	124.0	234.6
IBRD	-	-	35.0	35.0
IFC	-	-	73.2	78.2
IDA	10.0	-	14.0	83.8
UNDP	-	0.2	1.8	32.5
Other UN	-	0.6	-	5.1

B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS

1. D.A.C. COUNTRIES (Excluding U.S.)

Donor	CY 1976	CY 1977	CY 1969-77
TOTAL	34.2	35.6	196.4
Germany	25.6	24.6	124.1
United Kingdom	7.0	5.8	57.1
Denmark	0.2	*	5.6
Other	1.4	5.2	9.6

2. O.P.E.C. COUNTRIES

Donor	CY 1976	CY 1977	CY 1973-77
TOTAL	361.5	NA	893.4
Saudi Arabia	165.0	NA	300.3
Kuwait	57.4	NA	298.7
UAE	87.8	NA	203.0
Iraq	27.0	NA	41.0
Qatar	13.9	NA	32.4
Algeria	10.4	NA	18.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

TOTAL	CY 1976	CY 1977	CY 1954-77
TOTAL	25.0	a	25.0
USSR	25.0	-	25.0
Eastern Europe	a	a	a
China	-	a	a

UAE - United Arab Emirates

NA - Not available

^a An economic cooperation agreement has been signed, but information on the amount extended, if any, is not available.

JORDAN

SECURITY SUPPORTING ASSISTANCE PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1978 Actual	FY 1979 Estimated	FY 1980 Proposed
Budgetary Support	40.0	30.0	20.0
Loans for Development	48.0	58.0	22.0
Technical Assistance	5.0	5.0	18.0
	93.0	93.0	60.0

U.S. Interest

Jordan plays a strategic role in the Middle East. Its moderate, pragmatic approach to the problems of this volatile region has supported United States efforts to achieve a lasting peace in the Middle East. We continue to hope that Jordan will join the peace negotiations.

The A.I.D. program assists Jordan's efforts to develop its economy and maintain the internal stability it needs to continue a constructive role in the Middle East.

In FY 1980, as in recent years, we propose both loan and grant bilateral assistance under the Security Supporting Assistance (SSA) program and PL 480 food aid. In addition, we are proposing \$40 million from SSA as a second-year contribution to the Maqarin Dam and Jordan Valley Irrigation System Project. Because of its size and multiyear funding requirement, this project is presented as a separate budget item.

Development Overview

Jordan's economy is undergoing a rapid economic transformation. Per capita income is over \$610. As recently as 1973 Jordan had a labor surplus. It now has a labor shortage. Workers living abroad are remitting over half a billion dollars annually. Past reliance on low-technology agriculture and the service sector is giving way to intermediate technology, manufacturing, and closely managed irrigated agriculture.

Jordan's 1976-80 Development Plan sets ambitious investment targets in the hope of broadening Jordan's narrow economic base, continuing high growth, and reducing its dependence on foreign aid. To make progress along this path, Jordan will need to:

- More adequately meet basic health needs, including water and sewage, from its own resources. These are increasing urban problems. A.I.D. assistance with the Zarqa and Irbid Water and Sewage Projects, and continuing technical assistance in basic health services, health planning and health information, will help ease these problems.
- Increase food production, which is lagging behind population growth. Yields in agriculture virtually stagnated over the last decade, yet opportunities exist for substantial improvement in the Jordan Valley. A major project, the Maqarin Dam and Jordan Valley Irrigation System, which will contribute significantly to expanding agricultural production in the Valley, will receive additional funds in FY 1980.
- Increase foreign exchange earnings. Jordan runs a significant trade deficit. Exports currently finance only about 18% of imports. The Maqarin Dam and Jordan Valley Irrigation System Project will greatly increase agricultural exports. The ongoing potash production and mineral exploration projects also will help in this regard.
- Ease a growing labor shortage. Jordan is a major and growing supplier of skilled labor to the oil-exporting Gulf States. While creating higher output per worker job opportunities, in both agriculture and industry, the Jordanian Government hopes to expand the labor force, improve salaries and increase the number of women in the labor force. Technical and advisory assistance and capital assistance for constructing schools and a vocational training center are part of A.I.D.'s efforts in this area.

JORDAN

Socio-economic Performance

Jordan has a growth with equity development strategy. There are solid growth trends in school enrollment at all levels and in numbers and qualifications of teachers. Partly in response to new government programs for women, participation of women in the non-agricultural labor force is growing (4% in 1975, 14% in 1978). Projects in the Jordan Valley, coupled with land redistribution, will significantly benefit many poorer farm families. Major government water and sewage projects will especially benefit the poor, as will improved and expanded government health programs.

Total Resources

Jordan receives substantial foreign economic assistance from Western and OPEC donors as well as multilateral institutions. The Arab Fund, the World Bank, Saudi Arabia, the U.S., France, Germany, Great Britain, Japan and the Kuwait Fund are the major donors. Total donor disbursements in 1977 were approximately \$527 million, while Government Euro-dollar borrowings totaled about \$250 million. The U.S. share of disbursements has declined from 40% in 1971 to about 14% (\$75 million) in 1977.

Donor consultation is close. The principal bilateral donors meet informally monthly. The Government coordinates donor efforts through a National Planning Council. In general, while very diversified in their activities, the programs of the other donors complement the U.S. program, particularly in the Jordan Valley and in water and sewage projects. Joint financing is common; e.g., the Maqarin Dam and Jordan Valley Irrigation System Project will be a multidonor project.

A.I.D. Strategy

The A.I.D. program shift from heavy concentration on budget support to development projects continues. Budget support continues to decline, both absolutely and relatively, from \$67.5 million in FY 1975 to \$20 million in

FY 80 PROGRAM HIGHLIGHTS	
*	Budget support will continue to decline to 33% of the FY 80 program compared with 77% in FY 75.
*	Two-thirds (\$26 million) of FY 80 project assistance will be for water and sewage projects, a critical development need in Jordan and an area of concentration with a high basic human needs impact.

PERSONNEL/PARTICIPANTS DATA CP 80-17(10-78)			
Category	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID Personnel^a			
Direct Hire ^b	16	20	20
PASA ^c	1	-	-
Contract	4	-	-
Total	21	20	20
Participants^d			
Noncontract	37	57	70
Contract	12	30	31
Total	49	87	101
^a U.S. nationals on duty at the end of the fiscal year. ^b FY 1979 and FY 1980 position levels. ^c Participating agency technicians. ^d Programmed during the fiscal year.			

JORDAN

RESOURCE FLOWS CP 80-08(10-78)			
<i>(In thousands of dollars)</i>			
Program	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID*			
Loans	27,777	56,800	48,472
Grants	42,269	38,683	27,305
Total AID	70,046	95,483	75,777
P.L. 480**			
Title I	6,300	5,400	1,000
(of which Title III is)	(-)	(-)	(-)
Title II	1,504	775	842
Total P.L. 480	7,804	6,175	1,842
Total AID and P.L. 480	77,850	101,658	77,619
*AID levels represent actual and estimated expenditures.			
**P.L. 480 levels represent actual and estimated value of shipments.			

FY 1980. The Maqarin Dam and Jordan Valley Irrigation Project will permit optimal use of the waters in Jordan's most productive agricultural area and provide a badly needed source of potable water for Jordan's Northern Plateau area (see separate narrative description of this project). In FY 1980 A.I.D. will fund water and sewage projects for two major cities in that area, Irbid and Zarqa. Other new programs will address some of the particular problems of small farmers and agricultural workers in the Jordan Valley through agricultural services and health and education programs. The urban poor likewise will benefit from water and sewage, education and health care projects.

P.L. 480 PROGRAMS SUMMARY CP 80-14(10-78)						
<i>(In 000MT/\$000)</i>						
Program	FY 1978 (Actual)		FY 1979 (Estimated)		FY 1980 (Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat	52.4	6,300	40.0	5,400	7.7	1,000
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total .. (of which Title III is)		6,300 (-)		5,400 (-)		1,000 (-)
<i>Title II</i>						
Voluntary Agencies ..		406		288		437
World Food Programs		1,098		487		405
Gov't.-to-Gov't		-		-		-
Title II Total		1,504		775		842
Total P.L. 480		7,804		6,175		1,842

MISSION DIRECTOR: Christopher H. Russell

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM JORDAN

CP 80-02(10-78)

PROJECT TITLE	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
				OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
MIDDLE EAST SPECIAL REQUIREMENTS FUND										
MA AN-RAS EN NAQB HIGHWAY	L	278-0187	75	10,000	8,000	---	2,000	---	---	---
TOTAL FOR ACCOUNT				10,000	8,000	---	2,000	---	---	---
GRANTS				---	---	---	---	---	---	---
LOANS				10,000	8,000	---	2,000	---	---	---
SECURITY SUPPORTING ASSISTANCE										
DEVELOP ADMIN TRAINING	G	278-0146	70	3,858	3,264	---	594	---	---	---
FACULTY OF AGRICULTURE DEV	G	278-0178	75	2,259	1,605	---	615	---	39	---
TECH SERVICES FEASIBILITY STUDIES	G	278-0181	76	5,430	1,901	---	2,865	---	664	---
VILLAGE DEVELOPMENT I	L	278-0183	75	14,150	8,092	---	6,058	---	---	---
JORDON VALLEY FARMERS ASS.	G	278-0186	77	1,161	35	---	551	---	575	---
PILOT POTASH PROJECT	L	278-0189	76	6,000	5,694	---	306	---	---	---
SCHOOL CONSTRUCTION I	L	278-0190	76	7,000	3,307	---	3,693	---	---	---
ROADS IMPROVEMENT	L	278-0191	76	4,000	3,341	---	659	---	---	---
WATER MANAGEMENT TECHNOLOGY	G	278-0192	77	820	---	500	587	---	373	---
SPRINKLER IRRIGATION EQUIPMENT	L	278-0195	76	4,500	4,116	---	384	---	---	---
MAGARIN DAM AND JOR VAL IRR SYS DES	L	278-0200	77	5,000	2,078	---	2,500	---	422	---
MINERAL DEVELOPMENT	G	278-0202	78	250	---	1,250	1,200	---	300	---
VILLAGE DEVELOPMENT II	L	278-0205	78	8,000	---	---	3,000	---	3,000	---
AQABA SEWERAGE	L	278-0206	79	---	---	7,500	2,000	---	3,000	---
CREDIT FOR JVFA	L	278-0207	78	1,500	---	---	1,000	---	500	---
HEALTH PLANNING AND SERVICES	G	278-0208	77	1,250	---	125	500	---	600	---
RURAL AND URBAN ELECTRIFICATION	L	278-0209	77	9,000	---	---	5,500	---	2,700	---
POTASH DESIGN	L	278-0210	78	5,000	---	---	2,500	---	1,000	---
DEV. ADMINISTRATION TRG. II	* G	278-0214	79	---	---	400	210	400	330	1,200
JORDON VALLEY FARMERS ASS II	* G	278-0216	80	---	---	---	---	550	265	1,139
AMAN WATER & SEWERAGE	L	278-0220	78	28,500	---	10,500	19,700	---	15,100	---
VILLAGE DEV. III	L	278-0221	79	---	---	7,000	500	---	5,000	---
POTASH PRODUCTION	L	278-0222	79	---	---	33,000	5,000	---	13,000	---
TECH. SER. FEASIBILITY STUDY II	* G	278-0224	79	---	---	2,500	1,250	3,200	1,950	---
HEALTH INFO SYSTEMS	* G	278-0226	80	---	---	---	---	500	85	200
COMMUNITY DEVELOPMENT	G	278-0228	78	350	---	---	250	---	100	---
RIFT VALLEY WATER RESOURCES STUDY	L	278-0229	78	5,000	---	---	2,000	---	1,750	---
SCHOOL CONSTRUCTION II	* G	278-0232	80	---	---	---	---	6,700	500	---
IRBID WATER AND SEWAGE	* G	278-0233	80	---	---	---	---	2,500	500	---
IRBID WATER AND SEWAGE	* L	278-0233	80	---	---	---	---	13,500	1,500	---
ZARKA RUSEIFA WATER AND WASTEWATER	* G	278-0234	80	---	---	---	---	1,500	500	---
ZARKA RUSEIFA WATER AND WASTEWATER	* L	278-0234	80	---	---	---	---	8,500	1,500	---
VOCATIONAL TRG.	* G	278-0238	79	---	---	225	50	1,900	315	---
JORDON VALLEY AGRIC. SERVICES	* G	278-0240	80	---	---	---	---	750	209	700
BUDGET SUPPORT	* G	278-9999	71	410,500	410,500	30,000	30,000	20,000	20,000	---

* Detailed project narrative - See Activity Data Sheet.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM JORDAN

CP 80-02(10-78)

PROJECT TITLE	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
				OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
TOTAL FOR ACCOUNT				523,528	443,933	93,000	93,472	60,000	75,777	
GRANTS				425,878	417,305	35,000	38,672	38,000	27,305	
LOANS				97,650	26,628	58,000	54,800	22,000	48,472	
BAPPR=NMDL*****										
EAST CHOP CANAL EXTENSION	L	278-0175	73	10,000	10,000	---	---	---	---	---
TOTAL FOR ACCOUNT				10,000	10,000	---	---	---	---	
GRANTS				---	---	---	---	---	---	
LOANS				10,000	10,000	---	---	---	---	
TOTAL FOR COUNTRY				543,528	461,933	93,000	95,472	60,000	75,777	
GRANTS				425,878	417,305	35,000	38,672	38,000	27,305	
LOANS				117,650	44,628	58,000	56,800	22,000	48,472	

* Detailed project narrative — See Activity Data Sheet.

PROGRAM: JORDAN

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE Development Administration Training II			FUNDS Security Supporting Assistance		PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 278-0214			PRIOR REFERENCE FY 79 Security Supporting Assistance, p.1132		FY 80 400	LIFE OF PROJECT 2,000	
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>	NEW <input type="checkbox"/>			INITIAL OBLIGATION FY 79	ESTIMATED FINAL OBLIGATION FY 83	ESTIMATED COMPLETION DATE OF PROJECT FY 85
		CONTINUING <input checked="" type="checkbox"/>					

Purpose: To upgrade the qualifications of selected Government of Jordan officials who are important to the development effort.

Background and Progress to Date: Despite substantial growth in recent years in the capacity and quality of manpower training facilities within Jordan, the combination of internal and external demand still exceeds Jordan's skilled manpower supply in many areas.

This project serves an essentially similar purpose to that of the terminated Development Administration Project (278-0146). It will assist the Jordan Government to meet identified training needs in priority areas essential to carrying out Jordan's economic and social development plans, needs that cannot more appropriately be funded under other A.I.D. projects or other sources of assistance. Areas of particular emphasis for training courses or observation tours will be manpower development (e.g., training of trainers and labor statistics); techniques of project planning, analysis and management; and project maintenance, for which training will be designed to contribute to the success of specific Government of Jordan development activities. Compared with Project 0146, this project will give greater emphasis to practical and technical training and less emphasis to graduate-level academic training. During FY 1979 funds will be obligated for about forty participants.

FY 1980 Program: An estimated six new long-term participants (average of 18 months of training) will be funded at a cost of about \$139,000. About 35-40 short-term participants (average of three months of training) will be funded at a cost of about \$261,000.

Host Country and Other Donors: A large number of donors provide training opportunities to Jordanians. The Government of Jordan's

National Planning Council coordinates all donor activities in Jordan and attempts to eliminate any overlap in the different donors' programs. The Government of Jordan's contribution to the project will be participants' salaries during their training (an estimated average of \$475 per participant per month or about \$500,000 over the life of the project) and international travel costs, estimated at \$345,000 for the life of the project.

Beneficiaries: Initial beneficiaries will be the individuals who receive training under this project. Cost per trainee is estimated to be about \$8900 in FY 1980 and about \$9,800 over the life of the project. The eventual beneficiaries will be those elements of the population served or trained by returned participants.

Major Outputs: All years: More than 200 Government of Jordan officials trained and returned to service. In FY 1980, approximately 45 trained officials (some of whom began training in FY 1979) will return to service.

<u>A.I.D.-financed Inputs:</u>	(\$ Thousands)
	<u>FY 80</u>
About six long-term (average 18 person-months at \$1,285 per month)	139
35 to 40 short-term (average 3 person-months at \$2,350 per month)	<u>261</u>
TOTAL	400

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	
Estimated Fiscal Year 1979	400	210		
Estimated through September 30, 1979	400	210	190	
		<u>Future Year Obligations</u>	<u>Estimated Total Cost</u>	
Proposed Fiscal Year 1980	400	1,200	2,000	Not applicable

TITLE Jordan Valley Farmers Association II		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars) FY 80 550		LIFE OF PROJECT 1,689
NUMBER 278-0216	NEW <input checked="" type="checkbox"/>	PRIOR REFERENCE FY 1979 Security Supporting Assistance, p.1131	INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 82	ESTIMATED COMPLETION DATE OF PROJECT FY 84
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>	CONTINUING <input type="checkbox"/>			

Purpose: To continue to strengthen the ability of the Jordan Valley Farmers' Association (JVFA) to represent and provide services to its members.

Background and Progress to Date: The JVFA has been chosen by the Government of Jordan (GOJ) as the institutional means to address the problems of availability of production inputs, credit, and of produce marketing -- problems which restrict development of the Jordan Valley. Also, the GOJ's intention is that the JVFA provide farmer participation in the agricultural policy development processes. A.I.D. support to the Association in the JVFA I project was designed to explore with the GOJ the viability of the JVFA as a mechanism for addressing agricultural development constraints in the Jordan Valley; that is, whether it could effectively reflect the interests of all the farmers and equitably meet their needs, particularly small owner-operators and tenant farmers.

By the end of JVFA I, the basic management structure will be in place, credit operations functioning, produce marketing activities well under way, and a farm management guidance and information system reaching the majority of JVFA members in operation. An intensive review of that project, scheduled for 1979, will be critical to implementation decisions for JVFA II.

Initiation of this project has been delayed one year due to delays in the startup of JVFA I, which is now operational.

Host Country and Other Donors: The GOJ will provide in-kind contributions estimated at \$2 million equivalent; the United Kingdom will contribute technical assistance in marketing; and other donors (World Bank, European and Arab) will finance capital projects in the Jordan Valley.

FY 1980 Program: Assistance will be provided to JVFA management/

planning activities and to farm management guidance and information programs. New areas of activity will be training the membership how to participate in and derive benefits from the Association, and production inputs marketing.

Beneficiaries: Association membership is expected to grow from 3,600 to about 7,000 by the end of the project. Most of these will be tenant farmers and small owner-operators. Tenant farm family per capita income currently is estimated at about \$300, or around one-half the national average. At 7,000 members, the life-of-project costs of A.I.D. inputs are \$241 per family. For FY 1980, considering that at least 6,000 farm families will benefit in that year, the cost will be \$91 per family.

Major Outputs:	<u>All Years</u>
Membership	7,000
Key staff trained in middle-level management	18
Members receiving farm management assistance	7,000
Annual credit volume	\$6,500,000
Annual volume of farm supply sales	\$7,100,000
Medium and long-range planning procedures fully operational. Annual and forward-planning budgets being used for management control in all departments.	

A.I.D.-financed Inputs:	(\$ Thousands)
	<u>FY 80</u>
Contract advisors (55 pm)	456
Participant training (7 pm of short-term training)	23
Commodities	24
Other costs (evaluation studies, administrative support and contingencies)	47
TOTAL	550

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	To be selected
Estimated Fiscal Year 1979	-	-	-	
Estimated through September 30, 1979	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	550	1,139	1,689	

PROGRAM: JORDAN

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE Technical Services and Feasibilities Studies II		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 80 3,200	LIFE OF PROJECT 5,700	
NUMBER 278-0224	NEW <input type="checkbox"/>	PRIOR REFERENCE FY 79 Security Supporting Assistance, p.1134	INITIAL OBLIGATION FY 79	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 82
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>				

Purpose: To assist the Government of Jordan formulate, implement, and evaluate Jordanian development activities of high priority within their 1976-1980 development plan.

Background and Progress to Date: Over the past four years, an A.I.D. grant (Project 278-0181) financed a wide range of studies and project design and evaluation activities. Both U.S. and Jordanian consultants and technicians contributed to these activities which helped to enhance achievement of A.I.D. and Government of Jordan developmental objectives. Activities include: technical assistance in tax administration, construction technology and the implementation of a multi-donor economic and social development program for the Jordan Valley; development of a minerals exploitation program; design of programs for assistance to farmers in such areas as sprinkler irrigation techniques, credit, horticulture, and farmer organizations; environmental assessments; and evaluation of project implementation and achievements. This project will provide for the completion of additional feasibility studies for an expanding capital project portfolio as well as for revenue or export earning possibilities that could be funded by other donors. Accordingly, the life-of-project cost increased from \$3 million (FY 1979 C.P.) to an estimated \$5.7 million through FY 1980. During FY 1979, two major feasibility studies will be initiated and technical assistance will be provided to the National Planning Council, the Amman Water and Sewage Authority, the Ministry of Public Works, and the City of Aqaba.

Host Country and Other Donors: The Government of Jordan will provide, as it has under the previous project (278-0181), both in-kind and financial support totaling an estimated 25% of project costs. Kreditaustalt fur Wiederaufbau (the West German aid organization) will provide technical assistance to the Government of Jordan for the establishment of a project information system, and the UN will provide resident advisors for various project evaluations and implementation activities.

FY 1980 Program: A number of feasibility studies, project assessments and designs will be carried out during FY 1980. Among those being considered are feasibility studies for a national water carrier; a flood control/water supply dam at Rumail; and for a solid waste disposal plant. Technical and consultant assistance may be rendered in development of alternative energy sources; computer utilization; improved revenue collection; and evaluation and assessment of ongoing, and development of future, projects.

Beneficiaries: This project will directly benefit the Government of Jordan by providing it with information on which to base investment decisions. Over the long term, the people of Jordan will benefit from the projects that are implemented.

Major Outputs: All years: Five or more major feasibility and/or project assessment studies, as well as numerous more limited studies and activities will be completed.

<u>A.I.D.-financed Inputs:</u>	(\$ Thousands)
	<u>FY 80</u>
Feasibility Studies	1,800
Technical Assistance	1,000
Evaluations and Future Program Development	<u>400</u>
TOTAL	3,200

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	To be selected. In addition to U.S. private contractors and consultants, U.S. Government agencies may be utilized; services also may be provided by the Jordanian Royal Scientific Society, the University of Jordan, and Jordanian contractors.
Estimated Fiscal Year 1979	2,500	1,250		
Estimated through September 30, 1979	2,500	1,250	1,250	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	3,200	-	5,700	

TITLE Health Information Systems		FUNDS Security Supporting Assistance		PROPOSED OBLIGATION (In thousands of dollars) FY 80 500		LIFE OF PROJECT 700
NUMBER 278-0226	NEW <input checked="" type="checkbox"/>	PRIOR REFERENCE FY 79 Security Supporting Assistance, p.1130	INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 81	ESTIMATED COMPLETION DATE OF PROJECT FY 82	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input type="checkbox"/>					

Purpose: To complete the institutionalization of a comprehensive national health information system in Jordan.

Background and Progress to Date: Under the Health Planning and Services Development Project (278-0208), a health planning unit will be established and operating within the Ministry of Health by late FY 1979. Also, upgrading the basic (primary) health care services to Jordan's rural and urban poor will be underway with the beginning of a program of training and re-training of existing health workers. One of the tasks performed by basic health workers will be the collection, recording and reporting of data necessary to both primary-level individual care and to the understanding and control of national health problems. These data will not include information on medical referrals to hospitals and specialty clinics and treatment originating at these secondary and tertiary facilities. To ensure that the planning unit does not operate in a vacuum and to permit meaningful referrals and program feedback, secondary and tertiary medical data need to be incorporated into Jordan's national health information system. This project seeks to meet this need by developing patient-care reporting systems for hospital and secondary systems, including training in data management.

Host Country and Other Donors: The Jordan Government's contribution is expected to be \$300 thousand equivalent over the life of the project in staff time and for computer time and services. There will be no other donors.

FY 1980 Program: Funds requested for FY 1980 will finance technical assistance in health information and statistics/data management; training for Jordanian staff; and data-systems-related commodities.

Beneficiaries: The impact of this system should be felt throughout the health sector. Directly benefiting will be the estimated 750,000 people receiving Ministry of Health services, i.e., a per capita expenditure (both FY 1980 and life of project) of less than one dollar.

Major Outputs: All years: A national health information system in place and operating at all levels of the Ministry of Health.

A.I.D.-financed Inputs:	(\$ Thousands)
	<u>FY 80</u>
Consultants (3.5 py)	350
Training (15 pm)	25
Commodities (data systems related)	75
Other costs	<u>50</u>
TOTAL	500

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	To be selected
Estimated Fiscal Year 1979	-	-	-	
Estimated through September 30, 1979	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	500	200	700	

PROGRAM: JORDAN

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE School Construction II		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 278-0232		PRIOR REFERENCE None	FY 80	6,700	LIFE OF PROJECT 6,700
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>		INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 82

Purpose: To contribute to more effective and economical primary and preparatory education in Jordan.

Background and Progress to Date: Education in Jordan is compulsory up to the ninth grade and is free up to the twelfth. Due to the increased demand for education in the country and the importance of improving the education system by providing more and better facilities, the Ministry of Education (MOE) has developed long-term goals of reducing dependence on rented school facilities; replacement of schools which are sub-standard (i.e., poor buildings and sanitary conditions) and which have high maintenance costs; alleviating the perennial shortage of classrooms; and providing for an increasing student population.

The MOE estimated that in addition to the land, equipment and staff, approximately \$500 million should be expended from 1977 to 1981 for school facilities throughout the country if MOE goals are to be realized. It now does not appear that funds will be available for the MOE to meet these goals during this period.

This project is a follow-on to Project 278-0190 (School Construction) which was authorized in FY 1976. That project provided for construction of 400 elementary and preparatory classrooms in 18 school buildings located in 12 separate towns and villages throughout Jordan. Ten of the schools are for girls and eight for boys. Nine of these schools are in use and the other nine are expected to be ready for use by June 1979. The location of the 18 schools was selected by mutual agreement between the MOE and A.I.D. based on priority needs, with two-thirds of the sites in small towns or villages and one-third in major urban areas serving highly congested populations. This new project will finance, using Fixed-amount Reimbursement, 351 classrooms in 18 schools.

Host Country and Other Donors: The total estimated cost of the project is \$9 million, of which the Government of Jordan will contribute approximately \$2.3 million. No other donors are involved in school construction.

Beneficiaries: Approximately 12,000 students will benefit each year from the improved educational facilities. Assuming a 30-year life, the buildings would provide 360,000 student years of beneficial occupancy at a cost of \$19 per student/year.

FY 1980 Program: Contracts will be awarded to Jordanian contractors for constructing the proposed facilities.

Major Outputs: All years: Approximately 13 schools in selected locations providing 351 classrooms, inclusive of laboratories, plus administration rooms.

<u>A.I.D.-financed Inputs:</u>	(\$ Thousands)
	<u>FY 80</u>
Construction services, materials and supplies	6,700

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	
Estimated Fiscal Year 1979	-	-	-	
Estimated through September 30, 1979	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	6,700	-	6,700	

To be selected

PROGRAM: JORDAN

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE Irbid Water and Sewage		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 80 16,000	LIFE OF PROJECT 16,000	
NUMBER 278-0233	NEW <input checked="" type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 84
GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/>	CONTINUING <input type="checkbox"/>	None			

Purpose: To expand the water distribution and storm water collection systems and to construct a new sewage collection system and treatment plant in Irbid.

Background and Progress to Date: The responsibility for the operation of Irbid's Water Distribution and Storm Water Collection System rests with the Municipality's Water Division. The existing water distribution system was designed in 1964 and is now inadequate for an estimated population of 160,000. For sewage disposal the city is totally dependent on cesspools which have become increasingly inadequate and unacceptable both from health and other environmental considerations. This project is the first phase of a long-range investment program to meet the critical basic human needs of the people of Irbid. It will finance the construction of the sewage treatment plant and portions of the sewage collection system and the expanded water distribution and storm water collection systems.

Host Country and Other Donors: The Project's cost is estimated at \$20 million, of which the Government of Jordan will contribute \$4 million. No other donors will be involved.

FY 1980 Program: Final design and bidding documents should be completed by November 1979. The award of the construction contract is expected in May 1980.

Beneficiaries: The Project will directly benefit the residents of Irbid whose houses and businesses will be connected to the water and sewerage system. The number of direct beneficiaries cannot be determined until project design is completed in November 1979. The main water line and sewers and the sewage treatment plant will be designed to accommodate present and projected populations through the year 2000. Therefore, the population not connected initially to the system will benefit

indirectly from improved sanitary conditions and will begin to benefit directly as they are connected to the water and sewage systems.

Major Outputs: All years:

- Completed water subproject.
- Completed sewage and storm water collection subproject.
- Completed sewage treatment plant for 250,000 inhabitants.

A.I.D.-financed Inputs: (\$ Thousands)
FY 80

Construction supervision and construction services and equipment

Loan	13,500
Grant	2,500

TOTAL	16,000
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U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	
Estimated Fiscal Year 1979	-	-	-	
Estimated through September 30, 1979	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	16,000	-	16,000	

To be selected

TITLE Zarqa-Ruseifa Water & Wastewater		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 278-0234		PRIOR REFERENCE None	FY 80	10,000	LIFE OF PROJECT
GRANT <input checked="" type="checkbox"/>	LOAN <input checked="" type="checkbox"/>		ESTIMATED FINAL OBLIGATION FY 80		10,000
NEW <input checked="" type="checkbox"/>	CONTINUING <input type="checkbox"/>				ESTIMATED COMPLETION DATE OF PROJECT FY 84

Purpose: To construct a new sewage collection system and treatment plant and expand water distribution and storm water collection systems in Zarqa and Ruseifa.

Background and Progress to Date: Zarqa, located 20 kms northeast of Amman, is the second-largest city in Jordan with a 1978 estimated population of 450,000. Ruseifa, which shares a common town-plain border with Zarqa, has a population estimated at 45,000. The Zarqa-Ruseifa area is Jordan's principal industrial center. Many of the larger industries are located within these two cities on the banks of the Zarqa River. This river is the principal water course feeding the King Talal Reservoir, which is being developed as a source of drinking water for Amman under the A.I.D.-financed Amman Water and Sewage Project (Project 278-0220, Loan 023). Most of the industries discharge their wastes directly into the river. Neither city has a system for wastewater collection and treatment, both being totally dependent on cesspools for domestic sewage disposal. These have become increasingly inadequate and unacceptable both from health and other environmental considerations.

The need for expanded storm water drainage systems is also evident in both cities. The present systems are rudimentary at best, consisting of gutters in streets sloped to drain to the river and its tributaries; but some streets do not have natural outlets and remain flooded for days after a heavy rain. The water supply and distribution system in Zarqa was built in 1968 and expanded to some extent during the past 10 years. Newer portions of the city built at elevations higher than the existing service reservoirs are not served by a distribution system. The water system in Ruseifa was built in 1963 and extended in 1974.

This project is the initial phase of a long-term Jordanian investment program to improve water distribution and wastewater collection and treatment. It will provide immediate needs for sewage

collection and treatment to reduce the discharge of untreated domestic and industrial effluents into the Zarqa River and ultimately into the King Talal Reservoir.

Host Country and Other Donors: Total project cost is estimated at \$13 million, of which the Government of Jordan will contribute \$3 million.

Beneficiaries: The Project will directly benefit the people whose homes and businesses are connected to the water and sewerage systems. The number of direct beneficiaries cannot be determined until after the completion of the project design. It will indirectly benefit the million or so residents of the Amman-Zarqa area who will get drinking water from the King Talal Reservoir or from wells in the Amman-Zarqa Basin.

FY 1980 Program: Final design and bidding documents should be completed by April of 1980. Construction contracts could be awarded by the following October.

Major Outputs: All years: Completed wastewater collection sub-project, completed sewage treatment plant and expanded water distribution and storm water collection systems.

A.I.D.-financed Inputs: (\$ Thousands, FY 80)

Construction supervision and construction services and equipment

Loan	8,500
Grant	1,500
TOTAL	10,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	To be selected
Estimated Fiscal Year 1979	-	-	-	
Estimated through September 30, 1979	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	10,000	-	10,000	

PROGRAM: JORDAN

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE Vocational Training		FUNDS Security Supporting Assistance		PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 278-0238		NEW <input type="checkbox"/>		FY 80	LIFE OF PROJECT	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		CONTINUING <input checked="" type="checkbox"/>		1,900	2,125	
PRIOR REFERENCE Advice of Program Change to be submitted		INITIAL OBLIGATION FY 79	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 82		

Purpose: To provide job-specific short-term training through the Vocational Training Corporation (VTC) at both the apprentice and skills-upgrading stages of employee development.

Background and Progress to Date: Jordan is experiencing a serious labor shortage at nearly all levels as a result of a high demand for Jordanian manpower throughout the Arab World, an expanding economy within Jordan, a low percentage of women in the labor force, and more than half of its population under age 15.

Since the availability of skilled labor is essential to the success of Jordan's development plan, the National Planning Council is giving priority attention to expansion of vocational training activities. The VTC, an autonomous institution created in 1976, is designed to complement formal vocational school programs under the Ministry of Education with non-formal, primarily on-the-job training courses directly geared to employer demands. While essentially concerned with training for industry, the VTC has a flexible mandate, allowing it to respond to requests for short-term training from government, semi-public and private institutions. The VTC operates on a contract basis.

A.I.D. will provide \$1.3 million to finance construction of a training facility and purchase capital equipment for training. Under the technical assistance component, \$750,000 will finance the services of three long-term advisors and a number of short-term experts. About \$35,000 will be used for participant training and \$40,000 for the purchase of books and training aids. During FY 1979 the technical assistance contract will be signed, initial commodities will be ordered, and participant training will begin.

Host Country and Other Donors: A Government of Jordan life-of-project contribution of \$800,000 will be used to purchase land and to provide office space, secretarial services, counterpart staff, commodities, and teachers for training. The VTC expects to

build five training centers. The European Economic Community and the USSR also are interested in financing the construction of, and/or equipping, one or more centers.

Beneficiaries: If the VTC conducts training programs in its own centers rather than using rented facilities, enrollment is expected to increase from the present 2,000 per year to 4,500 per year. The great majority of these trainees, the primary beneficiaries, will be drawn from lower income groups and will include increasing numbers of women. With an estimated 13,000 trainees over the life of the project, the cost to A.I.D. per beneficiary would be about \$163 (in FY 1980, \$212 per beneficiary). The labor force in general would be the ultimate beneficiary of the VTC's efforts.

FY 1980 Program: Long-term advisors should be in place, new training programs beginning, and much of the equipment required for training and headquarters operations ordered. Construction of the training facility will have begun.

Major Outputs: All years: Short-term, job and skill-specific courses taught at apprentice and upgrading levels by the VTC. In FY 1980, 2,000 persons trained, training equipment in use for specified skills training, improved financial and administrative practices adopted by the VTC.

A.I.D.-financed Inputs:	(\$ Thousands)
	FY 80
Contract advisors (62 pm)	560
Commodities (books, training aids, etc.)	20
Participants (8.5 pm)	20
Training Facility (architectural and engineering services, construction supervision, construction and equipment)	1,300
TOTAL	1,900

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	To be selected
Estimated Fiscal Year 1979	225	50		
Estimated through September 30, 1979	225	50	175	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	1,900	-	2,125	

PROGRAM: JORDAN

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE Jordan Valley Agricultural Services		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 80	750	LIFE OF PROJECT 1,450
NUMBER 278-0240	NEW <input checked="" type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 81	ESTIMATED COMPLETION DATE OF PROJECT FY 82
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input type="checkbox"/>	None			

Purpose: To assist in exploiting the capital infrastructure being developed in the Jordan Valley through improved agricultural research and extension programs, and plan formulation and policy determinations.

Background and Progress to Date: Crop yields under irrigation in the Jordan Valley have stagnated since the original East Ghor canal was completed in the mid-1960s. The Government of Jordan is well aware that the feasibility, on both efficiency and equity grounds, of its current and planned massive investments in irrigation infrastructure are dependent upon the adoption by farmers in the Valley of more productive crop varieties and production practices. These must be coupled with policies which offer positive incentive for greater production and ensure equitable access by small owner-operators and tenant farmers to inputs and produce markets.

The project will address two interrelated problems in the Jordan Valley: (a) the low rate of technological progress, and (b) the absence of systematic agricultural economic analysis for policy determination and plan formulation. Both problems are primarily the result of inadequately defined responsibilities for research, extension, and agricultural policy tailored to Valley needs. The Jordanian agencies involved with this project are the National Planning Council, the Jordan Valley Authority, the Ministry of Agriculture, and the Faculty of Agriculture of the University of Jordan.

U.S. assistance will be a combination of technical expertise in research and extension administration and in agricultural economic analysis and sector planning; participant training to upgrade local skills, particularly in administration and in agricultural economics; and material inputs for needed research and extension. Some or all aspects of the technical assistance may be best addressed through use of Title XII institutions.

Host Country and Other Donors: The Government of Jordan will contribute the equivalent of \$800 thousand to the project.

FY 1980 Program: Technical assistance in research and extension administration and agricultural policy analysis. In addition, three participants will begin training; and commodities to support research and extension work will be provided.

Beneficiaries: The principal beneficiaries of this project will be the operator families of the approximately 6,000 farms, averaging four hectares, in the Jordan Valley. Approximately 55-60% of these are operated by tenants on shares. Life-of-project costs of A.I.D. inputs per farm family are estimated at \$242. For 1980 inputs they are \$125.

Major Outputs: All years: Research management structure in place for problem identification and resource allocation; research results in three priority areas available for extension to farmers; and work in three other areas underway. Extension management structure providing motivation, leadership, and control to agents and programs; innovative extension programs in six problem areas implemented; and farmers adopting techniques from research and extension efforts. Policy statements based on economic analysis economics research on structure of demand and supply in produce and input markets and on the behavior of these markets underway; development of agricultural statistics base completed.

A.I.D.-financed Inputs:	(\$ Thousands)
	<u>FY 80</u>
Contract advisors (4 pys)	500
Participants (1.5 pys)	40
Commodities	<u>210</u>
TOTAL	750

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	To be selected
Estimated Fiscal Year 1979	-	-	-	
Estimated through September 30, 1979	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	750	700	1,450	

TITLE Budgetary Support		FUNDS Security Supporting Assistance		PROPOSED OBLIGATION (In thousands of dollars) FY 80 20,000		LIFE OF PROJECT Continuing	
NUMBER 278-9999	NEW <input type="checkbox"/>	PRIOR REFERENCE FY 79 Security	INITIAL OBLIGATION FY 71	ESTIMATED FINAL OBLIGATION FY continuing	ESTIMATED COMPLETION DATE OF PROJECT FY continuing		
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>	Supporting Assistance, p.1138					

Purpose: To help enable the Jordan Government to maintain an essential level of domestic financial outlays, thereby enhancing economic and political stability.

Background and Progress to Date: Prior to the 1967 war, Jordan achieved annual real rates of growth of about 10% with the help of development assistance from the United States and other donors. Israeli occupation of the West Bank resulted in the loss to Jordan of one of its more productive areas and caused other economic dislocations as well. Loss of revenue and other economic disruptions initially were offset to a large extent by budget support payments from Jordan's Arab neighbors under the so-called "Khartoum Agreement."

However, the growing military strength within Jordan of the Palestinian guerrillas led them to challenge the Jordan Government, and in September 1970, King Hussein successfully pressed a campaign against the fedayeen which resulted in a cessation of firing along the Israeli-Jordan border and reestablished control over the East Bank.

This was a favorable development in the Middle East situation from the United States' point of view, but was attained at considerable economic cost to Jordan, as it prompted several Arab donors to halt their substantial cash subsidies. In the wake of this fighting the United States undertook a supporting assistance program to bolster Jordan's economy and enable the Government of Jordan to maintain a measure of economic and political independence from its Arab neighbors. Budgetary support has been an important element of this program.

U.S. budget support supplies only a small portion of Jordan's annual budget expenditures -- estimated at less than 2% for 1979. Jordanian domestic revenues have been rising, permitting a gradual

reduction in U.S. budgetary support from a peak of \$67.5 in FY 1975 to \$20 million in FY 1980. We expect this trend to continue.

Budget support also has had a high political impact in that it is viewed by King Hussein and his Government as an indication of U.S. support for Jordan's moderating approach to the peace negotiations. Budget support, by contributing to economic stability, allows Jordan to be more flexible in its approach to divisive Arab-Israeli issues than otherwise would be the case.

Host Country and Other Donors: As a result of the November 1974 Rabat Summit Conference, Arab oil-producing states pledged up to 300 million a year to Jordan in economic and military assistance. While this amount was paid in 1975, Arab subsidy payments since have been erratic and undependable. There are reports that the November Baghdad Conference allotted significant financial assistance to Syria, Jordan and the PLO. Accurate details on the exact amount, nature or payment modalities of the assistance are not yet available and the GOJ estimates that the details may not be fully clarified until 1979. The uncertainty over the level and timing of bilateral payments from Jordan's Arab neighbors has compounded the Government's planning difficulties and makes continued U.S. budget support, though the amounts are small by comparison, of great importance to Jordan.

FY 1980 Program: Budget support will be provided for essential non-military purposes.

Beneficiaries: The populace as a whole.

Major Outputs: All years: Essential governmental civilian services.

A.I.D.-financed Inputs: (\$ Thousands)
FY 80
20,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	410,500	410,500	-	Not applicable
Estimated Fiscal Year 1979	30,000	30,000	-	
Estimated through September 30, 1979	440,500	440,500	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	20,000	continuing	continuing	

BASIC DATA

Total population	..... (thousands, mid 1978)	<u>8,091</u>
Per capita GNP	..... (dollars, 1976)	<u>780</u>
Average annual per capita real GNP growth rate	.. (1970-75)	<u>1.8%</u>
Average annual rate of inflation	..... (1960-1970)	<u>1.8%</u> (1970-1976) <u>18.8%</u>
% national income received by low 20% of population	.. ()	<u>n.a.</u>
Life expectancy at birth, in years (1970-1975)	total <u>54.0</u> male <u>52.4</u> female <u>55.7</u>	
(1965-1970)	total <u>51.3</u> male <u>49.9</u> female <u>52.8</u>	
Literacy rate	..... (1970)	total <u>40%</u> male <u>60%</u> female <u>20%</u>
(1960)	total <u>30%</u> male <u>47%</u> female <u>12%</u>	

AGRICULTURE

Average annual per capita agricultural production growth rate	.. (1954-77)	<u>-0.5%</u>
Agricultural production as % of GDP	..... (1976)	<u>17</u>
Population density per square mile of agricultural land	..... (1973)	<u>150</u>
% land owned () by: top 10%	<u>n.a.</u>	low 10% <u>n.a.</u>

Major crop(s):		% of arable land	Year
Subsistence wheat		45	(1977)
Cash cotton		3	(1977)

Major agricultural exports .. (1977) cotton

Major agricultural imports .. (1977) sugar, honey, cereals

Proportion of labor force in agriculture (1973) 51%**CENTRAL GOVERNMENT FINANCES**

Total domestic revenues (\$ millions, U.S.)	(1974) <u>1,097</u> (75) <u>1,698</u> (76) <u>1,746</u>
Total expenditures (\$ millions, U.S.)	.. (1974) <u>1,434</u> (75) <u>2,486</u> (76) <u>2,892</u>
Deficit (-) or surplus (\$ millions, U.S.)	.. (1974) <u>-337</u> (75) <u>-788</u> (76) <u>-1,146</u>
Defense expenditures, as % of total expenditures	..... (1974) <u>30.2</u> (75) <u>33.9</u> (76) <u>32.3</u>
as % of GNP	..... (1974) <u>17.5</u> (75) <u>21.7</u> (76) <u>18.8</u>
Official international reserves, gross holdings end of period, (\$ millions, U.S.)	..... (1975) <u>735</u> (76) <u>361</u> (77) <u>717</u>
Equivalent to	<u>3.2</u> months of imports (1977)

FOREIGN TRADE

Major exports ... (1976)	petroleum, cotton
Exports to U.S. (\$ millions, U.S., f.o.b.)	(1975) <u>6</u> (76) <u>10</u> (77) <u>17</u>
as % of total exports	..... (1975) <u>0.7</u> (76) <u>0.9</u> (77) <u>1.6</u>
Major imports ... (1976)	machinery and metal products, textiles, fuels
Imports from U.S. (\$ millions, U.S., c.i.f.)	(1975) <u>109</u> (76) <u>n.a.</u> (77) <u>147</u>
as % of total imports	..... (1975) <u>6</u> (76) <u>n.a.</u> (77) <u>5</u>
Total trade balance (\$ millions, U.S.)	..... (1975) <u>-755</u> (76) <u>-1,298</u> (77) <u>-1,622</u>
Main trading partners	..... U.S.S.R., Italy, Lebanon
External public debt as % of GNP.	(1976) <u>15.2</u>
Service payments on external public debt, (\$ millions, U.S.)	..... (1976) <u>109</u>
as % of export earnings (debt service ratio)	..... (1976) <u>7.9</u>

SOCIAL DATA

Population growth rate	..... (1967-77) <u>3.3%</u>
% population in urban areas	..... (1970) <u>44</u> (1975) <u>47</u>
Total births per 1,000 population	..... (1975) <u>45</u>
% married women aged 15-49 yrs. using contraception	..... (1977) <u>0.3</u>
% of the population (1975) in age group: (0-14 yrs.)	<u>45.5</u> (15-64 yrs.) <u>50.4</u> (65+ yrs.) <u>4.1</u>
Infant deaths during first year of life per 1,000 infants	..... (1970) <u>114</u>
People per physician	..... (1973) <u>2,900</u>
Major causes of death (1974)	symptoms and ill-defined conditions, diseases of the circulatory system, respiratory diseases
Major disease(s) ... (1974)	scabies, mumps, measles
Per capita calorie supply as a % of requirements	..... (1974) <u>104</u>
% of population with reasonable access to clean water supply	.. (1970) <u>71</u>
Total school enrollment as % of population in age group:	
Primary ... (ages 5-14) (1974)	total <u>62.1</u> male <u>73.9</u> female <u>49.8</u>
Secondary .. (15-19) (1974)	total <u>61.7</u> male <u>83.5</u> female <u>38.5</u>
Post Secondary (20-24) (1973)	total <u>9.3</u> male <u>14.4</u> female <u>3.9</u>
Energy production as % of consumption	..... (1970) <u>194</u>

U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS (U.S. Fiscal Years - Millions of Dollars)						ECONOMIC PROGRAMS OF OTHER DONORS (Millions of Dollars)						
COUNTRY SYRIA						A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS						
PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-78	REPAY- MENTS AND INTEREST 1946-78	TOTAL LESS REPAY- MENTS AND INTEREST 1946-78	TOTAL			
	1975	1976	TQ	1977	1978				TQ	FY 1977	FY 1978	FY 1946-78
I. ECONOMIC ASSISTANCE - TOTAL	104.6	34.9	78.7	99.7	105.3				17.5	70.9	60.6	462.4
Loans	99.4	32.9	78.5	89.0	93.3				17.5	70.0	58.0	377.1
Grants	5.2	2.0	0.2	10.7	12.0				-	-	-	47.3
a. A.I.D. and Predecessor Agencies	83.0	16.5	78.5	80.0	90.0				-	0.1	2.6	33.4
Loans	78.0	14.5	78.5	74.7	80.0				-	-	-	33.4
Grants	5.0	2.0	-	5.3	10.0				-	0.8	-	4.6
(Security Supporting Assistance)	83.0	16.5	78.5	80.0	90.0							
b. Food for Peace (PL 480)	21.6	18.4	0.2	19.7	15.3							
Loans	21.4	18.4	-	14.3	13.3							
Grants	0.2	-	0.2	5.4	2.0							
Title I - Total Sales Agreements	21.4	18.4	-	14.3	13.3							
Repayable in U.S. Dollars - Loans	21.4	18.4	-	14.3	13.3							
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-							
Title II - Total Grants	0.2	-	0.2	5.4	2.0							
Emerg. Relief, Econ. Develop. & World Food Program	0.2	-	0.2	5.4	2.0							
Voluntary Relief Agencies	-	-	-	-	-							
c. Other Economic Assistance	-	-	-	-	-							
Loans	-	-	-	-	-							
Grants	-	-	-	-	-							
Peace Corps	-	-	-	-	-							
Other	-	-	-	-	-							
II. MILITARY ASSISTANCE - TOTAL	-	-	-	-	-							
Credits or Loans	-	-	-	-	-							
Grants	-	-	-	-	-							
a. MAP Grants	-	-	-	-	-							
b. Credit Sales under FMS	-	-	-	-	-							
c. Intl. Military Education & Training Program	-	-	-	-	-							
d. Transfers from Excess Stocks	-	-	-	-	-							
e. Other Grants	-	-	-	-	-							
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	104.6	34.9	78.7	99.7	105.3							
Loans	99.4	32.9	78.5	89.0	93.3							
Grants	5.2	2.0	0.2	10.7	12.0							
Other U.S. Government Loans and Grants												
a. Export-Import Bank Loans												
b. All Other Loans												

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER

FIGURES NOT AVAILABLE AT TIME OF PRINTING

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				
TOTAL	TQ	FY 1977	FY 1978	FY 1946-78
IBRD	17.5	70.0	58.0	377.1
IDA	-	-	-	47.3
UNDP	-	0.1	2.6	33.4
Other UN	-	0.8	-	4.6

B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS			
1. D.A.C. COUNTRIES (Excluding U.S.)			
Donor	CY 1976	CY 1977	CY 1969-77
TOTAL	19.4	5.7	43.5
Germany	9.7	1.9	18.7
Italy	0.3	2.0	6.5
Japan	1.0	0.8	4.3
Netherlands	0.1	0.2	2.8
Belgium	0.6	*	2.2
Other	7.7	0.8	9.0

2. O.P.E.C. COUNTRIES			
Donor	CY 1976	CY 1977	CY 1973-77
TOTAL	448.7	NA	1,831.0
Saudi Arabia	189.8	NA	662.0
UAE	251.8	NA	637.4
Kuwait	*	NA	374.4
Iraq	-	NA	112.5
Other	7.1	NA	44.7

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES			
TOTAL	CY 1976	CY 1977	CY 1954-77
USSR	50.0	-	1,382.0
Eastern Europe	50.0	-	517.0
China	-	-	804.0
			61.0

* Less than \$50,000
 UAE - United Arab Emirates
 NA - Not available

SYRIA

SECURITY SUPPORTING ASSISTANCE
PROGRAM SUMMARY
(In millions of dollars)

	FY 1978 Actual	FY 1979 Estimated	FY 1980 Proposed
LOANS	80,000	74,000	45,000
TECHNICAL ASSISTANCE	10,000	15,600	15,000
TOTAL	90,000	90,000	60,000

U.S. Interest

U.S. policy seeks to encourage Syria to pursue a peaceful path to a Middle East settlement and to strengthen U.S.-Syrian cooperation and mutual trust, which is essential to continued progress towards peace. U.S. economic assistance to Syria is a tangible demonstration of the importance the United States attaches to Syria's positive role in the Middle East.

Development Overview

Syria's per capita GNP is now estimated at nearly \$800, placing it in the middle-income category. Development, however, has been uneven and the government remains seriously concerned about overcoming low agricultural productivity and the critical shortage of vital social infrastructure and services in rural areas.

Syrian economic development continues to suffer from:

- limited access to training in modern technology, management and methodology;
- absence of sufficient rural infrastructure and services to satisfy needs and aspirations of small farmers and other poor;
- a high population growth rate of 3.3%, exacerbating already poor social services;
- high infant and child death rates, attributable to unsatisfactory sanitation, health services and improper diets;
- inadequate educational facilities, improvement of which is needed to reduce further the functional illiteracy rate of nearly 45%-50%, and to provide training permitting Syrians to utilize the modern economic services and machinery now increasingly available;
- uncertain and irregular Arab aid flows, and economic disruptions associated with affairs in Lebanon.

Agriculture engages about 50% of the population. While Syria's agriculture has great potential, the growth rate remains low, averaging only 2.7% over the last twenty years. The government has invested substantial sums in land reclamation and irrigation to increase production, but the benefits of this investment are still some years away. Lack of capital and technical capacity for research, extension, marketing, and credit facilities hinder growth.

Socio-Economic Performance

Syria's socialist political, social and economic philosophy gives high priority to improving the lot of the poor. However, the economic costs associated with the Middle East conflict have limited the resources available for development. In 1977 economic growth slowed to about 2.6%, and progress on improving the welfare of the poor has been limited. Living conditions in many rural areas remain difficult. Inadequate water, schools, electricity and access roads, poor nutrition and generally unsatisfactory health conditions are still too common.

Total Resources

Syria receives economic assistance from some 30 donors. In Calendar Year 1977 commitments amounted to about \$1 billion, or 40% of the 1978 development budget. Official U.S. assistance contributed 10% of the total. Private U.S. investment was negligible, and American banks provided only commercial lines of credit. Other aid donors in 1977 included:

- Saudi Arabia - at least \$175 million for highways, ports, electric power, and university and hospital facilities
- Other Middle East oil producers - \$450 million
- USSR - \$100 million
- IBRD - \$70 million for Aleppo city water and vocational education
- Federal Republic of Germany - \$52 million for development of the Ghab Valley and for fruit tree planting.
- World Food Program - \$22 million
- Other UN activities - \$5 million

A.I.D. Strategy

The objective of A.I.D.'s program is to raise the quality of life of the poorer elements of Syrian society, especially in rural areas. The strategy is to accomplish this by improving essential services and increasing agricultural productivity. U.S. activities support and supplement Syria's own efforts. The major projects proposed for FY 80 are in agriculture and rural services (health). A development import loan will finance necessary U.S. equipment and technology for economic development.

FY 80 PROGRAM HIGHLIGHTS
* We will continue the shift in program emphasis, begun in FY 79, to projects addressing the problems of the rural population.
* Major components of the program are loans for development of an agricultural region, health centers, and imports of development related equipment, and grants to assist agricultural planning and agricultural research.

PERSONNEL/PARTICIPANTS DATA CP 80-17(10-78)			
Category	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID Personnel ^a			
Direct Hire ^b	17	23	23
PASA ^c	-	-	-
Contract	32	48	72
Total	49	71	95
Participants ^d			
Noncontract	110	100	70
Contract	-	-	54
Total	159	171	124

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1979 and FY 1980 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

RESOURCE FLOWS			
<i>(In thousands of dollars)</i>			
Program	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID*			
Loans	26,785	61,397	108,600
Grants	3,331	5,720	9,182
Total AID	30,116	67,117	117,782
P.L. 480**			
Title I	14,000	12,100	2,000
(of which Title III is)	()	()	()
Title II	1,600	3,348	3,517
Total P.L. 480	15,600	15,448	5,517
Total AID and P.L. 480	45,716	82,565	123,299

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

P.L. 480 PROGRAMS SUMMARY						
<i>(In 000MT/\$000)</i>						
Program	FY 1978 (Actual)		FY 1979 (Estimated)		FY 1980 (Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat	9.8	1,300	45.1	6,100	15.4	2,000
Rice	35.0	12,700	15	4,200	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	.4	1,800	-	-
Title I Total .. (of which Title III is)		14,000 ()		12,100 ()		2,000 ()
<i>Title II</i>						
Voluntary Agencies ..	-	-	-	-	-	-
World Food Programs	-	1,600	-	3,348	-	3,517
Gov't.-to-Gov't	-	-	-	-	-	-
Title II Total	-	1,600	-	3,348	-	3,517
Total P.L. 480		15,600		15,448		5,517

MISSION DIRECTOR: Miles Wedeman

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM SYRIA

CP 80-02(10-78)

PROJECT TITLE	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
				OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
SECURITY SUPPORTING ASSISTANCE										
AG MACHINERY & PRODUCTION INPUT I	L	276-J007	75	30,000	29,899	---	101	---	---	---
BASIC INPUT & PRODUCTION	L	276-K013	76	15,000	2,024	---	12,976	---	---	---
ENGLISH LANGUAGE TRAINING	G	276-0002	76	1,392	378	975	500	---	500	---
AG EDUCATION AND RESEARCH	G	276-0003	79	---	---	7,200	---	---	1,000	---
GEN PARTICIPANT TRAINING	G	276-0004	75	2,157	1,394	850	500	1,100	666	---
TECH SERV AND FEASIBILITY STUD PHASE II	G	276-0005	77	3,500	31	---	2,000	---	1,000	---
DEVELOPMENT OF HEALTH SERVICES	G	276-0006	76	1,075	323	---	260	---	260	---
DAMASCUS WATER SUPPLY II	L	276-0010	76	14,500	---	---	300	---	5,000	---
EUPHRATES BASIN IRRIGATION MAINTENANCE	L	276-0011	76	17,600	287	---	5,000	---	8,500	---
DAMASCUS-DERA'A HIGHWAY	L	276-0012	76	45,900	176	---	4,000	---	11,000	---
AG MACH AND PROD INPUTS II	L	276-0014	77	40,000	---	---	33,220	---	6,780	---
AKKAR PLAIN	L	276-0016	80	---	---	---	---	15,000	---	---
LATTAKIA - TARTOUS HIGHWAY	L	276-0017	78	60,000	---	---	650	---	15,000	---
RURAL ELECTRIFICATION	L	276-0018	77	34,700	---	---	150	---	22,000	---
TECHNICAL HEALTH INSTITUTE	G	276-0019	78	4,050	---	1,580	100	---	2,000	---
LAND CLASSIFICATION/SOIL SURVEY	G	276-0020	78	2,200	---	---	60	---	1,000	---
DEVELOPMENT IMPORTS I	L	276-0023	78	20,000	---	---	2,000	---	13,000	---
PROVINCIAL WATER SUPPLY	L	276-0024	79	---	---	12,400	---	---	1,000	---
TECH SERVICES/FEASIBILITY STUDIES III	G	276-0026	78	2,000	---	---	600	---	500	---
TECH SERV AND FEASIBILITY STUDIES IV	G	276-0027	79	---	---	1,500	---	---	500	---
AG PLANNING	G	276-0030	80	---	---	---	---	5,000	---	---
AGRICULTURAL RESEARCH	G	276-0031	80	---	---	---	---	7,400	---	---
TECH SERV AND FEASIBILITY STUDIES V	G	276-0032	80	---	---	---	---	1,500	---	---
RURAL ROADS	L	276-0033	79	---	---	26,000	---	---	5,000	---
HEALTH CENTERS	L	276-0034	80	---	---	---	---	10,000	---	---
RURAL SCHOOLS	L	276-0035	79	---	---	16,000	---	---	3,000	---
DEVELOPMENT IMPORTS II	L	276-0036	79	---	---	20,000	---	---	7,320	---
DEVELOPMENT IMPORTS III	L	276-0037	80	---	---	---	---	20,000	---	---
REMOTE SENSING	G	276-0041	79	---	---	3,495	200	---	500	---
TOTAL FOR ACCOUNT				294,074	34,512	90,000	62,617	60,000	105,526	
GRANTS				16,374	2,126	15,600	4,220	15,000	7,926	
LOANS				277,700	32,386	74,400	58,397	45,000	97,600	
MIDDLE EAST SPECIAL REQUIREMENTS FUND										
TECH SERVICES AND FEASIBILITY STUDY	G	276-0001	75	4,000	2,178	---	1,000	---	822	---
GEN PARTICIPANT TRAINING	G	276-0004	75	1,926	992	---	500	---	434	---
DAMASCUS WATER SUPPLY I	L	276-0008	75	48,000	295	---	3,000	---	11,000	---
TOTAL FOR ACCOUNT				53,926	3,465	---	4,500	---	12,256	
GRANTS				5,926	3,170	---	1,500	---	1,256	
LOANS				48,000	295	---	3,000	---	11,000	

* Detailed project narrative - See Activity Data Sheet.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM SYRIA

CP 80-02(10-78)

PROJECT TITLE	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
				OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
TOTAL FOR COUNTRY				348,000	37,977	90,000	67,117	60,000	117,782	
GRANTS				22,300	5,296	15,600	5,720	15,000	9,182	
LOANS				325,700	32,681	74,400	61,397	45,000	108,600	

* Detailed project narrative - See Activity Data Sheet.

TITLE General Participant Training		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars) FY 80 1,100		LIFE OF PROJECT Continuing
NUMBER 276-0004	NEW <input type="checkbox"/>	PRIOR REFERENCE FY 79 Security Assistance Program p. 1156	INITIAL OBLIGATION FY 75	ESTIMATED FINAL OBLIGATION FY Continuing	ESTIMATED COMPLETION DATE OF PROJECT FY Continuing
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>			

Purpose: To provide specialized training in the United States for key Syrian technicians and government officials with focus on practical and technical skills and methods applications.

Background and Progress to Date: By January 1, 1979, more than 280 participants will have completed training in the United States under this project. These officials, from both the technical and policy levels in more than 20 ministries and bureaus, worked, observed and studied in the United States, in both the private and public sectors. Training focused primarily on the practical, with emphasis on applied technology and management to improve industrial and agricultural productivity. Some academic training also is provided.

Host Country and Other Donors: Syrian Arab Republic Government (SARG) pays participant salaries while in training plus all local costs of the program and some international travel. These SARG contributions are expected to continue for the life of the project.

Beneficiaries: Direct beneficiaries of the program are those individual participants who upgrade and expand their specialized technical and professional skills through the training opportunities provided by this program. More importantly, the country benefits when the participants return and use their new knowledge in social and economic development activities. The average cost per trainee has been about \$11,500.

FY 80 Program: The FY 80 program will provide both long-term and short-term training in priority sectors, particularly agriculture and industry, with special emphasis on enhancing the skills of Syrian middle-level technicians and policy makers who have important roles in the Syrian development process.

Major Outputs: (All Years)

Since this is a continuing project, life-of-project outputs cannot be quantified. However, an average of about 75 short-term and eight long-term trainees complete programs in the U.S. annually.

A.I.D. Financed Inputs

Training:		
Long-Term (490 PM)		630
Short-Term (200 PM)		470
	Total	1,100

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	4,083	2,386	1,697	N/A
Estimated Fiscal Year 1979	850	1,000		
Estimated through September 30, 1979	4,933	3,386	1,547	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	1,100	Continuing	Continuing	

TITLE Akkar Plain I		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 80 15,000	LIFE OF PROJECT	15,000
NUMBER 276-0016	NEW <input checked="" type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>	CONTINUING <input type="checkbox"/>	FY 78 Security Supporting Assistance Programs p. 111	FY 80	FY 80	OF PROJECT FY 84

Purpose: To increase agricultural production in the Akkar Plain by providing irrigation and drainage facilities, adaptive research and extension services, and other supporting infrastructure.

Background: An A.I.D. financed feasibility study of the agricultural potential of the Akkar Plain, an area of 55,000 acres located on Syria's Mediterranean coast, was completed in October of 1978 and will be presented to A.I.D. in final form in December 1978. This study identifies areas suitable for different types of agricultural production such as high value crops (fruits and vegetables) and also investigates different types of irrigation and drainage systems. Other activities of the study included soil classification, farm surveys, compilation of economic data, infiltration and percolation tests, and selection of dam sites, canals and diversions. However, the study has called into question a basic assumption on which the original Akkar Plain project was originally planned by Syria, namely the feasibility of constructing a large storage dam in the project area. Further studies on the alternative use of ground water will be conducted throughout FY 79. The final scope of the Akkar Plain project will be based upon the results of the study, which anticipates positive results in future groundwater drilling activities and thus includes construction costs of several wells in the project area.

Host Country and Other Donors: Life of project contributions by the Syrian Arab Republic Government (SARG) will total approximately U.S. \$4 million. This will include operation and maintenance costs, salaries for personnel, and contractor support costs.

Beneficiaries: This loan will directly or indirectly benefit the 18,000 people who live in the project area. The FY 80 and life of project cost per beneficiary is thus estimated at U.S. \$833. It is expected more people will move into the area upon completion of the project as the land becomes more productive.

FY 80 Program: The project will not be fully designed until the conclusion and evaluation of ground water drilling activities which will take place throughout FY 79. Following these tests, the final project design, including irrigation, drainage, roads marketing facilities and other infrastructure will be completed. The budget year will largely be dedicated to pre-implementation actions, such as negotiation of loan agreement, contract negotiations, and contractor mobilization activities.

Major Outputs: (All Years)

Hectares of land drained or flooding prevented (approximately)	5,000
Wells drilled	30
Roads constructed (km)	40
Marketing Facilities	Various

A.I.D. Financed Inputs:

	FY 80
Technical Assistance (72pm)	500
Construction	14,500
Total	15,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978				To be determined.
Estimated Fiscal Year 1979				
Estimated through September 30, 1979				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	15,000	-	15,000	

PROGRAM: SYRIA

ACTIVITY DATA SHEET

CP 80-05

TITLE Agricultural Planning		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 276-0030		PRIOR REFERENCE NONE	FY 80 5,000	LIFE OF PROJECT 5,000	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>		INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 84

Purpose: To establish a Syrian Government institutional capability to plan, analyze, evaluate and coordinate agriculture development policies and programs.

Background: The Syrian Arab Republic Government's (SARG) current Five-Year Plan assigns top priority to improving the incomes of and services available to the country's rural population. It calls for stepped-up investment to expand social and economic services and supporting infrastructure. A.I.D.'s Country Development Strategy Statement (CDSS) for Syria also emphasizes this need. Supporting investment programs to increase agricultural productivity, improve commodity storage/distribution facilities, expand irrigation and develop/enlarge export markets for agricultural production, as well as reduce imports are urgently needed. Unfortunately, SARG lacks the planning capacity to develop and carry out such a strategy, but is cognizant of this deficiency and is requesting U.S. assistance to strengthen their capacity to plan, analyze and evaluate resource development/investment alternatives for the agricultural sector.

An A.I.D.-assisted Agricultural Sector Assessment is now underway. It has identified three broad needs which form the basic activity framework for this project--data collection, assembly and analysis; project analysis and evaluation; and long-range planning and sector modeling.

Host Country and Other Donors: The SARG will provide most of the local currency costs of this project such as offices, equipment, salaries for technicians, administrative personnel, and operation and maintenance costs. Life of project contributions should total approximately U.S. \$1.25 million. There are no other donors in the area of agricultural planning, although several donors, including the IBRD, UNDP, FAO, Arab Fund and West Germany, have participated in the design of the Agricultural Sector Assessment.

Beneficiaries: Directly benefitting will be approximately 20 Syrian counterparts and officials receiving training and guidance to effectively implement and achieve the objectives of this project. However, ultimate beneficiaries will be the 654,000 family Syrian farm population who will benefit from a more efficient organization and management of the agricultural sector. The FY 80 and life of project cost per farm family is estimated to be U.S. \$8.

FY 80 Program: Funds will be utilized during this initial year to pay U.S. training costs for Syrians, technical contract or PASA services, and commodities, including vehicles.

Major Outputs: (All Years)

- A. A cadre of highly trained professionals capable of identifying agriculture development priorities, analyzing strategy options and evaluating/recommending alternative agricultural development policies and programs.
- B. Identification of a set of sound agricultural development/ investment projects including necessary documentation and approval for implementation.
- C. Effective use of and linkage to data collection centers established at no less than three locations.
- D. Coordinated planning and programming of projects and activities within the agricultural development sector.

A.I.D. Financed Inputs

	FY 80
Long-Term Technical Assistance (300 PM)	3,750
Long Term Training (288 PM)	370
Commodities	880
Total	5,000

U.S. FINANCING (In thousands of dollars)			PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	
Through September 30, 1978	-		U.S. institution to be determined, possibly a Title XII university.
Estimated Fiscal Year 1979	-		
Estimated through September 30, 1979	-		
		Future Year Obligations	
Proposed Fiscal Year 1980	5,000		Estimated Total Cost 5,000

TITLE Agricultural Research		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 80 7,400	LIFE OF PROJECT	7,400
NUMBER 276-0031	NEW <input checked="" type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input type="checkbox"/>	NONE	FY 80	FY 80	OF PROJECT FY 84

Purpose: To strengthen the agricultural research capability of the Syrian Arab Republic Government (SARG) and enhance its ability to disseminate newly acquired agricultural information to the rural areas.

Background: As a food deficit country with a rapidly growing population that is currently outstripping agricultural productivity growth, the Syrian Government has set increased agricultural production as a priority development objective, along with that of improving the well-being of its rural population. SARG expects to pursue this goal through a strategy of increased investment and the introduction/adoption of improved agricultural technology and production practices at the farm level. The latter, in turn, requires not only a strong research capacity, including a well-coordinated program of national research focused on priority production problems and constraints, but also an effective extension system for both disseminating research results to farmers and assisting them in putting these findings into practice. Some research is underway, but there is need to formulate a national research strategy and a coordinated research program to make present efforts more effective, as well as to fill critical gaps and weaknesses that currently exist. The present Syrian system of disseminating research findings to farmers is inadequate and more work is necessary to apply the findings of regional and international research centers to Syrian agricultural conditions, and prevailing domestic technology.

Host Country and other Donors: SARG will provide buildings, some equipment and machinery, technicians, laborers, and administrative personnel. Life of project contributions by SARG total approximately U.S. \$2.0 million. The FAO, through its Integrated Agriculture Development project, supports some minor research activities in vegetable production. No other donor is actively involved in the research area.

Beneficiaries: Direct benefits from the project will accrue to SARG officials in that it will improve their ability to coordinate and conduct agricultural research as well as disseminate the results to Syrian farmers. However, the major ultimate beneficiaries will be the approximately 654,000 Syrian farm families to whom improved technological inputs, practices and knowledge will flow and who are identified in both the Syrian Fourth Five Year Plan and the USAID/Syria Country Development Strategy Statement as the primary focus of development efforts for the next several years. The FY 80 and life of project cost per farm family is estimated at U.S. \$12.

FY 80 Program: Funds will be utilized during FY 80 to pay training costs for Syrians, contract technical services under Title XII, and commodities, including research equipment and vehicles.

Major Outputs:

(All Years)

1. Creation of a national coordinating body with responsibility for overall guidance and conduct of agricultural research efforts including a comprehensive national research program.
2. Adequately staffed and equipped research institutions to implement program and to make maximum utilization of the latest technical information and research methodology.
3. Creation of an information feedback system responsible to the research needs of farmers, as well as an improved dissemination system to effectively transmit research results to farmers.
4. Improved linkages with international research centers.

A.I.D. Financed Inputs:

	FY 80
Long-Term Technical Assistance (240 PM)	3,250
Long-Term Participant Training (360 PM)	463
Commodities	3,687
Total	7,400

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	Probably Title XII
Estimated Fiscal Year 1979	-	-	-	
Estimated through September 30, 1979	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	7,400	-0-	7,400	

PROGRAM: SYRIA

ACTIVITY DATA SHEET

CP 80-05

TITLE Technical Services/ Feasibility Studies ▽		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 276-0032		PRIOR REFERENCE FY 79 Security Supporting Assistance Program p. 1155	FY 80 1,500	LIFE OF PROJECT 1,500	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>		INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 84

Purpose: To provide short-term consultant services for preparation of sector assessments and prefeasibility and feasibility studies. The project will also fund other project development work as well as short-term advisory services.

Background: A.I.D. proposes to establish a fifth fund to finance short-term consultancies in Syria in fields in which Syrian experts are unavailable. Activities which have been or are being conducted under previous similar grants include a Comprehensive Transport Sector Study, an Agriculture Sector Assessment, a major on-farm irrigation training course for Syrian agricultural officials and social analyses. This project will provide some of the economic and technical planning and analysis expertise needed to help plan the Fifth Five-Year Plan (1981-1985). The short-term consultancies will further Syrian Arab Republic Government (SARG) and A.I.D. project identification, design, and evaluation through preparation of sector assessments and project pre-feasibility and feasibility studies.

Host Country and Other Donors: SARG has provided funding for various projects financed under similar previous grants including salaries of Syrian counterparts, administrative costs, and other personnel support costs.

Beneficiaries: This project will directly benefit the SARG by providing it with information on which to base decisions for investment in various sectors of the economy. Over the long-term, the people of Syria will benefit, including the least affluent people who live in areas where identified projects will eventually be implemented. These studies, like those implemented under earlier grants, will focus on a broad range of activities including agriculture and rural development, health and nutrition.

Project development in these areas will focus on the needs of all people with emphasis on the rural and urban poor. While difficult to estimate, the FY 80 and life of project cost per family for the total population can be put at approximately \$1.

FY 80 Program: Examples of areas which might be studied include agricultural research and extension, health care and rural services.

Major Outputs: (All Years)

Studies to be determined.

A.I.D. Financed Inputs

Technical Assistance (224 pm)	FY 80 1,500
Total	1,500

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978				To be determined
Estimated Fiscal Year 1979				
Estimated through September 30, 1979				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	1,500	-	1,500	

TITLE Health Centers		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 276-0034		PRIOR REFERENCE NONE	FY 80	10,000	LIFE OF PROJECT 10,000
GRANT <input type="checkbox"/>	LOAN <input checked="" type="checkbox"/>		INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 83
NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>					

Purpose: To establish an effective system for the delivery of basic health care services in Syria, especially in low income areas.

Background: Despite a wide range of health facilities in Syria, including hospitals, clinics, and health care centers, the actual growth in the number of facilities has not kept pace with population growth. Hospitals are poorly administered and maintained, health centers are understaffed, curative oriented and ill-equipped. This project will construct and equip 44 health care centers in the rural and poor urban areas of Syria and provide training and technical assistance in management of the services delivery system. The project is part of an effort by the Syrian Arab Republic Government (SARG) to develop a health care delivery system designed to provide improved, low cost services to those who do not have adequate access to services provided through the private sector.

Host Country and Other Donors: SARG contributions of \$3.9 million include land costs, salaries for health center personnel, furniture for centers, and other administrative costs. Staffing of the health centers will be governed by a government decree which calls for a broad range of health care personnel to be assigned to each center including physicians, midwives, public health nurses and lab technicians. No other donors are involved in this area.

Beneficiaries: With the completion of the 44 A.I.D.-financed health centers (and a similar number funded entirely by the SARG) the total number of facilities providing basic curative and preventive health services will be increased to a new total of almost 300. The average population served by a health center is 25,000; about 90 new centers will increase coverage from approximately 5,000,000 to 7,275,000 individuals. The estimated cost for FY 80 and life of project for the A.I.D.-financed element of 44 new clinics in this project is \$54 per family.

FY 80 Program: FY 80 funds will cover all costs of this four-year project. Activities in the first year of the project will include selection of consultants and the initiation of commodity procurement and training. Actual construction of health centers will begin in the second year of the project.

Major Outputs: (All Years)

New Health Centers and Physicians'	44
Residential Quarters (\$189,136/Center)	
MOH officials trained	14

A.I.D. Financed Inputs:

	<u>FY 80</u>	
Technical Assistance (36 months)	240	
Training:	649	
1) Short-Term		13
2) Long-Term		518
Commodities, lab equipment	789	
Construction (44 health centers)	<u>8,322</u>	
Total	10,000	

	U.S. FINANCING (In thousands of dollars)			PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	To be determined
Estimated Fiscal Year 1979	-	-	-	
Estimated through September 30, 1979	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	10,000	-0-	10,000	

PROGRAM: SYRIA

ACTIVITY DATA SHEET

CP 80-05

TITLE Development Imports		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 80 20,000	LIFE OF PROJECT	20,000
NUMBER 276-0037	NEW <input checked="" type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>	CONTINUING <input type="checkbox"/>	NONE	FY 80	FY 80	OF PROJECT FY 82

Purpose: To provide essential machinery, equipment, spare parts and other commodities needed to assist Syria in developing additional irrigated land, expanding agricultural production, modernizing medical facilities and support of other development activities.

Background: In FY 75, A.I.D. authorized a \$30 million loan for the Syrian Government to finance the procurement of U.S. manufactured agricultural and construction equipment. Procurement and delivery under this loan is virtually complete and the equipment is in productive use. An additional loan of \$15 million for the financing of commodity imports was authorized during FY 76. To date \$2 million has been disbursed for tires, agricultural and construction equipment and equipment and supplies for a Cardiovascular Surgical Center. The remainder of the funds is being used for the procurement of garbage collection and disposal equipment for Syrian cities -- 223 garbage compactor trucks, twenty sweepers and eight disposal compactors. All ordered equipment is expected to arrive in January 1979. A third commodity loan in the amount of \$40 million in FY 1977 funds was signed in September 1977 and a fourth for \$20 million in September 1978. A fifth, also for \$20 million, is expected to be signed in FY 79. Most of the funds will be used for the purchase of construction equipment, such as tractors, wheel loaders, excavators, mobile cranes, and motor graders. Two units of canal trimming and lining equipment will be ordered. The vast majority of the equipment is to be used in furthering the irrigation projects in the Euphrates basin, to increase agricultural production and provide employment for the rural population.

Host Country and Other Donors: N.A.

Beneficiaries: The population in general will benefit from better availability and distribution of food, and from medical services and other social services which are supported by this project. Although it is not possible to determine who specifically will benefit from this project since all end uses of equipment are not yet known, the FY 80 and life of project cost for the Syrian population as a whole is approximately US \$15 per family.

FY 80 Program: Commodities (equipment and equipment-related technical services and spare parts from the U.S., including bulldozers, cranes, trucks, trailers, medical equipment, farm machinery as well as other selected equipment and spare parts) will be imported.

Major Outputs: All Years

Increase in agricultural production and improved distribution of agricultural products and inputs as well as modernization of other facilities and services related to Syrian development goals.

A.I.D. Financed Inputs:

	<u>FY 80</u>
Commodities	20,000
Total	20,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	
Estimated Fiscal Year 1979	-	-	-	
Estimated through September 30, 1979	-	-	-	
Proposed Fiscal Year 1980	20,000	-	20,000	

N/A

BASIC DATA			
Total population	(thousands, mid 1978)	<u>9,920</u>	
Per capita GNP	(dollars, 1976)	<u>1,690</u>	
Average annual per capita real GNP growth rate	(1970-75)	<u>4.5</u>	
Average annual rate of inflation	(1960-1970)	<u>2.9%</u>	(1970-1976) <u>11.9%</u>
% national income received by low 20% of population	()	<u>n.a.</u>	
Life expectancy at birth, in years	(1970-1975)	total <u>68.0</u>	male <u>64.9</u> female <u>71.3</u>
	(1965-1970)	total <u>66.1</u>	male <u>63.2</u> female <u>69.3</u>
Literacy rate	(1970)	total <u>71%</u>	male <u>78%</u> female <u>65%</u>
	(1960)	total <u>62%</u>	male <u>69%</u> female <u>55%</u>
AGRICULTURE			
Average annual per capita agricultural production growth rate	(1954-77)	<u>0.1%</u>	
Agricultural production as % of GDP	(1976)	<u>18</u>	
Population density per square mile of agricultural land	(1975)	<u>560</u>	
% land owned () by: top 10%	<u>n.a.</u>	low 10%	<u>n.a.</u>
Major crop(s):		% of arable land	Year
Substance	potatoes and legumes	13	(1976)
Cash	wheat, wine, tomatoes	20	(1976)
Major agricultural exports	(1976)	wine, fruits and vegetables	
Major agricultural imports	(1976)	grains, cotton, fruits and vegetables, livestock products	
Proportion of labor force in agriculture	(1970)	<u>30%</u>	
CENTRAL GOVERNMENT FINANCES			
Total domestic revenues (\$ millions, U.S.)	(1974)	<u>1,754</u>	(75) <u>2,043</u> (76) <u>2,571</u>
Total expenditures (\$ millions, U.S.)	(1974)	<u>2,098</u>	(75) <u>2,892</u> (76) <u>4,050</u>
Deficit (-) or surplus (\$ millions, U.S.)	(1974)	<u>-344</u>	(75) <u>-849</u> (76) <u>-1,479</u>
Defense expenditures,			
as % of total expenditures	(1974)	<u>39.6</u>	(75) <u>22.8</u> (76) <u>15.4</u>
as % of GNP	(1974)	<u>7.4</u>	(75) <u>5.3</u> (76) <u>3.9</u>
Official international reserves, gross holdings end of period,			
(\$ millions, U.S.)	(1975)	<u>1,534</u>	(76) <u>1,302</u> (77) <u>1,377</u>
Equivalent to		<u>3.4</u>	months of imports (1977)
FOREIGN TRADE			
Major exports	(1976)	cotton textiles, cork and products, canned fish	
Exports to U.S. (\$ millions, U.S., f.o.b.)	(1975)	<u>140</u>	(76) <u>122</u> (77) <u>136</u>
as % of total exports	(1975)	<u>7</u>	(76) <u>7</u> (77) <u>7</u>
Major imports	(1976)	petroleum, cotton, industrial machinery	
Imports from U.S. (\$ millions, U.S., c.i.f.)	(1975)	<u>475</u>	(76) <u>381</u> (77) <u>502</u>
as % of total imports	(1975)	<u>12</u>	(76) <u>9</u> (77) <u>10</u>
Total trade balance (\$ millions, U.S.)	(1975)	<u>-1,902</u>	(76) <u>-2,410</u> (77) <u>-2,910</u>
Main trading partners		U.K., U.S., Germany (F.R.)	
External public debt as % of GNP	(1976)	<u>5.4</u>	
Service payments on external public debt, (\$ millions, U.S.)	(1975)	<u>134</u>	
as % of export earnings (debt service ratio)	(1976)	<u>3.1</u>	
SOCIAL DATA			
Population growth rate	(1967-77)	<u>1.0%</u>	
% population in urban areas	(1960)	<u>23</u>	(1970) <u>26</u>
Total births per 1,000 population	(1976)	<u>19</u>	
% married women aged 15-49 yrs. using contraception	()	<u>n.a.</u>	
% of the population (1975) in age group: (0-14 yrs.)	<u>26.7</u>	(15-64 yrs.)	<u>62.4</u> (65+ yrs.) <u>10.9</u>
Infant deaths during first year of life per 1,000 infants	(1975)	<u>38</u>	
People per physician	(1974)	<u>850</u>	
Major causes of death ()	<u>n.a.</u>		
Major disease(s) ()	<u>n.a.</u>		
Per capita calorie supply as a % of requirements	(1975)	<u>118</u>	
% of population with reasonable access to clean water supply	()	<u>n.a.</u>	
Total school enrollment as % of population in age group:			
Primary ... (ages 5-14)	(1974)	total <u>58.0</u>	male <u>58.9</u> female <u>57.2</u>
Secondary ... (15-19)	(1974)	total <u>85.5</u>	male <u>89.1</u> female <u>82.0</u>
Post Secondary (20-24)	(1973)	total <u>1.9</u>	male <u>3.0</u> female <u>0.6</u>
Energy production as % of consumption	(1970)	<u>16</u>	

U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS (U.S. Fiscal Years - Millions of Dollars)						ECONOMIC PROGRAMS OF OTHER DONORS (Millions of Dollars)						
COUNTRY PORTUGAL						A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS						
PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-78	REPAY- MENTS AND INTEREST 1946-78	TOTAL LESS REPAY- MENTS AND INTEREST 1946-78	TOTAL			
	1975	1976	TQ	1977	1978				TQ	FY 1977	FY 1978	FY 1946-78
I. ECONOMIC ASSISTANCE - TOTAL	15.0	54.1	24.3	131.5	338.0				36.0	164.2	192.2	450.2
Loans	14.3	19.1	23.6	126.5	338.0				36.0	74.0	131.0	298.5
Grants	0.7	35.0	1.0	5.0	-				-	0.2	1.2	1.5
A.I.D. and Predecessor Agencies	15.0	35.0	20.0	65.0	300.0				-	-	-	0.2
Loans	14.3	-	19.0	60.0	300.0				-	-	-	-
Grants	0.7	35.0	1.0	5.0	-				-	-	-	-
(Security Supporting Assistance)	15.0	35.0	20.0	65.0	300.0				-	90.0	60.0	150.0
b. Food for Peace (PL 480)	-	19.1	4.8	66.5	38.0							
Loans	-	19.1	4.8	66.5	38.0							
Grants	-	-	-	-	-							
Title I - Total Sales Agreements	-	19.1	4.8	66.5	38.0							
Repayable in U.S. Dollars - Loans	-	19.1	4.6	66.5	38.0							
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-							
Title II - Total Grants	-	-	-	-	-							
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-							
Voluntary Relief Agencies	-	-	-	-	-							
c. Other Economic Assistance	-	-	-	-	-							
Loans	-	-	-	-	-							
Grants	-	-	-	-	-							
Peace Corps	-	-	-	-	-							
Other	-	-	-	-	-							
II. MILITARY ASSISTANCE - TOTAL	0.4	2.7	0.5	33.5	27.9							
Credits or Loans	-	-	-	-	-							
Grants	0.4	2.7	0.5	33.5	27.9							
a. MAP Grants	0.1	1.5	0.5	32.3	25.0							
b. Credit Sales under FMS	-	-	-	-	-							
c. Intl. Military Education & Training Program	0.3	1.2	-	1.2	2.9							
d. Transfers from Excess Stocks	-	-	-	*	*							
e. Other Grants	-	-	-	-	-							
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	15.4	56.8	25.3	165.0	365.9							
Loans	14.3	19.1	23.6	126.5	338.0							
Grants	1.1	37.7	1.5	38.5	27.9							
Other U.S. Government Loans and Grants	5.0	6.6	79.5	112.2								
a. Export-Import Bank Loans	5.0	2.2	29.4	0.7								
b. All Other Loans	-	4.4	49.9	111.5								
* LESS THAN \$50,000. TQ - TRANSITIONAL QUARTER												

FIGURES NOT AVAILABLE AT TIME OF PRINTING

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				
TOTAL	TQ	FY 1977	FY 1978	FY 1946-78
IBRD	36.0	74.0	131.0	298.5
UNDP	-	0.2	1.2	1.5
Other UN	-	-	-	0.2
EEC	-	90.0	60.0	150.0

B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS			
1. D.A.C. COUNTRIES((Excluding U.S.)			
Donor	CY 1976	CY 1977	CY 1968-77
TOTAL	8.3	30.2	38.5
Norway	2.7	7.5	10.2
Germany	0.5	7.0	7.5
Canada	-	7.1	7.1
Switzerland	0.6	4.2	4.8
Netherlands	1.6	0.2	1.8
Belgium	0.9	0.8	1.7
Other	2.0	3.6	5.6

2. O.P.E.C. COUNTRIES			
Donor	CY 1976	CY 1977	CY 1973-77
TOTAL	-	NA	1.0
Libya	-	NA	1.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES			
TOTAL	CY 1976	CY 1977	CY 1964-77
	-	-	-

NA - Not available

PORTUGAL

SECURITY SUPPORTING ASSISTANCE PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1978 Actual	FY 1979 Estimated	FY 1980 Proposed
Balance of Payments Loan	300	-	50

U. S. Interests

The U.S. program of a cash loan and food credits for Portugal provides interim financial and commodity support during the time needed for Portugal to take its place as a free, strong, and democratic society in Western Europe. The U.S. hopes to strengthen ties with a country which has contributed a great deal to U.S. history and shares many of the same values and goals.

Developmental Overview

The April 1974 military coup and the dismantling of a large overseas empire put a severe strain on the Portuguese economy. In 1976 the first freely-elected, democratic government in 50 years was formed. This and successive democratic governments have faced external and internal economic problems. The most critical is the balance of payments deficit, which neared \$1.5 billion in 1977 and will probably remain at one billion dollars annually from 1978 through 1981. Oil price increases, the recession in Western Europe -- Portugal's main export market -- the inevitable disruption of the revolution and its aftermath, and the loss of the colonies have all combined to produce a major and continuing balance of payments problem.

With support of its Western friends, Portugal has undertaken a stabilization program to bring its external deficit under control, reduce unemployment -- now nearing 13% -- and control its 25% inflation rate. External

financial assistance is needed over the medium term as these structural problems of the economy are addressed. A principal factor contributing to the balance of payments deficit is the weak performance of agriculture. Although agricultural productivity in 1978 is expected to improve over 1977, output remains well below pre-revolutionary levels. PL 480 assistance will be directed to agricultural development programs.

Socio-Economic Performance

Although the first democratically elected government in 50 years lacked a parliamentary majority, it was able to take important measures to restore economic stability. An Agrarian Reform Law was passed, the Foreign Investment Code was liberalized and a number of disputes arising from the post-April 1974 government's interventions in private enterprises were resolved. In late 1977 the government renewed the Overseas Private Investment Credit and Insurance Agreement with the U.S. In early 1978 a special fund was created to support investment in agriculture and fisheries. In April 1978 a second government, with a broadened party base, concluded the IMF Standby Agreement designed to address the problem of external accounts.

The programs continue despite the fall of the government in July 1978 and the Legislative Assembly's rejection of a Presidentially-appointed government of technocrats and independents in September 1978. The task facing the government is to develop clear, rational medium-term investment strategies in such key sectors as agriculture, export industries, housing and education.

Total Resources

U.S. assistance is part of a broad free-world effort on Portugal's behalf. Other contributors providing balance of payments and economic development aid include the Western European democracies, the World Bank, the IMF, Japan, Venezuela and Canada. These countries were part of a multi-nation effort which provided \$700 million in

PORTUGAL

balance of payments support in 1978. Portugal's bid for entry into the European Economic Community (EEC) points to EEC leadership in providing financial resources to rejuvenate the Portuguese economy.

A.I.D. Strategy

In FY 1980, the U.S. proposes to provide a \$50 million loan which will provide needed support for the economic reform program which is part of Portugal's stabilization agreement with the IMF.

The PL 480 Title I program will be continued in FY 1980 at \$40 million to support efforts to increase farm productivity, provide production credit for small farmers and cooperatives, and stimulate small agro-industry in rural areas. The PL 480 commodities for FY 1980 will be predominantly wheat, rice and feedgrains.

FY 80 PROGRAM HIGHLIGHTS	
-	a \$50 million balance of payments support loan.
-	\$40 million in PL 480 Title I to support increased agricultural sector productivity.

PERSONNEL/PARTICIPANTS DATA			
CP 80-17(10-78)			
Category	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID Personnel ^a			
Direct Hire ^b	6	7	7
PASA ^c			
Contract	1	1	1
Total	7	8	8
Participants ^d			
Noncontract	53	50	40
Contract			
Total	53	50	40

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1979 and FY 1980 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

PORTUGAL

RESOURCE FLOWS			
<i>(In thousands of dollars)</i>			
Program	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID*			
Loans	328,397	36,980	63,709
Grants	1,401	1,984	1,646
Total AID	329,798	38,964	65,355
P.L. 480**			
Title I	40,000	40,000	40,000
(of which Title III is)	()	()	()
Title II	-	-	-
Total P.L. 480	40,000	40,000	40,000
Total AID and P.L. 480	369,798	78,964	105,355

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

P.L. 480 PROGRAMS SUMMARY						
<i>(In 000MT/\$000)</i>						
Program	FY 1978 (Actual)		FY 1979 (Estimated)		FY 1980 (Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat	200	26,000	70	9,000	200	26,000
Rice	9	3,800	10	2,800	-	-
Feedgrains	103	10,200	202	19,400	60	5,800
Vegoil	-	-	-	-	-	-
Non-food	-	-	.5	8,800	5	8,200
Title I Total ..		40,000		40,000		40,000
(of which Title III is)		(-)		(-)		()
<i>Title II</i>						
Voluntary Agencies ..						
World Food Programs						
Gov't.-to-Gov't						
Title II Total		-		-		-
Total P.L. 480		40,000		40,000		40,000

A.I.D. REPRESENTATIVE: Glenn O. Patterson

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

CP 80-02(10-78)

PROGRAM PORTUGAL

PROJECT TITLE	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
				OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
SECURITY SUPPORTING ASSISTANCE										
BALANCE OF PAYMENT	*	L 150-K000	80	---	---	---	---	50,000	50,000	---
BALANCE OF PAYMENT		L 150-K013	78	300,000	300,000	---	---	---	---	---
CATHOLIC RELIEF SERVICE		G 150-K602	77	1,000	575	---	425	---	---	---
TECHNICAL CONSULTANTS AND TRAINING		G 150-0001	75	5,750	1,527	---	1,559	---	1,646	---
CONSULTING SERVICES		L 150-0002	75	1,000	80	---	865	---	55	---
SCHOOL CONSTRUCTION I		L 150-0004	76	11,000	8,281	---	1,600	---	1,119	---
BASIC SANITATION I		L 150-0005	76	8,000	2,818	---	3,800	---	1,100	---
LOW INCOME HOUSING I		L 150-0006	77	10,000	4,300	---	5,700	---	---	---
BASIC SANITATION II		L 150-0010	77	12,000	248	---	8,540	---	1,285	---
HEALTH SECTOR SUPPORT		L 150-0011	77	17,000	450	---	6,900	---	7,725	---
RURAL VOCATIONAL EDUCATION		L 150-0012	77	6,000	1,500	---	2,875	---	1,225	---
SCHOOL CONSTRUCTION II		L 150-0018	77	15,000	2,420	---	6,700	---	1,200	---
TOTAL FOR ACCOUNT				386,750	322,199	---	38,964	50,000	65,355	
GRANTS				6,750	2,102	---	1,984	---	1,646	
LOANS				380,000	320,097	---	36,980	50,000	63,709	
TOTAL FOR COUNTRY				386,750	322,199	---	38,964	50,000	65,355	
GRANTS				6,750	2,102	---	1,984	---	1,646	
LOANS				380,000	320,097	---	36,980	50,000	63,709	

* Detailed project narrative - See Activity Data Sheet.

PROGRAM: PORTUGAL

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE Cash Transfer		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)	
			FY 80 50,000	LIFE OF PROJECT 50,000
NUMBER GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	PRIOR REFERENCE None	INITIAL OBLIGATION FY 1980	ESTIMATED FINAL OBLIGATION FY 1980
				ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Purpose: This loan is designed to demonstrate United States solidarity with other donors in support of the Government of Portugal's effort to promote financial stability and economic development to sustain economic growth.

Background: Since 1975 the U. S. has supported the efforts of successive Portuguese governments to secure a solid foundation for democratic institutions and economic stabilization. A.I.D. initially made a series of development loans and grants to support Portuguese investment, principally, in housing, schools and potable water systems. In 1977 the U.S. took the lead in a multinational effort by 14 European and other countries to provide loan totalling \$750 million in direct balance of payments support to Portugal. The consortium lending was conditioned on Portugal concluding an IMF standby tied to a rigorous stabilization program. The IMF standby was concluded in 1978 and the \$300 million U.S. share of the lending has been completely disbursed.

Portugal has made progress in reducing its balance of payments deficit but needs a further period of adjustment to realize additional benefits from the economic stabilization program as well as benefits from efforts to stimulate private sector investment and to modernize the export sector.

Project Description: It is anticipated that the \$50 million loan will be made on a cash transfer basis to support the GOP's initiatives to achieve financial stability and sustained economic growth. The proposed terms of the loan are 20 year repayment, 5 year grace period, and 5% interest rate.

Host Country and Other Donors: U.S. assistance is part of a broad free-world effort to support economic development efforts

and to bridge the balance of payments gap. Other contributors to these efforts include the Western European democracies, Japan, Venezuela, the IMF and the World Bank.

Beneficiaries: The benefits of this loan will not be targeted at a single group but rather at the Portuguese economy as a whole.

FY 80 Program: The Project Paper will be prepared in FY 1979 for authorization early in FY 1980. The loan is expected to be signed during the first quarter of FY 1980 and disbursed during that fiscal year.

Major Outputs: Outputs will be enhanced capacity of the GOP to manage its balance of payments deficit and to promote development, including encouragement of private sector investment and modernization.

A.I.D. Financed Inputs:	FY 80
Loan: Cash Transfer	\$50,000,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978				
Estimated Fiscal Year 1979				
Estimated through September 30, 1979				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	50,000		50,000	

Turkey

ECONOMIC AND SOCIAL DATA

COUNTRY: TURKEY

CP 80-16 (10-78)

BASIC DATA		FOREIGN TRADE	
Total population	(thousands, mid 1978) <u>42,710</u>	Major exports	(1977) <u>filberts, cotton, tobacco</u>
Per capita GNP	(dollars, 1976) <u>990</u>	Exports to U.S. (\$ millions, U.S., f.o.b.)	(1975) <u>147</u> (76) <u>191</u> (77) <u>122</u> as % of total exports (1975) <u>10</u> (76) <u>10</u> (77) <u>7</u>
Average annual per capita real GNP growth rate	(1970-75) <u>4.9%</u>	Major imports	(1976) <u>machinery, transport equipment, metals</u>
Average annual rate of inflation	(1960-1970) <u>5.5%</u> (1970-1978) <u>19.8%</u>	Imports from U.S. (\$ millions, U.S., c.i.f.)	(1975) <u>426</u> (76) <u>438</u> (77) <u>504</u> as % of total imports (1975) <u>9</u> (76) <u>9</u> (77) <u>9</u>
% national income received by low 20% of population	(1970) <u>2.9</u>	Total trade balance (\$ millions, U.S.)	(1975) <u>-3,338</u> (76) <u>-3,169</u> (77) <u>-4,043</u>
Life expectancy at birth, in years (1865-1975)	total <u>56.9</u> male <u>55.2</u> female <u>58.7</u> (1865-1970) total <u>54.4</u> male <u>52.8</u> female <u>56.1</u>	Main trading partners	Germany (F.R.), U.S., Italy
Literacy rate	(1970) total <u>51%</u> male <u>69%</u> female <u>34%</u> (1960) total <u>38%</u> male <u>55%</u> female <u>21%</u>	External public debt as % of GNP	(1976) <u>8.8</u>
AGRICULTURE		Service payments on external public debt (\$ millions, U.S.)	(1976) <u>268</u> as % of export earnings (debt service ratio) (1976) <u>7.1</u>
Average annual per capita agricultural production growth rate	(1954-77) <u>0.6%</u>	SOCIAL DATA	
Agricultural production as % of GDP	(1976) <u>29</u>	Population growth rate	(1967-77) <u>2.5%</u>
Population density per square mile of agricultural land	(1976) <u>190</u>	% population in urban areas	(1970) <u>39</u> (1976) <u>45</u>
% land owned (1970) by: top 10%	<u>53</u> low 10%	Total births per 1,000 population	(1975) <u>33</u>
Major crop(s):	% of arable land	Year	
Subsistence wheat	34	(1977)	
Cash cotton	3	(1977)	
Major agricultural exports	(1977) <u>cotton, tobacco, filberts, raisins</u>	% married women aged 15-49 yrs. using contraception	() <u>n.a.</u>
Major agricultural imports	(1977) <u>vegetable oils, tallow</u>	% of the population (1975) in age group: (0-14 yrs.) <u>41.7</u> (15-64 yrs.) <u>53.8</u> (65+ yrs.) <u>4.5</u>	
Proportion of labor force in agriculture	(1970) <u>69%</u>	Infant deaths during first year of life per 1,000 infants	(1967) <u>153</u>
CENTRAL GOVERNMENT FINANCES		People per physician	(1974) <u>1,900</u>
Total domestic revenues (\$ millions, U.S.)	(1974) <u>4,468</u> (75) <u>6,790</u> (76) <u>8,954</u>	Major causes of death (1972)	<u>heart disease, pneumonia</u>
Total expenditures (\$ millions, U.S.)	(1974) <u>4,803</u> (75) <u>7,035</u> (76) <u>9,606</u>	Major disease(s)	() <u>n.a.</u>
Deficit (-) or surplus (\$ millions, U.S.)	(1974) <u>-335</u> (75) <u>-245</u> (76) <u>-652</u>	Per capita calorie supply as a % of requirements	(1974) <u>113</u>
Defense expenditures,		% of population with reasonable access to clean water supply	(1975) <u>68</u>
as % of total expenditures	(1974) <u>20.5</u> (75) <u>21.0</u> (76) <u>23.7</u>	Total school enrollment as % of population in age group:	
as % of GNP	(1974) <u>3.7</u> (75) <u>4.4</u> (76) <u>5.5</u>	Primary (ages 5-14)	(1974) total <u>53.9</u> male <u>59.3</u> female <u>48.4</u>
Official international reserves, gross holdings end of period,		Secondary (15-19)	(1973) total <u>38.4</u> male <u>52.3</u> female <u>23.8</u>
(\$ millions, U.S.)	(1975) <u>1,064</u> (76) <u>1,123</u> (77) <u>774</u>	Post Secondary (20-24)	(1973) total <u>5.6</u> male <u>8.6</u> female <u>2.3</u>
Equivalent to	<u>1.6</u> months of imports (1977)	Energy production as % of consumption	(1970) <u>65</u>

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

COUNTRY	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-78	REPAY-MENTS AND INTEREST 1946-78	TOTAL LESS REPAY-MENTS AND INTEREST 1946-78
	TURKEY							
	PROGRAM	1975	1976	TQ	1977				1978
I. ECONOMIC ASSISTANCE - TOTAL	4.4	-	-	0.2	0.8			
Loans	-	-	-	-	-			
Grants	4.4	-	-	0.2	0.8			
a. A.I.D. and Predecessor Agencies	0.8	-	-	-	0.7			
Loans	-	-	-	-	-			
Grants	0.8	-	-	-	0.7			
(Security Supporting Assistance)	-	-	-	-	-			
b. Food for Peace (PL 480)	3.6	-	-	0.2	0.1			
Loans	-	-	-	-	-			
Grants	3.6	-	-	0.2	0.1			
Title I - Total Sales Agreements	-	-	-	-	-			
Repayable in U.S. Dollars - Loans	-	-	-	-	-			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	3.6	-	-	0.2	0.1			
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	0.2	0.1			
Voluntary Relief Agencies	3.6	-	-	-	-			
c. Other Economic Assistance	-	-	-	-	-			
Loans	-	-	-	-	-			
Grants	-	-	-	-	-			
Peace Corps	-	-	-	-	-			
Other	-	-	-	-	-			
II. MILITARY ASSISTANCE - TOTAL	106.0	-	125.0	125.0	175.4			
Credits or Loans	75.0	-	125.0	125.0	175.0			
Grants	31.0	-	-	-	0.4			
a. MAP Grants	12.8	-	-	-	0.4			
b. Credit Sales under FMS	75.0	-	125.0	125.0	175.0			
c. Intl. Military Education & Training Program	0.4	-	-	-	-			
d. Transfers from Excess Stocks	7.7	-	-	-	-			
e. Other Grants	10.1	-	-	-	-			
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	110.4	-	125.0	125.2	176.2			
Loans	75.0	-	125.0	125.0	175.0			
Grants	35.4	-	-	0.2	1.2			
Other U.S. Government Loans and Grants	26.2	70.2	2.3	19.4	-			
a. Export-Import Bank Loans	26.2	70.2	2.3	19.4	-			
b. All Other Loans	-	-	-	-	-			

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER

FIGURES NOT AVAILABLE AT TIME OF PRINTING

ECONOMIC PROGRAMS OF OTHER DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	TQ	FY 1977	FY 1978	FY 1946-78
TOTAL	26.0	151.5	210.9	2,274.9
IBRD	26.0	144.0	205.0	1,484.1
IFC	-	0.2	0.3	158.1
IDA	-	-	0.1	178.1
UNDP	-	1.3	5.5	55.9
Other UN	-	-	-	10.0
EEC	-	6.0	-	388.7

B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS

1. D.A.C. COUNTRIES (Excluding U.S.)

Donor	CY 1976	CY 1977	CY 1969-77
TOTAL	82.7	81.0	683.1
Germany	39.3	53.9	341.1
Italy	17.4	2.2	95.9
United Kingdom	0.5	5.7	69.6
Japan	13.3	7.1	44.0
France	3.0	3.1	37.9
Canada	-	-	23.7
Belgium	3.2	0.1	21.0
Other	6.0	8.9	49.9

2. O.P.E.C. COUNTRIES

Donor	CY 1976	CY 1977	CY 1973-77
TOTAL	1.3	NA	12.8
Kuwait	-	NA	0.5
Libya	1.3	NA	2.3
Saudi Arabia	*	NA	10.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1976	CY 1977	CY 1964-77
TOTAL	200.0	-	1,410.0
USSR	-	-	1,180.0
Eastern Europe	200.0	-	230.0
China	-	-	-

* Less than \$50,000

NA - Not available

TURKEY

SECURITY SUPPORTING ASSISTANCE PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1978 Actual	FY 1979 Estimated	FY 1980 Proposed
Balance of Payments Loan	-	50	98

U.S. Interests

Strengthening bilateral relations with Turkey is an integral element and a fundamental goal of United States' policy in the eastern Mediterranean. Turkey is a NATO ally situated in an area of strategic importance to the United States. It is also facing the challenge of development with a democratic political framework. Its people have looked to the West for their primary political, economic and cultural relationships since the foundation of its modern republican government.

Development Overview

Turkey's economic development has been uneven. While economic growth in real terms averaged 7.3% since 1970, Turkey is now suffering from high inflation, unemployment and an overvalued exchange rate which have led to a critical balance of payments crisis exacerbated by inflation and recession in Western Europe.

Successive governments emphasized rapid industrialization and the share of the industrial sector in total output doubled between 1955 and 1977. Agriculture has suffered from the de-emphasis and from subsidy and pricing policies which encouraged inefficiency. Industry is generally non-competitive internationally and requires continual protection against competition from imports. This has in turn inhibited development of export industries best suited to Turkey's comparative advantages

of location, natural resources and labor availability. Thus Turkey has not developed a diversified export base nor has it exploited its tourism potential. Turkey has instead relied mainly on its traditional agriculture exports and workers' remittances to finance imports of materials and capital goods needed for an ambitious modernization effort.

Socio-Economic Performance

While Turkey is a large country it is relatively sparsely inhabited. However, with a 2.5% growth rate, population is expanding rapidly. Close to 55% of the people live in rural areas and traditional agriculture is still the main economic sector. Large numbers of people live in the remoter parts of Turkey, where access to small towns and villages is difficult, services and infrastructure are deficient, and illiteracy is high.

In 1977, agriculture still accounted for 23% of GDP and 57% of the labor force while industry provided 30% of GDP and 16% of employment. Unemployment, both disguised and open is high -- around 15% of the labor force.

Social services have grown but programmed targets have not been achieved. A very small part (2.5%) of public expenditures goes to health and World Bank figures indicate that while there has been a growth in the number of hospital beds, the ratio of doctors and nurses to the population has declined. At the present time about 68% of the population has access to safe water and only 8% has adequate sewerage disposal. Life expectancy is slowly rising and is not estimated to be 57 years.

There is a universal system of primary schools and 38% of the school age population attends secondary schools. The literacy rate is an estimated 55%.

TURKEY

Total Resources

Turkey's major external resources have come from private capital markets and the World Bank group with some official bilateral assistance. In 1978 Germany provided over \$90 million in two loans, France \$10 million, Norway \$55 million and Austria \$13 million. The World Bank made three project loans totalling over \$100 million and a program loan of \$150 million for imports of industrial raw materials and intermediate goods. Libya agreed to guarantee a \$100 million loan. In FY 79, to support Turkish efforts to deal with severe economic difficulties, the U.S. made a \$50 million Economic Support Fund loan. In the private sector, major U.S. and European banks are close to an agreement on refinancing an estimated \$2.5 billion in debt and floating new loans estimated at \$300-400 million.

Thirteen OECD member states, including the U.S., agreed to reschedule approximately \$1.1 billion in official and officially-guaranteed debts owed by Turkey and falling due prior to June 30, 1979. Turkey also will have access over two years to a total of \$360 million in hard currencies from the IMF as part of its economic stabilization standby agreement, which began in April 1978.

A.I.D. Strategy

A.I.D. 's strategy is to provide balance of payments financing to help ease Turkey's severe immediate balance of payments problem. This will give Turkey needed time to deal with the structural economic adjustment which is required if Turkey is to develop a competitive diversified export sector with which to sustain stable growth.

The Turkish Government has adopted an economic reform program designed to restrain inflationary pressures and stimulate foreign exchange earnings through both austerity measures and structural adjustments. It has sought and received IMF support for this effort.

The \$50 million provided in FY 79 and the \$98 million

proposed in FY 80 are both directed to Turkey's immediate financial needs which must be met to give the reforms an opportunity to succeed.

FY 80 PROGRAM HIGHLIGHTS	
- a \$98 million balance of payments support loan.	

PERSONNEL/PARTICIPANTS DATA CP 80-17(10-78)			
Category	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID Personnel ^a			
Direct Hire ^b	2		
PASA ^c			
Contract			
Total	2	0	0
Participants ^d			
Noncontract			
Contract			
Total	0	0	0

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1979 and FY 1980 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

TURKEY

RESOURCE FLOWS CP 80-08(10-78)			
<i>(In thousands of dollars)</i>			
Program	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID*			
Loans	1,051	50,114	98,000
Grants	667	70	-
Total AID	1,718	50,184	98,000
P.L. 480**			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II	87	337	784
Total P.L. 480	87	337	784
Total AID and P.L. 480	1,805	50,521	98,784
*AID levels represent actual and estimated expenditures.			
**P.L. 480 levels represent actual and estimated value of shipments.			

P.L. 480 PROGRAMS SUMMARY CP 80-14(10-78)						
<i>(In DDMT/\$000)</i>						
Program	FY 1978 (Actual)		FY 1979 (Estimated)		FY 1980 (Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total .. (of which Title III is)		- (-)		- (-)		- (-)
<i>Title II</i>						
Voluntary Agencies ..		-		-		-
World Food Programs		87		337		784
Gov't.-to-Gov't		-		-		-
Title II Total		87		337		784
Total P.L. 480		87		337		784

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM TURKEY

CP 80-02(10-78)

PROJECT TITLE	*	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
					OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
SECURITY SUPPORTING ASSISTANCE											
BALANCE OF PAYMENT SUPPORT	*	L	277-K000	80	---	---	---	---	98,000	98,000	---
BALANCE OF PAYMENT SUPPORT		L	277-K104	79	---	---	50,000	50,000	---	---	---
TOTAL FOR ACCOUNT					---	---	50,000	50,000	98,000	98,000	
GRANTS					---	---	---	---	---	---	
LOANS					---	---	50,000	50,000	98,000	98,000	
CONTINGENCY FUND											
CONTRIBUTION TO INTERNATIONAL ORG		G	277-K000	78	700	637	---	63	---	---	---
TOTAL FOR ACCOUNT					700	637	---	63	---	---	
GRANTS					700	637	---	63	---	---	
LOANS					---	---	---	---	---	---	
BAPPR=NMDL*****											
EREGLI STEEL MILL EXPANSION		L	277-0596	72	40,000	39,886	---	114	---	---	---
TOTAL FOR ACCOUNT					40,000	39,886	---	114	---	---	
GRANTS					---	---	---	---	---	---	
LOANS					40,000	39,886	---	114	---	---	
TOTAL FOR COUNTRY					40,700	40,523	50,000	50,177	98,000	98,000	
GRANTS					700	637	---	63	---	---	
LOANS					40,000	39,886	50,000	50,114	98,000	98,000	

* Detailed project narrative - See Activity Data Sheet.

PROGRAM: TURKEY

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE		FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Balance of Payments Support		Security Supporting Assistance	FY 80	98,000	LIFE OF PROJECT
NUMBER 277-K000	NEW <input checked="" type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input type="checkbox"/>	LOAN <input checked="" type="checkbox"/>	None	FY 80	FY 80	FY 80
CONTINUING <input type="checkbox"/>					

Purpose: To provide short term resources to support Turkish efforts to stabilize their economy without inflicting permanent damage on the production system.

Background and Progress to Date: In FY 1978, the current account deficit will reach some \$2 billion, a significant reduction from the 1977 level but one for which normal capital flows and trade financing may well be inadequate. Any shortfall in financing will force a proportional reduction in imports, already severely constrained, which will in turn exacerbate the already extraordinarily low level of utilization of productive capacity (estimated at 50%). Congress approved a \$50 million loan in FY 79 which will finance essential imports for industry.

Project Description: The \$98 million loan in FY 80 will be provided on a cash transfer basis. It is anticipated that the terms will be 20 year repayment, 5 year grace period, 5% interest rate.

Host Country and Other Donors: The Government of Turkey maintains primary responsibility for economic stabilization measures, with the advice of the International Monetary Fund. The World Bank group continues to provide long-term project loans, and in FY 1979 will also provide a \$150 million loan to finance essential imports for export-oriented industries including agriculture. Other nations which are providing balance of payments and/or project loans include Germany, France, Austria, Norway and Libya.

Beneficiaries: The benefits of this loan will not be targeted at a single group. The immediate impact will be on export oriented industries and the agriculture sector thus aiding the country as a whole.

FY 1980 Program: To support on-going Turkish efforts to stabilize its economy in conjunction with the IMF Standby Agreement.

Major Outputs: Financing for imports of essential industrial inputs, including those for the agricultural sector.

A.I.D. Financed Inputs:

Loan: Balance of Payments Support \$98,000,000

	U.S. FINANCING (In thousands of dollars)			PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978				
Estimated Fiscal Year 1979	50,000	50,000		
Estimated through September 30, 1979	50,000	50,000		
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	98,000	- 0 -	98,000	

ECONOMIC AND SOCIAL DATA

COUNTRY: CYPRUS

CP 80-16 (10-78)

BASIC DATA

Total population	(thousands, mid 1978)	<u>645</u>
Per capita GNP	(dollars, 1976)	<u>1,480</u>
Average annual per capita real GNP growth rate	(1970-75)	<u>-2.4%</u>
Average annual rate of inflation	(1960-1970)	<u>n.a.</u>
	(1970-1976)	<u>n.a.</u>
% national income received by low 20% of population	(1970)	<u>7.9</u>
Life expectancy at birth, in years (1970-1975)	total	<u>71.4</u>
	(1965-1970)	<u>70.2</u>
Literacy rate	(1970)	<u>82%</u>
	(1960)	<u>76%</u>

AGRICULTURE

Average annual per capita agricultural production growth rate	(1954-77)	<u>3.0%</u>
Agricultural production as % of GDP	()	<u>n.a.</u>
Population density per square mile of agricultural land	(1976)	<u>310</u>
% land owned () by: top 10%	<u>n.a.</u>	low 10% <u>n.a.</u>
Major crop(s):	% of arable land	Year
Subsistence wheat	22	(1975)
Cash potatoes	13	(1975)

Major agricultural exports .. (1977) potatoes, citrus, vine products
 Major agricultural imports .. (1977) food and feed grains
 Proportion of labor force in agriculture (1974) 28%

CENTRAL GOVERNMENT FINANCES (A)

Total domestic revenues (\$ millions, U.S.)	(1974)	<u>126</u>	(75)	<u>118</u>	(76)	<u>138</u>
Total expenditures (\$ millions, U.S.)	(1974)	<u>177</u>	(75)	<u>188</u>	(76)	<u>193</u>
Deficit (-) or surplus (\$ millions, U.S.)	(1974)	<u>-51</u>	(75)	<u>-70</u>	(76)	<u>-55</u>
Defense expenditures, as % of total expenditures	(1974)	<u>9.2</u>	(75)	<u>9.6</u>	(76)	<u>10.0</u>
as % of GNP	(1974)	<u>2.2</u>	(75)	<u>2.8</u>	(76)	<u>2.3</u>
Official international reserves, gross holdings and of period, (\$ millions, U.S.)	(1975)	<u>215</u>	(76)	<u>292</u>	(77)	<u>332</u>
Equivalent to	<u>6.4</u>	months of imports	(1977)			

FOREIGN TRADE

Major exports ... (1977) potatoes, citrus fruit, wine and grape must						
Exports to U.S. (\$ millions, U.S., f.o.b.)	(1975)	<u>1</u>	(76)	<u>1</u>	(77)	<u>3</u>
as % of total exports	(1975)	<u>0.7</u>	(76)	<u>0.4</u>	(77)	<u>0.9</u>
Major imports ... (1976) manufactured goods, machinery and transport equipment, petroleum products						
Imports from U.S. (\$ millions, U.S., c.i.f.)	(1975)	<u>10</u>	(76)	<u>24</u>	(77)	<u>35</u>
as % of total imports	(1975)	<u>3</u>	(76)	<u>6</u>	(77)	<u>6</u>
Total trade balance (\$ millions, U.S.)	(1975)	<u>-157</u>	(76)	<u>-175</u>	(77)	<u>-297</u>
Main trading partners	U.K., Italy, Greece					
External public debt as % of GNP	(1976)	<u>6.4</u>				
Service payments on external public debt, (\$ millions, U.S.)	()	<u>n.a.</u>				
as % of export earnings (debt service ratio)	(1976)	<u>2.9</u>				

SOCIAL DATA

Population growth rate	(1967-77)	<u>0.6%</u>	
% population in urban areas	(1970)	<u>39</u>	
	(1974)	<u>42</u>	
Total births per 1,000 population	(1976)	<u>20</u>	
% married women aged 15-49 yrs. using contraception	()	<u>n.a.</u>	
% of the population (1975) in age group: (0-14 yrs.)	<u>30.2</u>	(15-64 yrs.) <u>62.0</u>	(65+ yrs.) <u>7.8</u>
Infant deaths during first year of life per 1,000 infants	(1975)	<u>27</u>	
People per physician	(1973)	<u>1,200</u>	
Major causes of death (1974) cardiovascular diseases			
Major disease(s) ... (1974) degenerative, metabolic, functional disorders			
Per capita calorie supply as a % of requirements	(1974)	<u>113</u>	
% of population with reasonable access to clean water supply	()	<u>n.a.</u>	
(B) Total school enrollment as % of population in age group:			
Primary ... (ages 5-14) (1974) total	<u>44.1</u>	male <u>44.3</u>	female <u>44.0</u>
Secondary .. (15-19) (1974) total	<u>79.8</u>	male <u>83.3</u>	female <u>76.1</u>
Post Secondary (20-24) (1973) total	<u>1.4</u>	male <u>1.3</u>	female <u>1.4</u>
Energy production as % of consumption	()	<u>n.a.</u>	

NOTE: Some data refer to southern portion of the island only.

(A) U.S. Embassy sources indicate significantly lower deficits for 1974 and 1975 with a surplus in 1976: Domestic revenues (76) 208

(B) Not including Turkish Schools.

U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS (U.S. Fiscal Years - Millions of Dollars)						ECONOMIC PROGRAMS OF OTHER DONORS (Millions of Dollars)													
COUNTRY CYPRUS						A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS													
PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-78	REPAY- MENTS AND INTEREST 1946-78	TOTAL LESS REPAY- MENTS AND INTEREST 1946-78											
	1975	1976	TQ	1977	1978				TQ	FY 1977	FY 1978	FY 1946-78							
I. ECONOMIC ASSISTANCE - TOTAL	25.9	10.0	20.0	17.5	15.8														
Loans	-	-	-	-	-														
Grants	25.9	10.0	20.0	17.5	15.8														
a. A.I.D. and Predecessor Agencies	25.0	10.0	20.0	17.5	15.0														
Loans	-	-	-	-	-														
Grants	25.0	10.0	20.0	17.5	15.0														
(Security Supporting Assistance)	-	-	-	17.5	15.0														
b. Food for Peace (PL 480)	0.9	-	-	-	0.8														
Loans	-	-	-	-	-														
Grants	0.9	-	-	-	0.8														
Title I - Total Sales Agreements	-	-	-	-	-														
Repayable in U.S. Dollars - Loans	-	-	-	-	-														
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-														
Title II - Total Grants	0.9	-	-	-	0.8														
Emerg. Relief, Econ. Develop. & World Food Program	0.9	-	-	-	0.8														
Voluntary Relief Agencies	-	-	-	-	-														
c. Other Economic Assistance	-	-	-	-	-														
Loans	-	-	-	-	-														
Grants	-	-	-	-	-														
Peace Corps	-	-	-	-	-														
Other	-	-	-	-	-														
II. MILITARY ASSISTANCE - TOTAL	-	-	-	-	-														
Credits or Loans	-	-	-	-	-														
Grants	-	-	-	-	-														
a. MAP Grants	-	-	-	-	-														
b. Credit Sales under FMS	-	-	-	-	-														
c. Intl. Military Education & Training Program	-	-	-	-	-														
d. Transfers from Excess Stocks	-	-	-	-	-														
e. Other Grants	-	-	-	-	-														
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE																			
Loans	-	-	-	-	-														
Grants	-	-	-	-	-														
Other U.S. Government Loans and Grants	-	-	-	5.3	-														
a. Export-Import Bank Loans	-	-	-	-	-														
b. All Other Loans	-	-	-	5.3	-														
* LESS THAN \$50,000.						TQ - TRANSITIONAL QUARTER													

FIGURES NOT AVAILABLE AT TIME OF PRINTING

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				
TOTAL	TQ	FY 1977	FY 1978	FY 1946-78
IBRD	-	21.2	11.3	125.4
IFC	-	20.0	8.5	104.5
UNDP	-	0.7	-	3.6
Other UN	-	0.5	2.8	16.5
	-	-	-	0.8

B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS			
1. D.A.C. COUNTRIES((Excluding U.S.)			
Donor	CY 1976	CY 1977	CY 1969-77
TOTAL	3.3	5.9	32.5
Germany	1.5	4.9	19.1
United Kingdom	1.4	0.7	9.4
Netherlands	0.1	0.1	1.0
Other	0.3	0.2	3.0

2. O.P.E.C. COUNTRIES			
Donor	CY 1976	CY 1977	CY 1973-77
TOTAL	-	NA	0.3
Libya	-	NA	0.3
Kuwait	-	NA	*

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES			
TOTAL	CY 1976	CY 1977	CY 1954-77
USSR	5.0	-	5.0
Eastern Europe	-	-	-
China	5.0	-	5.0
	-	-	-

* Less than \$50,000
NA - Not available

CYPRUS

SECURITY SUPPORTING ASSISTANCE PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1978 Actual	FY 1979 Estimated	FY 1980 Proposed
Grants	15.0	15.0	2.0

U.S. Interests

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

Development Overview

As a result of the events of 1974, an estimated 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 humanitarian programs providing emergency assistance to both Greek Cypriots (south) and Turkish Cypriots (north). The program emphasis subsequently changed from relief assistance to longer range projects such as housing, reforestation, and agricultural and technical education.

By the end of 1978, almost enough housing had been constructed to accommodate all displaced individuals. Some food and cash allowances are still being provided, but these special programs are phasing down.

Socio-Economic Performance

The 1974 events severely disrupted production throughout Cyprus and required substantial efforts by both the North and South to settle displaced persons and provide employment, educational, medical and social services. These tasks have largely been completed.

In the south, after experiencing drops in production in the second half of 1974 and 1975, real GNP has grown rapidly and in 1978 for the first time exceeds the 1973 level in constant 1973 prices. Per capita income in 1978 was estimated to be over \$2,000. Unemployment has dropped from a 1974 high of over 28% to less than 2% and labor shortages exist in several skills areas. The traditional trade deficit is largely financed by other earnings such as tourism, which in 1978 should equal the 1973 level for the whole island. Foreign exchange reserves have also risen and exceed the reserves for the whole island at the end of 1973.

In the north there is little data on economic conditions. Living standards are well below those of the south, but GNP has increased rapidly and now is estimated to exceed \$1,000. However, inflation is reducing real income. Production and exports are slowly rising; most infrastructural needs have been met, including village water and electrification, most displaced persons are settled and employed. In general, progress is being made despite shortages of technical, entrepreneurial and managerial skills, and a lack of foreign exchange.

Total Resources

Assistance has been provided to Cyprus by the U.S. and other donors through the UNHCR and the ICRC. In addition, the Government of Cyprus has established a Special Refugee Fund to which many private and charitable donations have been made. These contributions have declined as the needs of the displaced have been met. Both Greece and Turkey have also provided general budget support to the Greek and Turkish Cypriot communities. In the south substantial capital assistance has been provided from international lending institutions. Such assistance has not been available to the Turkish Cypriot administration.

A.I.D. Strategy

The A.I.D. program will be administered by the UNHCR. Projects are designed by the Cyprus Red Cross on both

CYPRUS

sides and submitted for review and approval to UNHCR in consultation with the U.S. and other donors. Funds will be divided on the basis of population with 19.05% for the Turkish Cypriot north and 80.95% for the Greek Cypriot south. Programs are expected to continue activities similar to those presently being funded.

FY 80 PROGRAM HIGHLIGHTS
<p>- \$2 million grant to UNHCR to carry out programs to assist displaced persons.</p>

CP 80-17(10-78)			
PERSONNEL/PARTICIPANTS DATA			
Category	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID Personnel ^a			
Direct Hire ^b	1	-	-
PASA ^c			
Contract			
Total	1	-	-
Participants ^d			
Noncontract	-	-	-
Contract	-	6	-
Total	-	6	-
<p>^aU.S. nationals on duty at the end of the fiscal year. ^bFY 1979 and FY 1980 position levels. ^cParticipating agency technicians. ^dProgrammed during the fiscal year.</p>			

CYPRUS

RESOURCE FLOWS			
<i>(In thousands of dollars)</i>			
CP 80-08(10-78)			
Program	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID*			
Loans	-	-	-
Grants	7,148	20,000	12,152
Total AID	7,148	20,000	12,152
P.L. 480**			
Title I	-	-	-
(of which Title III is)	()	()	()
Title II	772	508	7
Total P.L. 480	772	508	7
Total AID and P.L. 480	7,920	20,508	12,159
*AID levels represent actual and estimated expenditures.			
**P.L. 480 levels represent actual and estimated value of shipments.			

P.L. 480 PROGRAMS SUMMARY						
<i>(In 000MT/\$000)</i>						
CP 80-14(10-78)						
Program	FY 1978 (Actual)		FY 1979 (Estimated)		FY 1980 (Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total ..		-		-		-
(of which Title III is)		()		()		()
<i>Title II</i>						
Voluntary Agencies ..		-		-		-
World Food Programs		772		508		7
Gov't.-to-Gov't		-		-		-
Title II Total		772		508		7
Total P.L. 480		772		508		7

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM CYPRUS

CP 80-02(10-78)

PROJECT TITLE	*	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
					OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
SECURITY SUPPORTING ASSISTANCE											
RELIEF AND REHABILITATION ACTIVITIES	*	G	233-0001	75	87,500	72,348	15,000	20,000	2,000	12,152	---
TOTAL FOR ACCOUNT					87,500	72,348	15,000	20,000	2,000	12,152	
GRANTS					87,500	72,348	15,000	20,000	2,000	12,152	
LOANS					---	---	---	---	---	---	
TOTAL FOR COUNTRY					87,500	72,348	15,000	20,000	2,000	12,152	
GRANTS					87,500	72,348	15,000	20,000	2,000	12,152	
LOANS					---	---	---	---	---	---	

* Detailed project narrative - See Activity Data Sheet.

TITLE Relief and Rehabilitation Activities		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 80 2,000	LIFE OF PROJECT	104,500
NUMBER 233-0001	NEW <input type="checkbox"/>	PRIOR REFERENCE Advice of Program	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>	Change No. 4 dated 10/20/78	FY 75	FY 80	OF PROJECT FY 80

Purpose: To demonstrate the continued United States concern for the people of Cyprus and interest in a solution to the problems that separate them.

Background and Progress to Date: Since 1974 Cyprus has been de facto a divided country. The military situation has stabilized but little progress has thus far been achieved towards a negotiated settlement between the two Cypriot communities.

The United Nations High Commission for Refugees (UNHCR) has played a major role in coordinating humanitarian assistance to both sides on the basis of population. Needs are identified and projects designed by the Cyprus Red Cross on both sides. These projects are then submitted to the UNHCR for review and approval.

The following table shows the major UNHCR programs funded by the U.S. from FY 1975 through FY 1979:

(U.S. dollars in millions)

	North	South
Housing	-	42.7
Food Procurement	2.9	5.3
Health	4.6	3.8
Education	1.7	2.4
Social Welfare	2.1	4.7
Reforestation	1.5	1.7
Agriculture	1.8	.2

Other Donors: The U.S. Embassy estimates that assistance specifically identified for displaced persons from foreign sources (both in the south and north from September 1974 through December 1979) will total \$213.6 million. Of this amount the U.S. will

have contributed \$102.5 million. During the same period both the Government of Greece and the Government of Turkey have also provided assistance to the two communal Cypriot populations of approximately \$157.5 million from Greece to the South and approximately \$140.1 million from Turkey to the North. Although these funds may benefit displaced persons, they are more properly characterized as general budget support.

Beneficiaries: Project beneficiaries are the 200,000 displaced persons affected by the political events of 1974. Beneficiaries include both Greek Cypriots and Turkish Cypriots.

FY 1980 Program: Funds requested for FY 1980 will be applied to projects reviewed and approved by the UNHCR in consultation with Red Cross officials on both sides and other donor countries. We expect the pattern of activities to be comparable to that in previous years.

A.I.D. Financed Inputs:

Grant to UNHCR \$2,000,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	87,500	72,348	15,152	United Nations High Commission for Refugees
Estimated Fiscal Year 1979	15,000	20,000		
Estimated through September 30, 1979	102,500	92,348	10,152	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	2,000	-	104,500	

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM NEAR EAST REGIONAL

CP 80-02(10-78)

PROJECT TITLE	•	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
					OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
SECURITY SUPPORTING ASSISTANCE											
MAQARIN DAM AND JORDAN VAL IRR SYS CONS	*	L	278-0225	79	---	---	45,000	10,000	38,000	53,000	67,000
PROJECT DEV. AND SUPPORT	*	G	298-0150	78	28	27	1,000	900	1,000	900	---
REGIONAL COOPERATION		G	298-0158	79	---	---	5,000	2,500	---	2,500	---
WEST BANK/GAZA DEVELOPMENT ACTIVITIES	*	G	298-0159	79	---	---	3,000	2,750	3,000	2,800	---
TOTAL FOR ACCOUNT					28	27	54,000	16,150	42,000	59,200	
GRANTS					28	27	9,000	6,150	4,000	6,200	
LOANS					---	---	45,000	10,000	38,000	53,000	
TOTAL FOR COUNTRY					28	27	54,000	16,150	42,000	59,200	
GRANTS					28	27	9,000	6,150	4,000	6,200	
LOANS					---	---	45,000	10,000	38,000	53,000	

* Detailed project narrative - See Activity Data Sheet.

Maqarin Dam and Jordan Valley Irrigation System

In FY 1980, we are requesting a \$38 million increment for the Maqarin Dam and Jordan Valley Irrigation System.

This project is being presented as a separate item because of its size and the multi-year funding that is required. The total cost of the project is currently estimated at \$650 million. The proposed U.S. contribution is \$150 million spread over a number of years.

Development Situation and Prospects

The development situation and prospects presented in FY 1979 remain valid. The Jordan Valley is the most productive agricultural area in Jordan. It currently contributes over 75% of Jordan's fruits and vegetables. With its semi-tropical climate and rich soils, the Valley affords great possibilities for varied and intensive agricultural production. It is a natural greenhouse, capable of year-round production. Its winter produce can reach markets substantially earlier than that of other countries in the area.

A reliable, regulated source of water is required to enable the Jordanians to realize the agricultural potential of the Valley. Full use of the Valley's resources should result in self-sufficiency in fruits and vegetables and a significant increase in food exports, which will reduce Jordan's perennial trade deficit. This is especially important for a country where imports have been almost five times the value of exports in recent years.

The Yarmouk River is the largest source of uncontrolled water in the area. The project will permit Jordan to use this surface water resource more fully for the important agricultural area of the Jordan Valley, and to assist in meeting the potable water requirements of the major population centers of the northern part of Jordan, including Amman.

The Yarmouk is used by Syria and Israel as well as Jordan. The various rights of the riparians are being carefully

considered in preparing the project. Israel as well as Jordan will benefit from control of the flow of the Yarmouk, which will permit more efficient management of scarce water, particularly during the dry summer months when water is in short supply. Syria will benefit through irrigation and drinking water being made available to its villages near the dam.

A.I.D. and other donors have assisted in a number of projects in the Valley, including construction and extension of the East Ghor Canal System, the building of roads, schools, housing, health centers and drinking water systems, and the provision of technical assistance to improve agricultural, health, educational, social and other basic services.

Other A.I.D. projects seek to assure that both the most effective use is made of the available water (Water Management Technology -- 278-0192) and that the projected agricultural production is realized by the timely availability to farmers in the Jordan Valley of credit and other needed inputs (Jordan Valley Farmers' Association Credit, Loan 278-K-025). Experience with these projects indicates that Jordan has the technical ability and desire to realize the potential offered by the Maqarin Dam. The project will contribute significantly to the development of Jordan.

A.I.D. Program

Because of the regional implications of the use of the waters of the Yarmouk-Jordan River System, the U.S. can play a unique broker's role in facilitating the project.

The U.S. FY 1979 commitment to the project will, we believe, make a significant impact on other financing agencies which are expected to provide funding for the project. Because of the project's cost, a major U.S. commitment is essential to enable the Jordanians to obtain the large amounts needed from other donors. Thus, further U.S. commitments in future years are planned, subject to authorization and appropriation each year.

PROGRAM: NE Regional

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE Maqarin Dam and Jordan Valley Irrigation System		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars) FY 80 38,000		LIFE OF PROJECT 150,000
NUMBER 278-0225 GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>	PRIOR REFERENCE FY 79 Security Supporting Assistance, p.1183	INITIAL OBLIGATION FY 79	ESTIMATED FINAL OBLIGATION FY 81	ESTIMATED COMPLETION DATE OF PROJECT FY 84

Purpose: To construct the Maqarin Dam and associated irrigation and electric power-generating facilities, thereby permitting increased utilization of Yarmouk River water resources and providing assured water supplies to arable land in the Jordan River Valley and potable water to residents of Jordan's Northern Plateau region.

Background and Progress to Date: Control of the water of the Jordan and Yarmouk Rivers has been the subject of numerous studies since the 1920s. To assist the Government of Jordan (GOJ) in its effort to increase agricultural production and to more effectively utilize its water resources, A.I.D. made a loan (278-0188) to the GOJ in FY 1976 to finance a feasibility study on more fully utilizing the water resources of the Yarmouk River for irrigation, domestic and industrial uses. In FY 1977 A.I.D. made a second loan (278-0200) to the GOJ to assist in the design of the project.

Design investigations started in 1977. These investigations include an evaluation of geological conditions for foundation design and determination of maximum permissible dam height and a refinement of water requirements and availabilities. The results of these investigations will permit the determination of design and the final height of the dam and the feasibility of whether to plan for the construction of the dam in two stages as proposed by the consultant or to construct the dam in one phase. All of the actions necessary to establish the final configuration of the project will be completed by the spring of 1979 before the final appraisal of the project is completed and prior to the obligation by A.I.D. of the \$45 million for the project in FY 1979.

Recently, a GOJ-financed British consultant completed a report on the projected demand and availability of water for municipal and industrial use in northern Jordan through the year 2002. This study is being used in the refinement of water requirements noted above.

Host Country and Other Donors: Total cost of the project is estimated at \$650 million based on the feasibility study submitted in January 1978. In early 1979, a World Bank-led multidonor team will complete final project appraisal, after which the potential donors are expected to meet to indicate the extent of their financing of the project. We anticipate significant World Bank, Arab and European participation.

FY 1980 Program: Items which A.I.D. will finance will be identified in consultation with other donors after final project approval.

Beneficiaries: Immediate beneficiaries will be Jordan Valley farmers and residents of Northern Jordan, primarily those in the city of Irbid and surrounding towns, who will receive assured water supplies for irrigation and domestic use. Initially some 200,000 people will benefit directly at a cost of about \$3,000 per person. Eventually, residents of the Amman/Zarqa area (present population approximately 1.2 million) are expected to receive water from the reservoir created by the dam. Over the economic life of the project the cost per beneficiary will be appreciably less than that shown. Secondary benefits will accrue to the entire population of Jordan from the additional farm production and increased export of farm produce.

Major Outputs: All years: A zoned-earth and rock-filled dam across the Yarmouk River, 22 MWS of power generation capacity; a diversion dam on the Yarmouk River at the entrance to the East Ghor Main Canal; a 14.5 km extension of that canal; and a pressure irrigation (sprinkler and/or drip) system installed on lands (approx. 12,000 hectares) not now irrigated and on land not now irrigated by gravity systems (some 13,000 hectares).

A.I.D.-financed Inputs: (\$ Thousands)

	FY 80
Engineering, construction and equipment	38,000

	U.S. FINANCING (In thousands of dollars)			PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	Harza Overseas Engineering Company, and other Contractors to be selected.
Estimated Fiscal Year 1979	45,000	10,000	-	
Estimated through September 30, 1979	45,000	10,000	35,000	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	38,000	38,000	150,000	

TITLE West Bank/Gaza Development Activities		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars) FY 80 3,000		LIFE OF PROJECT Continuing
NUMBER 298-0159	NEW <input type="checkbox"/>	PRIOR REFERENCE FY 79 Annex A, p. 1177	INITIAL OBLIGATION FY 79	ESTIMATED FINAL OBLIGATION FY Continuing	ESTIMATED COMPLETION DATE OF PROJECT FY Continuing
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>			

Purpose: To finance small-scale development projects in the West Bank and Gaza Strip to benefit the indigenous population.

Background and Progress to Date: The U.S. has provided assistance to these areas for a number of years, largely through PL 480, Title II assistance projects administered by private voluntary agencies. In addition, since the establishment of the Middle East Special Requirements Fund (MESRF) in FY 75, a portion of that fund was set aside each year to support projects that could help build the socio-economic underpinnings for longer-term development. In FY 79 this program was separated from the MESRF account, and funds were requested and appropriated for a separate activity entitled "Private Voluntary Agency Development Programs" in the Near East Regional section of the Security Supporting Assistance presentation. For FY 80 the project has been retitled "West Bank/Gaza Development Activities" to reflect A.I.D.'s plan to support, where appropriate, other organizations and institutions in addition to U.S. private voluntary agencies, in development of the West Bank and Gaza.

Funds for these activities have increased from \$1 million in FY 75 to \$3 million annually in FY 77, FY 78, and FY 79, as the number of participating organizations and project activities increased. The projects are implemented primarily by U.S. private institutions currently operating in the territories. These organizations, working directly with indigenous institutions and community groups, are supporting a variety of activities in such areas as rural development, nutrition education, vocational training, health, agriculture, and municipal services.

Other Donors: Numerous private donors operate in the West Bank and Gaza. In addition, the Government of Israel provides many technical and welfare services through its Ministries. Since

there is little overall coordination of development activities, it is difficult to ascertain the magnitude of total assistance flows.

Beneficiaries: The population of the West Bank and Gaza reached 1.1 million in 1975. A maldistribution of income leaves the area generally poor despite improving levels of national income. Many residents remain in refugee status. Infrastructure has been neglected for over 10 years and only major urban centers enjoy basic services such as electricity, potable water, and adequate transportation facilities.

FY 80 Program: In FY 80 a total of \$3 million is proposed for development activities in the West Bank and Gaza.

Major Outputs: Health, nutrition, food production, education and employment-related training will continue to be predominant in West Bank/Gaza development activities. The product of these efforts will be an improved quality of life for the affected population, with increased opportunities for self-improvement through education.

A.I.D.-Financed Inputs: (\$ Thousands)

	FY 80
Grants to U.S. private voluntary and other organizations providing development assistance in the West Bank and Gaza	3,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	To Be Determined
Estimated Fiscal Year 1979	3,000	2750		
Estimated through September 30, 1979	3,000	2750	250	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	3,000	Continuing	Continuing	

TITLE Project Development and Support		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 298-0150		PRIOR REFERENCE FY 1979 Annex A, p. 1185	FY 80 1,000	LIFE OF PROJECT Continuing	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>		INITIAL OBLIGATION FY 78	ESTIMATED FINAL OBLIGATION FY Continuing	ESTIMATED COMPLETION DATE OF PROJECT FY Continuing

Purpose: To enable A.I.D. to finance studies and other activities related to the development and support of Security Supporting Assistance (SSA) projects.

Background and Progress to Date: In FY 1978, A.I.D. initiated a regional Security Supporting Assistance project similar to the regional Project Development and Support project for Near Eastern development assistance countries. This project permits funding of activities of general concern to SSA recipients, and necessary to the effective development, design, and implementation of SSA activities. These may include consultations, surveys, feasibility studies, evaluations and design of field tests, pilot activities and training carried out directly or through commercial or non-profit organizations or individuals. Such activities are necessary for effective program and project development, management and evaluation.

Activities funded under this project in FY 1978 and 1979 include a study of the potential for improvement of science education in the Gaza Strip, a survey of the role and status of women in Jordanian society, and partial funding of an A.I.D. agreement with the Department of Transportation (DOT) for the services of DOT transportation economists.

Host Country and Other Donors: Host country officials work closely with the experts sent to assist them to design and evaluate projects, but A.I.D. pays for these outside services. Other donors are consulted when they are involved in sectors in which A.I.D. is considering a project, and at times jointly funded teams may be fielded.

Beneficiaries: This project funds research and analysis of critical importance to A.I.D. and host countries in developing,

managing and evaluating projects in the region. The ultimate beneficiaries are those who benefit from the projects themselves.

FY 1980 Program: Specific activities presently under consideration include studies of regional issues such as the productivity of women in the agricultural sector, the relationships between infant mortality and fertility rates in urban areas, and potential areas for cooperation among the confrontation states in a peaceful environment.

Major Outputs: Illustrative of the activities which the project will continue to emphasize are:

- economic and social analyses and studies needed to understand and effectively support host country economic and social policies and to improve A.I.D. resource allocations within countries receiving SSA assistance;
- regional or subregional studies in selected sectors and subsectors to identify opportunities for promoting cooperation among all SSA countries of the region.

A.I.D.-Financed Inputs: (\$ Thousands)

	<u>FY 80</u>
Consulting services, experts, for studies, evaluations, pilot and regional activities	1,000

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	28	27	1	To Be Determined
Estimated Fiscal Year 1979	1,000	900	101	
Estimated through September 30, 1979	1,028	927	101	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	1,000	Continuing	Continuing	

NEAR EAST

DEVELOPMENT ASSISTANCE PROGRAMS

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NEAR EAST DEVELOPMENT ASSISTANCE PROGRAMS

PROGRAM SUMMARY ^{1/} (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
1978							
Loans	9500	6000	-	3500	-	-	-
Grants	37183	13814	1962	5300	13872	2235	-
Total	46683	19814	1962	8800	13872	2235	-
1979							
Loans	4000	2500	-	1500	-	-	-
Grants	45900	14550	3955	7645	17400	2350	-
Total	49900	17050	3955	9145	17400	2350	-
1980							
Loans	6680	6680	-	-	-	-	-
Grants	50920	22727	6099	2100	18044	1950	-
Total	57600	29407	6099	2100	18044	1950	-

CP 80-13(10-78)

Development Assistance Programs

A.I.D. requests \$50.2 million in bilateral assistance to Afghanistan, Yemen, Tunisia and Morocco and \$7.4 million for regional projects to benefit these and other developing countries.

In Afghanistan, one of the least developed countries in the world, A.I.D. plans a \$17 million program stressing rural health, primary education, and projects to increase the productivity and income of small farmers.

For Yemen, also among the world's least developed countries, \$14.0 million is requested for a program concentrating on agricultural and rural development, and for improving Yemen's capacity, through education programs and institutional development, to effectively mobilize available financing resources for basic development needs.

In Tunisia, the proposed \$12.5 million program is focused on rural development in disadvantaged areas of Central

Tunisia.

A.I.D. is encouraging Morocco to devote more resources to the poorer and neglected members of its society. A \$6.5 million program is proposed, principally in dryland farming, nutrition, and women's education.

Regional funds of \$7.4 million are requested for continued education of Third World students at the American University of Beirut, for grants to U.S. private voluntary organizations, and for project development and support requirements. Funds are also requested for initiatives in renewable/unconventional energy development and conservation, and for a pilot law and development project to improve our understanding of how to design projects of greater benefit to the poor.

^{1/} Reflects only programs proposed for FY 1980. See preceding Form CP 80-01 for all-inclusive listing of FY 1978-80 programs.

ECONOMIC AND SOCIAL DATA

COUNTRY: AFGHANISTAN

CP 80-16 (10-78)

BASIC DATA			
* Total population	(thousands, mid 1978)	<u>14,000</u>	
Per capita GNP	(dollars, 1976)	<u>160</u>	
Average annual per capita real GNP growth rate	(1970-75)	<u>2.1%</u>	
Average annual rate of inflation	(1960-1970)	<u>11.6%</u>	(1970-1978) <u>3.1%</u>
% national income received by low 20% of population	(1975)	<u>5</u>	
** Life expectancy at birth, in years	(1970-1975)	total <u>40.3</u>	male <u>39.9</u> female <u>40.7</u>
	(1965-1970)	total <u>37.8</u>	male <u>37.4</u> female <u>38.1</u>
Literacy rate	(1970)	total <u>8%</u>	male <u>n.a.</u> female <u>n.a.</u>
	(1965)	total <u>6%</u>	male <u>12%</u> female <u>1%</u>
AGRICULTURE			
Average annual per capita agricultural production growth rate	()	<u>n.a.</u>	
Agricultural production as % of GDP	(1976)	<u>55</u>	
Population density per square mile of agricultural land	(1970)	<u>280</u>	
% land owned () by: top 10%	<u>n.a.</u>	low 10%	<u>n.a.</u>
Major crop(s):		% of arable land	Year
Subsistence wheat		60	(1977)
Cash cotton		4	(1977)
Major agricultural exports	(1977)	fruits and nuts, cotton	
Major agricultural imports	()	<u>n.a.</u>	
Proportion of labor force in agriculture	(1970)	<u>81%</u>	
CENTRAL GOVERNMENT FINANCES			
Total domestic revenues (\$ millions, U.S.)	(1974)	<u>228</u>	(75) <u>251</u> (76) <u>302</u>
Total expenditures (\$ millions, U.S.)	(1974)	<u>192</u>	(75) <u>264</u> (76) <u>326</u>
Deficit (-) or surplus (\$ millions, U.S.)	(1974)	<u>36</u>	(75) <u>-13</u> (76) <u>-24</u>
Defense expenditures,			
as % of total expenditures	(1974)	<u>18.7</u>	(75) <u>17.8</u> (76) <u>14.9</u>
as % of GNP	(1974)	<u>1.6</u>	(75) <u>1.8</u> (76) <u>1.9</u>
Official international reserves, gross holdings end of period,			
(\$ millions, U.S.)	(1975)	<u>125</u>	(76) <u>169</u> (77) <u>316</u>
Equivalent to	<u>5.1</u>	months of imports (1975)	
FOREIGN TRADE			
Major exports	(1977)	fruits, nuts, cotton, natural gas	
Exports to U.S. (\$ millions, U.S., f.o.b.)	(1975)	<u>9</u>	(76) <u>11</u> (77) <u>16</u>
as % of total exports	(1975)	<u>3</u>	(76) <u>4</u> (77) <u>5</u>
Major imports	(1976)	non-metallic minerals, sugar, tires and tubes	
Imports from U.S. (\$ millions, U.S., c.i.f.)	(1975)	<u>21</u>	(76) <u>15</u> (77) <u>14</u>
as % of total imports	(1975)	<u>7</u>	(76) <u>n.a.</u> (77) <u>4</u>
Total trade balance (\$ millions, U.S.)	(1975)	<u>-2</u>	(76) <u>n.a.</u> (77) <u>-19</u>
Main trading partners	U.S.S.R., India, Japan		
External public debt as % of GNP.	(1976)	<u>37.2</u>	
Service payments on external public debt, (\$ millions, U.S.)	(1976)	<u>18</u>	
as % of export earnings (debt service ratio)	(1976)	<u>7.3</u>	
SOCIAL DATA			
Population growth rate	(1970-75)	<u>2.2%</u>	
% population in urban areas	(1966)	<u>15</u>	(1973) <u>15</u>
Total births per 1,000 population	(1977)	<u>50</u>	
% married women aged 15-49 yrs. using contraception	(1977)	<u>1</u>	
% of the population (1975) in age group: (0-14 yrs.)	<u>44.2</u>	(15-64 yrs.)	<u>53.2</u> (65+ yrs.) <u>2.6</u>
Infant deaths during first year of life per 1,000 infants	(1973)	<u>173</u>	
People per physician	(1973)	<u>26,100</u>	
Major causes of death (1975)	measles, all other diseases (not specified), diarrhea/dysentery		
Major disease(s) (1973)	gastro-intestinal infections, tuberculosis, communicable childhood diseases		
Per capita calorie supply as a % of requirements	(1974)	<u>83</u>	
% of population with reasonable access to clean water supply	(1975)	<u>9</u>	
Total school enrollment as % of population in age group:			
Primary (ages 5-14)	(1973)	total <u>13.0</u>	male <u>21.5</u> female <u>3.8</u>
Secondary (15-19)	(1975)	total <u>9.0</u>	male <u>16.0</u> female <u>1.6</u>
Post Secondary (20-24)	(1973)	total <u>0.5</u>	male <u>1.0</u> female <u>0.1</u>
Energy production as % of consumption	(1970)	<u>807</u>	

*The figure 14,000 is based on fragmentary data. This series is currently undergoing revision. All statistics reported here utilizing a population component must be interpreted with extreme caution.

** U.S. Bureau of the Census special population projections estimate 1972-73: 34 males, 36 females.

U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS (U.S. Fiscal Years - Millions of Dollars)						ECONOMIC PROGRAMS OF OTHER DONORS (Millions of Dollars)							
COUNTRY AFGHANISTAN						A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS							
PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-78	REPAYMENTS AND INTEREST 1946-78	TOTAL LESS REPAYMENTS AND INTEREST 1946-78	TOTAL	TO	FY 1977	FY 1978	FY 1946-78
	1975	1976	TQ	1977	1978								
I. ECONOMIC ASSISTANCE - TOTAL	21.3	8.7	4.5	21.4	11.3								
Loans	10.0	-	2.5	-	5.1								0.3
Grants	11.3	8.7	2.0	21.4	6.2								171.5
a. A.I.D. and Predecessor Agencies	16.2	6.3	1.5	20.0	5.0								75.0
Loans	10.0	-	-	-	-								57.3
Grants	6.2	6.3	1.5	20.0	5.0								35.7
(Security Supporting Assistance)	-	-	-	-	-								
b. Food for Peace (PL 480)	3.9	1.5	2.5	0.7	5.7								
Loans	-	-	2.5	-	5.1								
Grants	3.9	1.5	0.3	0.7	0.6								
Title I - Total Sales Agreements	-	-	2.5	-	5.1								
Repayable in U.S. Dollars - Loans	-	-	2.5	-	5.1								
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-								
Title II - Total Grants	3.9	1.5	0.3	0.7	0.6								
Emerg. Relief, Econ. Develop. & World Food Program	3.9	1.5	0.3	0.7	0.6								
Voluntary Relief Agencies	-	-	-	-	-								
c. Other Economic Assistance	1.2	0.9	0.2	0.7	0.6								
Loans	-	-	-	-	-								
Grants	1.2	0.9	0.2	0.7	0.6								
Peace Corps	1.2	0.9	0.2	0.7	0.6								
Other	-	-	-	-	-								
II. MILITARY ASSISTANCE - TOTAL	0.4	0.4	*	0.4	0.3								
Credits or Loans	-	-	-	-	-								
Grants	0.4	0.4	*	0.4	0.3								
a. MAP Grants	0.2	0.2	*	0.2	-								
b. Credit Sales under FMS	-	-	-	-	-								
c. Intl. Military Education & Training Program	0.2	0.2	-	0.2	0.3								
d. Transfers from Excess Stocks	-	-	-	-	-								
e. Other Grants	-	-	-	-	-								
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	21.7	9.1	4.5	21.8	11.6								
Loans	10.0	-	2.5	-	5.1								
Grants	11.7	9.1	2.0	21.8	6.5								
Other U.S. Government Loans and Grants	-	-	7.3	-	-								
a. Export-Import Bank Loans	-	-	7.3	-	-								
b. All Other Loans	-	-	-	-	-								
* LESS THAN \$50,000.						TQ - TRANSITIONAL QUARTER							

FIGURES NOT AVAILABLE AT TIME OF PRINTING

TOTAL	TO	FY 1977	FY 1978	FY 1946-78
-	-	38.7	100.4	339.8
IFC	-	-	-	0.3
IDA	-	18.0	56.5	171.5
ADB	-	14.0	16.2	75.0
UNDP	-	3.9	8.3	57.3
Other UN	-	2.8	19.4	35.7

B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS

1. D.A.C. COUNTRIES (Excluding U.S.)

Donor	CY 1976	CY 1977	CY 1969-77
TOTAL	18.8	21.1	153.2
Germany	11.3	7.4	103.8
Japan	1.8	6.3	14.9
Canada	0.4	0.3	8.8
Sweden	1.0	0.9	6.5
United Kingdom	0.8	3.1	7.2
Other	3.5	3.1	12.0

2. O.P.E.C. COUNTRIES

Donor	CY 1976	CY 1977	CY 1973-77
TOTAL	14.7	NA	64.9
Saudi Arabia	7.8	NA	36.4
Iran	4.2	NA	17.3
Kuwait	2.6	NA	9.1
Other	0.1	NA	2.1

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

TOTAL	CY 1976	CY 1977	CY 1964-77
-	-	-	1,379.0
USSR	-	-	1,263.0
Eastern Europe	-	-	40.0
China	-	-	76.0

NA - Not available

AFGHANISTAN

PROGRAM SUMMARY							
<i>(In thousands of dollars)</i>							
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs
1978							
Loans	-	-	-	-	-	-	-
Grants . . .	4,989	3,327	191	1,080	391	-	-
Total ..	4,989	3,327	191	1,080	391	-	-
1979							
Loans	-	-	-	-	-	-	-
Grants . . .	14,878	2,743	340	-	11,795	-	-
Total ..	14,878	2,743	340	-	11,795	-	-
1980							
Loans	-	-	-	-	-	-	-
Grants . . .	16,992	9,779	1,564	-	5,649	-	-
Total ..	16,992	9,779	1,564	-	5,649	-	-

CP 80-13(10-78)

infant mortality rate is 17%; there is only one doctor for every 26,100 people; literacy is only 8%. Meanwhile, population is growing at 2.2% annually. The central government has limited though growing capacity to finance, plan, mobilize and manage development resources. Development strategies in the past overemphasized industrial growth and did not exploit fully the country's comparative advantage in agriculture.

Socio-Economic Performance

The new Afghan Government has not yet articulated its economic and social policies and programs. The pronouncements made to date by its key leaders suggest a commitment to changing the conditions of rural poverty. The new leadership's program favors land reform, expanded institutional credit programs, and development of agricultural cooperatives. There are indications, however, that the government may continue to emphasize industrial development. Given the current low level of consumption of basic goods and services, this latter approach could limit progress in alleviating rural poverty. A Five Year Plan is now in preparation and may provide a clearer picture of government intentions.

Total Resources

The Afghan Government is seeking assistance from all prospective donors to implement the Plan. In FY 77 total donor assistance to Afghanistan, not including Soviet Bloc countries, was \$130 million. Of this amount, A.I.D. bilateral assistance was \$20 million or 15%. Russian assistance, traditionally in energy and mineral exploitation, has recently averaged about three times this U.S. level and is growing as Soviet aid spreads to other sectors. World Bank programs have recently expanded significantly to some \$60 million yearly. The Asian Development Bank program, directed at large scale irrigation and power projects, is also increasing with annual commitments approaching \$20 million. West Germany and Canada have significant aid programs, but still below that of the U.S.

U.S. Interests

A revolution on April 27, 1978 overthrew the Republican Government of Mohammed Daoud in Afghanistan. A new Leftist government took power and has just begun to formulate its domestic and foreign policies.

U.S. interests remain threefold: 1) to encourage Afghanistan's independence and nonalignment; 2) to assist the country's socio-economic development in ways which benefit the poor; and 3) to promote regional stability and cooperation among Afghanistan and its neighbors, particularly Iran and Pakistan.

Development Overview

Afghanistan is one of the world's poorest countries. Physical isolation, tribal and linguistic diversity, inadequate communications, unpredictable climate and limited resources help explain its poverty. Per capita income is about \$160 per year; life expectancy is 40 years; the

A.I.D. loans and grants and modest PL 480 inputs have recently averaged around \$20 million, with substantial annual variations. In addition, the Peace Corp program amounts to \$600,000 annually. U.S. private capital commitments have not been significant in recent years; however, a \$55 million U.S. aircraft sale is nearing conclusion. Financing for the aircraft includes loans from the Export-Import Bank, private U.S. banks and the manufacturer.

A.I.D. cooperates closely with the IBRD in such areas as grain stabilization, agricultural credit, regional rural development and primary education. U.S. efforts in the latter field are also complemented by Canadian and UNESCO activities.

A.I.D. Strategy

A.I.D.'s development strategy emphasizes creating income and employment opportunities for the poor in rural areas. Key to this strategy is raising agricultural production, especially in wheat which is the major crop of poor subsistence farmers. A.I.D. therefore is considering a PL 480 Title III program in collaboration with IBRD to support wheat prices benefitting small producers, and will assist a regional food grain research and extension program. Recognizing that water is a key factor in arid and semi-arid agricultural production, A.I.D. will assist in developing small-scale irrigation technologies building upon traditional irrigation systems. The land drainage improvement program will also continue in the Helmand Valley.

Access to arable land and water is limited in Afghanistan; A.I.D. will therefore assist, through a new regional rural development program, in developing the infrastructure and programs needed to increase the income of those with poor land or who are not land owners. Improved health and basic education are critical to the increased productivity and well-being of the Afghan people. A.I.D. will support programs to improve rural population and health delivery programs, and expansion of primary education through stepped-up school construction and teacher training efforts. Basic skills training of government employees who are critical to delivering goods and services to rural areas will also continue.

FY 80 PROGRAM HIGHLIGHTS

*Recognizing the importance of increased wheat production and water supply to small farms, A.I.D. will:

- Provide grant aid to wheat price support, research and extension programs benefitting small producers
- Improve traditional irrigation systems

*A regional rural development program aimed at increasing rural income will begin.

*Population and health delivery and primary education in rural areas will be expanded.

CP 80-17(10-78)

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID Personnel^a			
Direct Hire ^b	32	32	32
PASA ^c	10	10	10
Contract	12	12	23
Total	54	54	65
Participants^d			
Noncontract	79	39	44
Contract	89	332	491
Total	168	371	535

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1979 and FY 1980 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

RESOURCE FLOWS			
(In thousands of dollars)			
Program	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID*			
Loans	319	-	-
Grants	3,345	20,880	12,354
Total AID	3,664	20,880	12,354
P.L. 480**			
Title I	5,400	-	
(of which Title III is)	()	()	
Title II	541	1,554	1,658
Total P.L. 480	5,941	1,554	1,658
Total AID and P.L. 480	9,605	22,434	14,012

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

P.L. 480 PROGRAMS SUMMARY						
(In 000MT/\$000)						
Program	FY 1978 (Actual)		FY 1979 (Estimated)		FY 1980 (Proposed)	
	MT	\$	MT	\$	MT	\$
<u>Title I</u>						
Wheat	50	5,400	-	-		
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total		5,400		-		
(of which Title III is)		()		()		
<u>Title II</u>						
Voluntary Agencies						
World Food Programs		541		1,554		1,658
Gov't.-to-Gov't						
Title II Total		541		1,554		1,658
Total P.L. 480		5,941		1,554		1,658

MISSION DIRECTOR: Charles R. Grader

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM AFGHANISTAN

CP 80-02(10-78)

PROJECT TITLE	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
				OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
AGRICULTURE, RURAL DEV. AND NUTRITION										
NATIONAL DEVELOPMENT TRAINING	G	306-0123	72	653	404	---	249	---	---	---
RURAL DEVELOPMENT	G	306-0131	74	2,864	1,233	---	861	---	268	1,496
AFC MANAGEMENT SUPPORT	G	306-0143	75	1,245	816	---	417	---	12	5
CENTRAL HELMAN VALLEY DRAIN PHASE I	G	306-0146	75	1,707	1,338	---	369	---	---	---
CENTRAL HELMAND DRAINAGE II	* G	306-0149	77	12,758	750	2,743	9,512	4,503	3,051	---
INTEGRATED WHEAT DEVELOPMENT - I	G	306-0163	77	500	---	---	360	---	140	3,878
AGRICULTURAL CREDIT	G	306-0165	77	5,000	---	---	1,500	---	2,000	---
REGIONAL RURAL DEVELOPMENT	* G	306-0170	80	---	---	---	---	1,245	263	2,255
IRRIGATION DEVELOPMENT	* G	306-0171	80	---	---	---	---	4,031	260	969
TOTAL FOR ACCOUNT				24,729	4,541	2,743	13,268	9,779	5,994	
GRANTS				24,729	4,541	2,743	13,268	9,779	5,994	
LOANS				---	---	---	---	---	---	
POPULATION PLANNING										
AFGHAN FAMILY GUIDANCE ASSOCIATION	* G	306-0139	75	848	711	340	358	572	444	---
EXPANDED HEALTH/FAMILY PLANNING	* G	306-0173	80	---	---	---	---	688	445	510
POPULATION POLICY PLANNING	* G	306-0174	80	---	---	---	---	304	164	569
TOTAL FOR ACCOUNT				848	711	340	358	1,564	1,053	
GRANTS				848	711	340	358	1,564	1,053	
LOANS				---	---	---	---	---	---	
HEALTH										
BASIC HEALTH SERVICES	G	306-0144	76	3,591	1,812	---	1,779	---	---	1,099
TOTAL FOR ACCOUNT				3,591	1,812	---	1,779	---	---	
GRANTS				3,591	1,812	---	1,779	---	---	
LOANS				---	---	---	---	---	---	
EDUCATION AND HUMAN RESOURCES										
RURAL PRIMARY SCHOOLS I	G	306-0142	75	2,369	756	---	1,007	---	460	1
RURAL PRIMARY SCHOOLS II	* G	306-0150	79	46	46	2,356	1,650	2,333	2,289	6,553
DEVELOPMENT SUPPORT TRAINING	* G	306-0157	78	291	26	1,588	664	2,169	1,285	---
RURAL WOMEN STUDENTS RESIDENCE	G	306-0162	79	---	---	---	4,800	---	---	---
PRIMARY SCHOOL TEACHER TRAINING	* G	306-0167	79	---	---	3,051	1,841	1,147	1,283	4,402

* Detailed project narrative - See Activity Data Sheet.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM AFGHANISTAN

CP 80-02(10-78)

PROJECT TITLE	*	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
					OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
TOTAL FOR ACCOUNT					2,706	828	11,795	5,162	5,649	5,307	
GRANTS					2,706	828	11,795	5,162	5,649	5,307	
LOANS					---	---	---	---	---	---	
BAPPR-NMUL*****											
KATAKI HYDROELECTRIC		L	306-0101	68	14,998	14,727	---	271	---	---	---
TOTAL FOR ACCOUNT					14,998	14,727	---	271	---	---	
GRANTS					---	---	---	---	---	---	
LOANS					14,998	14,727	---	271	---	---	
TOTAL FOR COUNTRY					46,872	22,619	14,878	20,838	16,992	12,354	
GRANTS					31,874	7,892	14,878	20,567	16,992	12,354	
LOANS					14,998	14,727	---	271	---	---	

* Detailed project narrative - See Activity Data Sheet.

TITLE Central Helmand Drainage - II		FUNDS Agriculture, Rural Development and Nutrition	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 306-0149 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		PRIOR REFERENCE FY 79 Near East Programs, p. 855	FY 80 4,503	LIFE OF PROJECT 20,004	
NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>			INITIAL OBLIGATION FY 77	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 81

Purpose: To reduce salinity and waterlogging in 130 square kilometers of farm land and to increase the agricultural productivity, income and employment of small-scale farmers and farm laborers in the Helmand Valley.

Background and Progress to Date: The United States has assisted Afghanistan in improving irrigation in the Helmand Valley for many years. The value of production has increased perhaps tenfold to \$60 million annually since assistance began.

In 1975 the Afghan Government requested A.I.D.'s assistance for an intensified drainage program. Under the first phase, started in May 1975, 40 kilometers of main drainage canals and 60 kilometers of farm drains were completed. An in-depth evaluation revealed that more farm drain construction and farmer education was needed, and pointed up a number of management problems. The present objective, in addition to expanding drainage improvements, is to strengthen the capacity of the Helmand Arghandab Valley Authority (HAVA) to plan and manage drainage construction.

The second-phase project was late starting because of administrative delays, so the project completion date has slipped to FY 81. A target of 278 kilometers of main drainage canals and 1,260 kilometers of farm drains has been set for completion over the next three years. The two construction phases when completed will make more productive a total of 135 square kilometers of farm land. Average crop yields should increase at least 50% from 1975 to 1981 as a result of this work. Thirty-eight percent of Phase II drain planning and 21% of the drain design work has been completed. The construction effort is just beginning.

Host Country and Other Donors: The Afghan Government is providing required project personnel, facilities, and 25% of construction costs. No other donors are involved.

Beneficiaries: An estimated 22,400 small farm families will be the direct beneficiaries of the project. These are predominately low-income persons such as tenants, sharecroppers, laborers and owner-operator family members. The total A.I.D. cost of the project chargeable to Phase II against these beneficiaries is \$8.25 million. A.I.D. costs per direct beneficiary family are \$368 for the life of project and \$201 for FY 80. Remaining project costs will benefit substantial additional numbers of small farmers after completion of this project.

FY 80 Program: Another 20% of the construction program will be completed, bringing the total main and farm drain construction levels to 35% by the end of FY 80. Four long-term and three short-term participants will depart for training programs, completing the participant program for the project.

Major Outputs:	<u>All Years</u>
Revised master drainage plan completed	1
Phase III construction plan completed	1
Main and farm drains completed (kms)	1,538
Land smoothed (km. sq.)	24.3
Areas drained (km. sq.) (\$17,553 per sq. km.)	130
Farmer information program in operation	1
Effective equipment maintenance and supply program	1
HAVA participants trained	39

A.I.D. Financed Inputs:	(\$ Thousands)
	<u>FY 80</u>
Advisors (120 PM)	900
Consultants (5 PM)	43
Long-term participants (137 PM)	204
Short-term participants (37 PM)	96
Reimbursement of construction cost	<u>3,260</u>
Total	4,503

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	12,758	750	12,008	USDA/ Soil Conservation
Estimated Fiscal Year 1979	2,743	9,512		
Estimated through September 30, 1979	15,501	10,262	5,239	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	4,503	-	20,004	

TITLE Regional Rural Development		FUNDS Agriculture, Rural Development and Nutrition	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 306-0170		PRIOR REFERENCE None	FY 80	LIFE OF PROJECT	3,500
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>		1,245		
			INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 82	ESTIMATED COMPLETION DATE OF PROJECT FY 84

Purpose: To increase rural income in one of the poorest regions of Afghanistan.

Background: A.I.D.'s development strategy in Afghanistan concentrates on increasing the well-being of poor people through productive and social infrastructure investments at the village level. Geographic isolation has served to accentuate strong regional disparities in the whole set of physical and institutional infrastructure required for achieving economic progress and social change in poor areas. This situation points to the need for a concentrated regional development effort in addition to assistance aimed at single-problem development needs such as primary education and health services.

From FY 74 through 78, A.I.D. helped finance a rural infrastructure construction program implemented by Afghanistan's Rural Development Department (RDD). The Regional Rural Development Project will also include construction of physical infrastructure, but will be a multifaceted approach toward improving rural institutions, including health and education systems and agriculture production programs. In FY 79 an area survey and project design will be completed.

Host Country and Other Donors: The Democratic Republic of Afghanistan (DRA) will provide the necessary personnel, facilities and equipment for project activities as well as 25% of construction costs. The UNDP, UNICEF, IBRD, and FAO are providing or plan to provide assistance, while World Food Program, CARE/MEDICO, West Germany and India, using an integrated rural development approach, are providing or plan to provide assistance to complement A.I.D.'s effort by supporting separate development projects.

Beneficiaries: The intended beneficiaries are 300,000 rural people in one of the poorer regions of Afghanistan. The cost per beneficiary will be \$12 during life of project and \$4 in FY 80.

FY 80 Program: To be determined from the FY 79 survey and project design. Assuming DRA concurrence, a survey will be conducted during 1979 to identify the region and determine the nature of existing constraints on income and social services.

Major Outputs:

All Years

- Regional development planning capacity in place
- Small-scale irrigation expanded and improved
- Adapted agricultural research extended to farmers
- Local cooperatives developed to expand production, supply credit, and to facilitate marketing
- Small-scale rural industry opportunities identified
- Low cost rural energy technologies tested
- Key tertiary roads expanded
- Village sanitation improved

A.I.D. Financed Inputs:

(\$ Thousands)

	<u>FY 80</u>
Advisors, long-term (36 PM)	487
Participants, short-term (96 PM)	252
Commodities	<u>506</u>
Total	1,245

	U.S. FINANCING (In thousands of dollars)			PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	To be determined
Estimated Fiscal Year 1979	-	-	-	
Estimated through September 30, 1979	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	1,245	2,255	3,500	

TITLE Irrigation Development		FUNDS Agriculture, Rural Development and Nutrition		PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 306-0171		NEW <input checked="" type="checkbox"/>		FY 80	4,031	LIFE OF PROJECT 5,000
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>	CONTINUING <input type="checkbox"/>		PRIOR REFERENCE None	INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 81
				ESTIMATED COMPLETION DATE OF PROJECT FY 81		

Purpose: To increase the availability and the efficient use of water for irrigated agricultural production by poorer farmers.

Background: Insufficient water is the most pervasive constraint to agricultural production in Afghanistan. The amount of land cultivated is restricted by lack of water, and the potential production of irrigated land is reduced by inefficient irrigation practices. The vast network of canals and ditches, many dating back several hundred years, are inefficient due both to disrepair and to the poor water management. Too little water at the end of the system and too much water at its head result in inequity and low crop yields.

Previous A.I.D. experience in irrigation, confirmed by IBRD and UN studies, shows that the biggest payoff in irrigation can be obtained by improving traditional community irrigation systems and water use practices. This project will assist the Afghan institutions responsible for more efficient use of water. Through the Ministries of Agriculture and Water and Power, A.I.D. will assist in initiating soils analysis, applied research, and field tests in irrigation technology as they relate to small farm production. A.I.D. will also contribute to a new Agriculture Development Bank (ADB) program to provide credit and other assistance for improving irrigation systems. Small scale irrigation construction activities of the Rural Development Department (RDD) will be supported.

A U.S. contract team prepared a preliminary appraisal of the project in October-November 1978. More detailed project analysis and design is expected to be completed in time to permit conclusion of negotiations and the start of project implementation in the first quarter of FY 80.

Host Country and Other Donors: The DRA will provide technicians, offices, operating budget support, facilities, and some equipment. The RDD will supply technicians and finance construction costs.

The ADB will supply loans for agricultural inputs, including building materials for community irrigation systems. The Ministry of Water and Power will provide office space and counterparts for ground water investigation and soils analysis. The Ministry of Agriculture will provide research and extension support. The IBRD and Asian Development Bank also support regional irrigation development in Afghanistan.

Beneficiaries: The project is designed to help poorer farmers on marginally irrigated and newly irrigated lands. 120,000 farm families are expected to benefit from this project at a cost of \$42 per family over the life of project and \$34 for FY 80.

FY 80 Program: The following activities are planned: test two new irrigation technologies; initiate crop water-use studies for irrigated wheat, maize and cotton; select a pilot area for the ADB's project and start 10 to 15 RDD small irrigation projects.

Major Outputs:

	<u>All Years</u>
Irrigation credit organization (under auspices of ADB) established and operational	1
Loans made to farmer families to repair and upgrade minor irrigation systems (\$500 est. value each loan)	1200
More efficient irrigation techniques made available to farmers	-

A.I.D. Financed Inputs

	(\$ thousands)
	<u>FY-80</u>
Personnel - long term (96 PM)	1280
Personnel - short term (55 PM)	220
Participants - long term (185 PM)	180
Participants - short term (223 PM)	220
Irrigation equipment, vehicles for demonstration sites	500
Construction reimbursement	1031
Credit fund initially serving 1200 families	600
Total	4031

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES	
	Obligations	Expenditures	Unliquidated		
Through September 30, 1978	-	-	-	To be determined.	
Estimated Fiscal Year 1979	-	-	-		
Estimated through September 30, 1979	-	-	-		
		Future Year Obligations	Estimated Total Cost		
Proposed Fiscal Year 1980	4,031	969	5,000		

TITLE Afghan Family Guidance Association		FUNDS Population Planning and Health	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 306-0139		PRIOR REFERENCE	FY 80	LIFE OF PROJECT	
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>	NEW <input type="checkbox"/>	572	1,760	
	CONTINUING <input checked="" type="checkbox"/>	FY 79 Near East Programs, p. 857	INITIAL OBLIGATION FY 75	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 80

Purpose: To increase the delivery of health and family planning services by further developing the management, supervisory and training functions of the Afghan Family Guidance Association (AFGA).

Background and Progress to Date: During 1969, AFGA's first year of operation, about 7,650 women became family planning clients. In FY 75, A.I.D. began its assistance to AFGA and in two years 39,500 new acceptors were registered. By the end of 1977 a total of 41 clinics had been established and were serving 90,300 clients, a twelvefold increase over 1969, but still affecting only a fraction of the 2.2 million target group which is growing at about 2.2% per year. To strengthen its capacity to expand services, AFGA focused during 1978 on increasing availability of services through existing clinics, introducing outreach services, and instituting regular training programs for AFGA and Ministry of Public Health (MOPH) clinic personnel.

It was anticipated that this project would terminate in FY 79; however, the revolution of April 1978 interrupted delivery of contraceptive commodities. Since the revolution, MOPH has authorized family guides and auxiliary nurse midwives to carry and distribute oral contraceptives and condoms. All AFGA clinics are now managed by nurse midwives. It is now planned to provide continued support and training programs to meet project objectives by the end of FY 80. During the coming year some of AFGA's clinics may be transferred to MOPH management, in which case AFGA will concentrate on improving its training programs for government medical personnel involved in delivering family planning services.

Host Country and Other Donors: The DRA provided AFGA with support equaling \$75,000 in FY 78. International Planned Parenthood Federation (IPPF) also provided AFGA budgetary and commodity support in FY 78 totalling \$250,000.

Beneficiaries: An estimated 460,000 families will benefit during the life of project, for a cost per family of \$4 for life of project and \$1 for FY 80.

FY 80 Program: The program will attempt to reach an additional 100,000 new contraceptive acceptors. AFGA will continue health/family planning training for doctors, nurse-midwives and para-professionals assigned to AFGA and MOPH health clinics, and will continue to manage those family planning clinics not transferred to MOPH supervision.

Major Outputs:	<u>All Years</u>
New acceptors reached	274,500
Doctors, nurse-midwives and family guides trained	552
Number of clinics with family planning services operational	105
A.I.D. Financed Inputs:	(\$ thousands)
	<u>FY 80</u>
AFGA budget support	444
Contraceptives	128
Total	572

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	848	711	137	
Estimated Fiscal Year 1979	340	358		
Estimated through September 30, 1979	1,188	1,069	119	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	572	-	1,760	

TITLE Expanded Health/Family Planning Training		FUNDS Population Planning	PROPOSED OBLIGATION (In thousands of dollars)		LIFE OF PROJECT 1,198
NUMBER 306-0173	NEW <input checked="" type="checkbox"/>	PRIOR REFERENCE None	FY 80 688	ESTIMATED FINAL OBLIGATION FY 81	ESTIMATED COMPLETION DATE OF PROJECT FY 82
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input type="checkbox"/>				

Purpose: To improve and expand obstetrical, maternal/child care and contraceptive services throughout Afghanistan's existing health and family planning delivery system.

Background: Afghanistan faces a major population problem. Its current population of about 14 million is young (44% under 15 years of age) and growing at 2.2% each year. Women bear an inordinate share of health problems, many related to frequent pregnancies and post-partum complications. Recent studies indicate that women aged 15-49 comprised 23% of the population in 1977. About 710,000 women were pregnant at any given point in time. With the current fertility rate hovering around 7.7 births per woman, respective birth and death rates for total population at 50 and 28 per thousand, and infant mortality estimates (173-200/1000) among the highest in the world, there is clearly room for major improvement in the effectiveness of the present health delivery system and its capability to provide expanded maternal/child health care and family planning services. Medical and nursing education is predominantly theoretical. Training in modern contraceptive techniques is almost non-existent.

Over the next several years, the Democratic Republic of Afghanistan's (DRA) Ministry of Public Health plans to train hundreds of Afghan medical personnel to staff its network of maternal/child health clinics, basic health centers, and provincial/regional hospitals. A.I.D. will assist medical/nursing institutions and hospitals to modernize their curricula, teaching methods and training programs. The project will include (a) training in all aspects of obstetrics and gynecology (OB/GYN), contraception and maternal child care, and (b) practical internships for trainees in these subjects. The emphasis will be on morbidity and fertility problems, and delivery of effective maternal/child health programs and family planning services to the poor through basic health centers and village outreach programs.

Host Country and Other Donors: The DRA will provide hospital and classroom teaching facilities and professional staff for training. CARE-MEDICO may also participate in hospital training of physicians and midwives.

Beneficiaries: The ultimate beneficiaries of this project are the 2.3 million fertile age women who are almost universally deprived of access to reliable OB/GYN and contraceptive services, pre-natal and post-natal care. Since almost 200,000 women will directly benefit from this project, the estimated cost per family is \$6.00 for life of project and \$10.00 for FY 80.

FY 80 Program: A contract team will initiate activities in the second half of FY 80 designed to strengthen medical and nursing institutions. Curricula and teaching methods will be modernized; long and short-term training programs will be developed to improve OB/GYN and contraceptive services.

Major Outputs:	All Years
Births attended	156,000
New contraceptive acceptors	40,000
Doctors, interns, nurse, nurse/midwives trained	550
Trainers trained	40
	(\$ Thousands)
A.I.D. Financed Inputs:	FY-80
Advisors (36 PM)	404
Local staff	22
Consultants (9 PM)	78
Long term participants (24 PM)	33
Short Term participants (12 PM)	28
Commodities & equipment (local supplies & equipment)	85
Commodities (contract)	38
Total	688

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	To be determined.
Estimated Fiscal Year 1979	-	-	-	
Estimated through September 30, 1979	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	688	510	1,198	

TITLE Population Policy Planning		FUNDS Population Planning	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 306-0174		PRIOR REFERENCE None	FY 80	304	LIFE OF PROJECT 873
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>		INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 82	ESTIMATED COMPLETION DATE OF PROJECT FY 83

Purpose: To contribute to reduced population growth through improved demographic analysis and evaluation.

Background: There has never been an official population census, although the first national demographic survey, arranged by A.I.D., was conducted in 1972-73. Thus the basic information is lacking to formulate a population policy that will insure that population growth is proportionate to available economic resources. Afghanistan is planning to carry out a national census over the next few years so an opportunity now exists to improve knowledge of Afghanistan's demography as it relates to economic and social development problems which impact on the poor. The Government has created a Perspective Planning Division (PPD) within the Ministry of Plan, and seeks A.I.D. assistance to help the Government assess the impact of population growth on development planning.

Host Country and Other Donors: The Democratic Republic of Afghanistan (DRA) will provide office space and staff in the Ministry of Plan as a contribution to this project. In addition, the United Nations Family Planning Association (UNFPA) will continue to work on population data collection and assessment. Consultants and commodities have been provided by UNFPA to improve the vital registration system and to implement a pilot census project.

Beneficiaries: Immediate beneficiaries will be the central staff of the Ministry of Plan responsible for the macro aspects of development. Also, officials and planners in sectors such as agriculture, health, education and other public services will be better equipped to do their jobs. Indirect beneficiaries will be the entire Afghan population providing that development resources will be more rationally allocated as a result of better demographic analyses. On a per capita basis, the estimated A.I.D. cost would be \$0.06 for life of project and \$0.02 for FY 80.

FY 80 Program: After an initial assessment and preparation of a work plan by a U.S. consultant in FY 79, a U.S. team of two contract advisors will initiate project activities beginning in the second half of FY 80. Population data will be collected and analyzed; evaluation systems will be introduced.

Major Outputs:

Qualified PPD planning staff on the job
Demographers trained
Population analysts trained
Evaluation unit established

All Years

10
2
2
1

A.I.D. Financed Inputs:

Advisors, long term (24 PM)
Participants, short term (5 PM)

(\$ Thousands)

FY 80
290
14
304

Total

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	
Estimated Fiscal Year 1979	-	-	-	
Estimated through September 30, 1979	-	-	-	
Proposed Fiscal Year 1980	304	569	873	
		Future Year Obligations	Estimated Total Cost	

To be determined.

TITLE Rural Primary Schools, II		FUNDS Education and Human Resources	PROPOSED OBLIGATION (In thousands of dollars) FY 80 2,333		LIFE OF PROJECT 11,288
NUMBER 306-0150 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>	PRIOR REFERENCE FY 79 Near East Programs, p. 853	INITIAL OBLIGATION FY 78	ESTIMATED FINAL OBLIGATION FY 83	ESTIMATED COMPLETION DATE OF PROJECT FY 84

Purpose: To improve the Democratic Republic of Afghanistan's (DRA) capacity to build and make operational rural primary schools at an accelerated rate and at lower costs.

Background and Progress to Date: Under Phase I (Project 306-0142), A.I.D. assisted the DRA's Ministry of Education in financing construction of 104 rural primary schools. The project was part of a broader program including World Food Program and DRA financing. Construction has lagged. From 1975 to 1978, the Afghan Government was only able to complete 137 schools, of which 32 were financed by A.I.D. Delays were caused by poor management, failure to establish realistic cost standards, and governmental delays in paying contractual obligations.

In January 1978, the Afghan Government created a semi-independent government construction organization and asked A.I.D. for technical assistance in developing this new unit's capability to carry out assigned functions. Project planning was interrupted by the revolution of April 1978; however, the DRA and A.I.D. officials have established a joint planning team which will complete the project design in January 1979.

70% of Afghanistan's school age population do not attend school, and 60% of those children in school are in inadequate physical facilities or taught in the open air. Additional school construction is therefore vital to bring educational services to the poor. Because Afghanistan has experienced difficulties in carrying out a school construction program, this project stresses the need for technical assistance to strengthen the capacity of the Ministry of Education's construction unit. Nevertheless, recent statistics show that approximately 2,000 of the existing primary and village-level school facilities must be replaced. Considering the magnitude of the problem, A.I.D. proposes to increase the number of schools to be financed under Phase II to 400 units, with financing conditional upon the completion of Phase I construction by the DRA.

Host Country and Other Donors: The DRA will provide the land, construction supervision, salaries of trainees and counterparts for the technical assistance element of the project, and 15% of construction costs. The World Food Program is supporting school construction with 80 new schools per year. UNICEF support includes school equipment and construction of school water systems.

Beneficiaries: Beneficiaries are 140,000 children who are or will be studying in inadequate physical structures and 25,000 children who are not presently in school because no facilities exist. Estimated A.I.D. project cost per beneficiary is \$68 for the life of project and \$14 for FY 80.

FY 80 Program: Technical assistance and training for the construction unit will continue, and construction of schools financed under Phase II will be started.

Major Outputs:	<u>All Years</u>
New primary schools built (average cost: \$20,000)	400
Non-degree, third country trainees returned	75
Technical staff trained in-country in construction management	350
School construction department capable of conducting an intensive rural school construction program	1
The average cost per trainee under this project is \$3,340	

A.I.D.-Financed Inputs:	(\$ thousands)
	<u>FY 80</u>
Advisors (48 PM)	612
Construction of 80 schools	1,600
Commodities	47
Contractor support costs	32
Participants, short-term (56 PM)	<u>42</u>
Total	2,333

	U.S. FINANCING (In thousands of dollars)			PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	46	46	-	To be determined
Estimated Fiscal Year 1979	2,356	1,650	-	
Estimated through September 30, 1979	2,402	1,696	706	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	2,333	6,553	11,288	

TITLE Development Support Training		FUNDS Education and Human Resources	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 306-0157		PRIOR REFERENCE FY 79 Near East Programs, p. 852	FY 80	2,169	LIFE OF PROJECT
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>		ESTIMATED FINAL OBLIGATION	FY 80	4,048
NEW <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>		ESTIMATED COMPLETION DATE		
			OF PROJECT		
			FY 82		

Purpose: To improve the managerial and technical skills of Afghan personnel and agencies working on rural development activities.

Background and Progress to Date: This project grew out of recognition by the Afghan Government and A.I.D. that improved management and administration was critical to carrying out rural projects and programs benefiting the poor in Afghan society. Too often administrative bottlenecks in the central ministries or at the provincial level slow down or block execution of Government-sponsored development projects. Poor understanding of good management techniques and procedures also hinders project managers and others critical to the development process.

The previous Afghan Government created a Central Office of Personnel and Administrative Reform (COPAR). The Democratic Republic of Afghanistan (DRA) has charged COPAR with the responsibility for initiating civil service reform, management studies and training. This project concentrates on the training component, specifically those Afghan civil servants working in DRA agencies engaged in rural development (e.g., the Ministries of Education, Health, Agriculture, and the Rural Development Department) or working in areas demonstrably related to the development of rural areas such as certain offices in the Ministry of Plan. Consultant services are also provided to study key system's problems and recommend courses of action for improvement. A preliminary study of training requirements was completed in FY 78. A.I.D. and the DRA plan to sign a grant agreement early in FY 79 to start this program.

This project also included funding in FY 78 for Afghan participants transferred from the American University in Beirut to campuses in the U.S. because of the fighting in Lebanon.

Host Country and Other Donors: The DRA will establish appropriate selection and utilization procedures and provide salaries and

support costs for those being trained. The UNDP provides technical assistance to COPAR.

Beneficiaries: The ultimate beneficiaries are the large segments of Afghanistan's rural population that will benefit from improved implementation of much needed rural development projects. The monetary cost per beneficiary in this sense cannot be determined. Cost per person trained is \$2,709 for life of project and \$1,798 for FY 80.

FY 80 Program: A resident advisor is expected to arrive in FY 79. Specific training needs will be agreed upon, the project's assessment and selection board established, and trainees selected. The initial group of over 100 U.S. and third-country trainees will depart and in-country training and management studies will begin. In FY 80 another 33 individuals will depart Afghanistan for non-degree training and about 500 will receive in-country management training. Six studies in systematic management problem areas will be completed.

Major Outputs:	<u>All Years</u>
Academic returnees	19
Non-academic returnees	235
In-country trainees	1,100
Management studies completed	6
A.I.D. Financed Inputs:	(\$ Thousands)
	<u>FY-80</u>
Advisors (24 PM)	320
Consultants (12 PM)	108
Commodities	40
Long-term participants (160 PM)	204
Short-term participants (1,070 PM)	1,497
Total	2,169

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	291	26	265	To be determined
Estimated Fiscal Year 1979	1,588	664		
Estimated through September 30, 1979	1,879	690	1,189	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	2,169	-	4,048	

TITLE Primary School Teacher Training		FUNDS Education and Human Resources	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 80 1,147	LIFE OF PROJECT 8,600	
NUMBER 306-0167	NEW <input type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION FY 79	ESTIMATED FINAL OBLIGATION FY 83	ESTIMATED COMPLETION DATE OF PROJECT FY 84
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>	FY 79 Near East Programs, p. 850			

Purpose: To produce adequately trained teachers in sufficient numbers to deliver a primary school curriculum relevant to Afghanistan's needs.

Background and Progress to Date: The DRA places high priority on expanding primary education and making the curriculum more relevant to the needs of Afghanistan's largely rural population. One critical constraint is the number and quality of teachers trained for assignment at the primary level. Primary school teachers are not properly trained to implement the newly revised curriculum or to use effectively the new textbooks now being introduced. The educational system is not producing enough teachers to meet minimum staffing requirements at the primary level over the next five years.

This project addresses the quality of teacher education through in-service and pre-service training programs for teachers. The project reinforces A.I.D.'s long involvement in curriculum and textbook development in Afghanistan and more recent assistance to primary school construction (Project 306-0150).

The revolution of April 1978 delayed completion of the project design. It will be completed in FY 79, after which a contract team will arrive to begin work on teacher training curriculum revision. Increased project costs reflect the appreciation of the afghani and inclusion of technical assistance for development of an accelerated training program for 5,000 twelfth-grade graduates recently hired by the DRA.

Host Country and Other Donors: The DRA will provide facilities at the Academy for Teacher Educators (ATE) and provincial Teacher Training Institutes (TTI). The IBRD, UNDP/UNESCO and UNICEF will undertake supplementary efforts that complement A.I.D.'s assistance.

Beneficiaries: Over the life of the project 13,000 primary school teachers will be trained. Through them, about 400,000 primary school children will receive more relevant primary education. The project cost per primary school student is \$21 for the life of project and \$3 for FY 80.

FY 80 Program: The teacher training curriculum developed during FY 79 will be tested, revised and installed in the ATE and TTIs. Practice teaching will be instituted; new facilities and instructional materials for the ATE and TTIs will be procured; 30 degree participants will leave for training and 12 people will receive non-degree training in the U.S. or third countries.

Major Outputs:	<u>All Years</u>
New teacher training courses of study developed	20
Academic participants' training completed	85
Non-degree participants' training completed	25
Teachers trained under revised program at ATE and TTIs	13,000
Instructional modules tested and installed in demonstration schools	15

A.I.D. Financed Inputs:	(\$ Thousands)
	<u>FY 80</u>
Advisors, long-term (22 PM)	292
Consultants (11 PM)	72
Long-term participants (396 PM)	458
Short-term participants (31 PM)	39
Commodities	229
Contractor support	57
Total	1,147

U.S. FINANCING (In thousands of dollars)	PRINCIPAL CONTRACTORS OR AGENCIES		
	Obligations	Expenditures	Unliquidated
Through September 30, 1978	-	-	-
Estimated Fiscal Year 1979	3,051	1,841	-
Estimated through September 30, 1979	3,051	1,841	1,210
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1980	1,147	4,402	8,600

To be determined.

ECONOMIC AND SOCIAL DATA

COUNTRY: MOROCCO

CP 80-16 (10-78)

BASIC DATA

Total population	..... (thousands, mid 1978)	<u>18,819</u>
Per capita GNP	..... (dollars, 1976)	<u>540</u>
Average annual per capita real GNP growth rate	.. (1970-75)	<u>3.0%</u>
Average annual rate of inflation	..... (1960-1970)	<u>2.2%</u> (1970-1976) <u>9.3%</u>
% national income received by low 20% of population	.. (1970)	<u>4</u>
Life expectancy at birth, in years	(1970-1975) total <u>52.9</u> male <u>51.4</u> female <u>54.5</u> (1965-1970) total <u>50.4</u> male <u>49.0</u> female <u>51.8</u>	
Literacy rate	..... (1972) total <u>21%</u> male <u>34%</u> female <u>10%</u> (1960) total <u>14%</u> male <u>22%</u> female <u>6%</u>	

AGRICULTURE

Average annual per capita agricultural production growth rate	.. (1954-77)	<u>-0.2%</u>
Agricultural production as % of GDP	..... (1976)	<u>21</u>
Population density per square mile of agricultural land	..... (1974)	<u>210</u>
% land owned (1973) by: top 10%	<u>49</u>	low 10% <u>1</u>
Major crop(s):	% of arable land	Year
Subsistence wheat, barley	61	(1977)
Cash citrus	1	(1977)

Major agricultural exports	.. (1977)	<u>citrus, tomatoes</u>
Major agricultural imports	.. (1977)	<u>wheat, sugar, vegetable oil, dairy products</u>
Proportion of labor force in agriculture	..... (1971)	<u>50%</u>

CENTRAL GOVERNMENT FINANCES

Total domestic revenues (\$ millions, U.S.)	(1974) <u>1,672</u> (75) <u>1,887</u> (76) <u>1,967</u>
Total expenditures (\$ millions, U.S.)	(1974) <u>1,970</u> (75) <u>2,670</u> (76) <u>3,646</u>
Deficit (-) or surplus (\$ millions, U.S.)	(1974) <u>-298</u> (75) <u>-783</u> (76) <u>-1,679</u>
Defense expenditures, as % of total expenditures	..... (1974) <u>11.5</u> (75) <u>10.2</u> (76) <u>8.6</u>
as % of GNP	..... (1974) <u>3.6</u> (75) <u>3.8</u> (76) <u>3.7</u>
Official international reserves, gross holdings end of period, (\$ millions, U.S.)	(1975) <u>377</u> (76) <u>491</u> (77) <u>532</u>
Equivalent to	<u>2.0</u> months of imports (1977)

FOREIGN TRADE

Major exports	... (1977) phosphates, citrus, preserved fish
Exports to U.S. (\$ millions, U.S., f.o.b.)	(1975) <u>11</u> (76) <u>14</u> (77) <u>19</u>
as % of total exports	..... (1975) <u>0.7</u> (76) <u>1.1</u> (77) <u>1.5</u>
Major imports	... (1975) raw materials and semi-finished goods, food, equipment
Imports from U.S. (\$ millions, U.S., c.i.f.)	(1975) <u>197</u> (76) <u>223</u> (77) <u>333</u>
as % of total imports	..... (1975) <u>8</u> (76) <u>9</u> (77) <u>10</u>
Total trade balance (\$ millions, U.S.)	(1975) <u>-1,024</u> (76) <u>-1,357</u> (77) <u>-1,897</u>
Main trading partners	..... France, Germany (F.R.), U.S.
External public debt as % of GNP	(1976) <u>24.6</u>
Service payments on external public debt, (\$ millions, U.S.)	(1976) <u>217</u>
as % of export earnings (debt service ratio)	(1976) <u>8.2</u>

SOCIAL DATA

Population growth rate	..... (1967-77)	<u>2.9%</u>
% population in urban areas	..... (1969) <u>32</u> (1974) <u>38</u>	
Total births per 1,000 population	..... (1975)	<u>46</u>
% married women aged 15-49 yrs. using contraception	..... (1977)	<u>6</u>
% of the population (1975) in age group: (0-14 yrs.)	<u>47.0</u> (15-64 yrs.) <u>49.3</u> (65+ yrs.) <u>3.7</u>	
Infant deaths during first year of life per 1,000 infants	..... (1973)	<u>130</u>
People per physician	..... (1973)	<u>12,800</u>
Major causes of death (1971)	<u>gastrointestinal, upper respiratory, measles</u>	
Major disease(s)	... (1975) <u>conjunctivitis, measles, trachoma</u>	
Per capita calorie supply as a % of requirements	..... (1973)	<u>107</u>
% of population with reasonable access to clean water supply	.. (1970)	<u>51</u>
Total school enrollment as % of population in age group:		
Primary ... (ages 5-14) (1975)	total <u>31.2</u> male <u>39.3</u> female <u>22.8</u>	
Secondary .. (15-19) (1975)	total <u>24.7</u> male <u>31.4</u> female <u>17.5</u>	
Post Secondary (20-24) (1973)	total <u>1.9</u> male <u>3.0</u> female <u>0.6</u>	
Energy production as % of consumption	..... (1970)	<u>23</u>

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

ECONOMIC PROGRAMS OF OTHER DONORS
(Millions of Dollars)

COUNTRY	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-78	REPAY- MENTS AND INTEREST 1946-78	TOTAL LESS REPAY- MENTS AND INTEREST 1946-78
	MOROCCO							
	PROGRAM	1975	1976	TQ	1977				1978
I. ECONOMIC ASSISTANCE - TOTAL	23.7	45.1	4.0	26.8	35.7			
Loans	3.0	24.8	-	3.0	8.8			
Grants	15.7	20.3	4.0	18.8	26.9			
a. A.I.D. and Predecessor Agencies	9.3	14.3	0.5	2.1	10.0			
Loans	8.0	13.0	-	-	-			
Grants	1.3	1.3	0.5	2.1	10.0			
(Security Supporting Assistance)	-	-	-	-	-			
b. Food for Peace (PL 480)	12.7	29.0	2.8	23.1	24.5			
Loans	-	11.8	-	8.0	8.8			
Grants	12.7	17.2	2.8	15.1	15.7			
Title I - Total Sales Agreements	-	11.8	-	8.0	8.8			
Repayable in U.S. Dollars - Loans	-	11.8	-	8.0	8.8			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	12.7	17.2	2.8	15.1	15.7			
Emerg. Relief, Econ. Develop. & World Food Program	0.5	0.7	-	-	-			
Voluntary Relief Agencies	12.2	16.5	2.8	15.1	15.7			
c. Other Economic Assistance	1.7	1.8	0.7	1.6	1.2			
Loans	-	-	-	-	-			
Grants	1.7	1.8	0.7	1.6	1.2			
Peace Corps	1.7	1.8	0.7	1.6	1.2			
Other	-	-	-	-	-			
II. MILITARY ASSISTANCE - TOTAL	15.7	31.7	0.2	31.6	44.2			
Credits or Loans	14.0	30.0	-	30.0	43.0			
Grants	1.7	1.7	0.2	1.6	1.2			
a. MAP Grants	0.9	0.8	0.2	0.8	-			
b. Credit Sales under FMS	14.0	30.0	-	30.0	43.0			
c. Intl. Military Education & Training Program	0.8	0.9	-	0.8	1.2			
d. Transfers from Excess Stocks	-	-	-	-	-			
e. Other Grants	-	-	-	-	-			
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	39.4	76.8	4.2	58.4	79.9			
Loans	22.0	54.8	-	38.0	51.8			
Grants	17.4	22.0	4.2	20.4	28.1			
Other U.S. Government Loans and Grants	0.2	54.5	6.4	24.1				
a. Export-Import Bank Loans	0.2	31.4	-	11.1				
b. All Other Loans	-	23.1	6.4	13.0				

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER

FIGURES NOT AVAILABLE AT TIME OF PRINTING

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

TOTAL	TQ	FY 1977	FY 1978	FY 1946-78
	77.0	180.0	90.0	1,010.0
IBRD	74.0	167.5	83.1	868.9
IFC	-	7.1	1.2	12.4
IDA	-	-	-	50.0
AFDB	3.0	5.0	5.0	26.8
UNDP	-	0.4	0.7	40.9
Other UN	-	-	-	11.0

B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS

1. D.A.C. COUNTRIES (Excluding U.S.)

Donor	CY 1976	CY 1977	CY 1969-77
TOTAL	135.6	146.9	836.6
France	98.4	90.7	524.3
Germany	13.8	24.1	180.0
Belgium	9.2	12.3	47.7
Canada	3.3	4.7	34.7
Italy	8.9	1.6	27.9
Other	2.0	13.5	22.0

2. O.P.E.C. COUNTRIES

Donor	CY 1976	CY 1977	CY 1973-77
TOTAL	43.5	NA	150.5
UAE	35.5	NA	60.8
Saudi Arabia	-	NA	35.0
Iran	7.9	NA	22.0
Qatar	-	NA	20.0
Kuwait	0.1	NA	12.7

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

TOTAL	CY 1976	CY 1977	CY 1954-77
TOTAL	25.0	-	210.0
USSR	-	-	98.0
Eastern Europe	25.0	-	80.0
China	-	-	32.0

UAE - United Arab Emirates

NA - Not available

MOROCCO

PROGRAM SUMMARY							
<i>(In thousands of dollars)</i>							
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs
1978							
Loans	-	-	-	-	-	-	-
Grants . . .	9,978	2,746	366	-	6,866	-	-
Total ..	9,978	2,746	366	-	6,866	-	-
1979							
Loans	-	-	-	-	-	-	-
Grants . . .	6,349	1,575	1,974	750	1,650	400	-
Total ..	6,349	1,575	1,974	750	1,650	400	-
1980							
Loans	-	-	-	-	-	-	-
Grants . . .	6,549	1,334	2,920	-	2,295	-	-
Total ..	6,549	1,334	2,920	-	2,295	-	-

CP 80-13(10-78)

U.S. Interests

Morocco plays a moderate and constructive role in Middle Eastern and African affairs. With nearly 19 million people and a growing economy, Morocco is also a market of increasing potential. U.S. assistance contributes to the maintenance of these interests and to our long-standing good relations with Morocco. It serves humanitarian goals in helping the Government of Morocco to reduce serious disparities in the distribution of economic and social benefits.

Development Overview

Morocco's development strategy stresses rapid modernization and industrialization with a gradual reduction in income disparities through social and other programs aimed at its poor majority. This strategy was adopted for the 1973-77 development plan on the basis of optimistic prospects for continuing high prices of phosphate exports and continued growth of worker remittances from abroad. However, the

world phosphate market weakened considerably in 1975, resulting in a reduction in Moroccan phosphate exports to about half that of the 1974 peak levels, and worker remittances have shown no increase in the last two years. As a consequence, these factors and a generally sluggish European market, have caused Morocco to suffer a severe foreign exchange squeeze.

Morocco, with a per capita GNP of about \$540 in 1976, is approaching middle-income country status. At independence Morocco inherited a strong infrastructure and a good export earnings capacity which it has used to maintain and enlarge the industrial sector. In agriculture, however, most people continue to eke out a meager existence. Sixty percent of the people live in the unirrigated and poverty-stricken interior. The poorest 20% of the population receives only 4% of national income. Gross income disparities are compounded by limited productivity and opportunity. Land holdings are fragmented, with 10% of the population owning nearly 50% of the land. Annual per capita agricultural production since 1954 has declined and food is a major import.

Moroccan human resource needs are urgent. France still maintains over 7,000 teachers in the Moroccan school system. The numbers and quality of Moroccan professional and technical personnel remain inadequate to manage the government and to serve Morocco's industrial and commercial needs.

Socio-Economic Performance

Morocco's draft interim three-year plan recognizes the importance of improving social conditions and reducing income disparities. However, infant mortality, literacy and other health and education indicators are below the norm for a country of Morocco's level of development as measured by GNP. Only 51% of the populace has access to clean water. The vast majority is illiterate. Women have not shared in equitable opportunities although significant progress is evident in the modern sector especially. These problems are aggravated by a 2.9% population growth rate. Recently, however, family planning services initiated by

MOROCCO

the Moroccan Government have shown considerable success and show a greater willingness to accept contraception than previously anticipated. Recent public support for family planning by high-level Moroccan officials has given these programs new impetus.

Total Resources

Foreign financing of nearly \$5 billion, including commercial borrowing and private foreign investment, provided half the Moroccan Government's capital expenditure in 1977. The World Bank, France, West Germany and Canada are the largest donors; the U.S. plays a more modest role. World Bank lending totalled over \$150 million in 1977, including major agricultural credit, cement, irrigation, and industrial finance projects. Generally, bilateral donor programs emphasize income-generating, capital-intensive industrial and infrastructure projects. The Peace Corps program, currently numbering about 150 volunteers, focuses increasingly on vocational education, sanitation and rehabilitation. The A.I.D. program in FY 1978 included \$10 million in project grants and \$26 million in PL 480 food assistance.

A.I.D. Strategy

A.I.D. encourages the commitment of Moroccan resources to meeting the basic needs of the poor majority. Grants are earmarked for two new vocational education projects to benefit over 100,000 women, training of Moroccan development managers and technicians, dryland agriculture research, family planning, and provision of U.S. technical expertise for renewable energy. A large PL 480 Title II program channels resources directly to underprivileged people. The provision of PL 480 Title I commodities conserves scarce foreign exchange and channels local resources to self-help programs for the poor.

FY 80 PROGRAM HIGHLIGHTS	
*Project grants totalling \$6.6 million include	
--vocational training for women	
--dryland agriculture and range management	
--family planning.	
*\$15 million PL 480 Title II for Maternal and Child Health, school and food for work programs; \$11 million for Title I commodities.	
*A \$10 million Housing Investment Guarantee.	

PERSONNEL/PARTICIPANTS DATA			
CP 80-17(10-78)			
Category	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID Personnel ^d			
Direct Hire ^b	13	17	17
PASA ^c	-	-	-
Contract	8	29	33
Total	21	46	50
Participants ^d			
Noncontract	17	103	100
Contract	16	7	9
Total	33	110	109
^a U.S. nationals on duty at the end of the fiscal year. ^b FY 1979 and FY 1980 position levels. ^c Participating agency technicians. ^d Programmed during the fiscal year.			

MOROCCO

RESOURCE FLOWS			
<i>(In thousands of dollars)</i>			
Program	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID*			
Loans	1,081	10,784	1,340
Grants	1,637	7,868	9,395
Total AID	2,718	18,652	10,735
P.L. 480**			
Title I	11,000	10,800	6,500
(of which Title III is)	()	()	()
Title II	15,920	15,075	10,417
Total P.L. 480	26,920	25,875	16,917
Total AID and P.L. 480	29,638	44,527	27,652
*AID levels represent actual and estimated expenditures.			
**P.L. 480 levels represent actual and estimated value of shipments.			

P.L. 480 PROGRAMS SUMMARY						
<i>(In 000MT/\$000)</i>						
Program	FY 1978 (Actual)		FY 1979 (Estimated)		FY 1980 (Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>	100	11,000	84	10,800	50	6,500
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total ..	100	11,000	84	10,800	50	6,500
(of which Title III is)	(-)	(-)	(-)	(-)	(-)	(-)
<i>Title II</i>		15,920		15,075		10,417
Voluntary Agencies ..		-		-		-
World Food Programs		-		-		-
Gov't-to-Gov't		-		-		-
Title II Total	0	15,920	0	15,075	0	10,417
Total P.L. 480	100	26,920	84	25,875	50	16,917

MISSION DIRECTOR: Harold S. Fleming

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM MOROCCO

CP 80-02(10-78)

PROJECT TITLE	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
				OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
AGRICULTURE, RURAL DEV. AND NUTRITION										
AGRICULTURAL RESEARCH AND TRAINING	G	608-0122	75	320	114	---	206	---	---	---
DOUKKALA IRRIGATION	L	608-0127	76	13,000	816	---	10,784	---	1,340	---
HIGHER AGRICULTURE EDUCATION	G	608-0134	76	1,725	1,189	1,575	800	---	550	---
NUTRITION SYSTEMS STUDY UNIT	G	608-0135	76	680	382	---	181	---	---	---
DRYLAND AGRICULTURE APPLIED RESEARCH	* G	608-0136	78	2,096	---	---	1,125	958	785	1,646
RANGE MANAGEMENT IMPROVEMENT	* G	608-0145	80	---	---	---	---	376	250	2,624
TOTAL FOR ACCOUNT				17,821	2,507	1,575	13,096	1,334	2,925	
GRANTS				4,821	1,691	1,575	2,312	1,334	1,585	
LOANS				13,000	816	---	10,784	---	1,340	
POPULATION PLANNING										
FAMILY PLANNING SUPPORT, PHASE II	* G	608-0155	78	366	197	1,974	1,430	2,920	3,200	6,740
TOTAL FOR ACCOUNT				366	197	1,974	1,430	2,920	3,200	
GRANTS				366	197	1,974	1,430	2,920	3,200	
LOANS				---	---	---	---	---	---	
HEALTH										
RURAL POTABLE WATER	G	608-0150	79	---	---	750	300	---	200	---
TOTAL FOR ACCOUNT				---	---	750	300	---	200	
GRANTS				---	---	750	300	---	200	
LOANS				---	---	---	---	---	---	
EDUCATION AND HUMAN RESOURCES										
NON-FORMAL EDUCATION FOR WOMEN	* G	608-0139	78	2,291	---	---	1,239	1,020	1,260	1,024
IND AND COMM JOB TRAINING FOR WOMEN	* G	608-0147	78	2,400	---	---	1,050	836	1,150	---
DEV TRAINING AND MGMT IMPROVEMENT	* G	608-0149	78	2,175	---	---	1,100	439	1,000	1,886
LOCAL RESEARCH DEV. GRANTS	G	608-0154	79	---	---	450	150	---	150	---
SOCIAL SERVICES TRG.	G	608-0157	79	---	---	1,200	200	---	600	---
TOTAL FOR ACCOUNT				6,866	---	1,650	3,739	2,295	4,160	
GRANTS				6,866	---	1,650	3,739	2,295	4,160	
LOANS				---	---	---	---	---	---	
SELECTED DEVELOPMENT ACTIVITIES										
LOW COST HOUSING INSTITUTE	G	608-0156	79	---	---	400	50	---	250	---

* Detailed project narrative - See Activity Data Sheet.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

CP 80-02(10-78)

PROGRAM MOROCCO

PROJECT TITLE	*	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
					OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
TOTAL FOR ACCOUNT					---	---	400	50	---	250	
GRANTS					---	---	400	50	---	250	
LOANS					---	---	---	---	---	---	
TOTAL FOR COUNTRY					25,053	2,704	6,349	18,615	6,549	10,735	
GRANTS					12,053	1,389	6,349	7,831	6,549	9,395	
LOANS					13,000	816	---	10,784	---	1,340	

*Detailed project narrative — See Activity Data Sheet.

TITLE Dryland Agriculture Applied Research		FUNDS Agriculture, Rural Development and Nutrition	PROPOSED OBLIGATION (In thousands of dollars)	
NUMBER 608-0136		PRIOR REFERENCE Advice of Program	FY 80 958	LIFE OF PROJECT 4,500
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>	Change # 250, 6/14/78	INITIAL OBLIGATION FY 78	ESTIMATED FINAL OBLIGATION FY 82
			ESTIMATED COMPLETION DATE OF PROJECT FY 83	

Purpose: To develop a permanent applied research capacity in the Ministry of Agriculture and Agrarian Reform geared to increasing agricultural production in the dryland areas.

Background and Progress to Date: The GOM recognizes that production in the dryland areas, where most of the rural poor live, must be increased if rural incomes are to grow and Moroccan dependence on food imports is to decline. A major constraint to increased productivity in dryland areas is the weakness of Moroccan socio-economic and applied agronomic research programs, which are vital to development and dissemination of improved production technologies. A U.S. contract team conducted an analysis of dryland production practices and problems in FY 77. Designs for the two major components of the project, agro-economic research and socio-economic research, were developed in FY 78. A contractor will be selected in time to begin field work in the fall of 1979. One Moroccan technician who began training in the U.S. in 1976 under the Dryland Farming Project (608-0131) completed requirements for the M.S. degree, and is expected to participate in the project.

Host Country and Other Donors: The GOM will contribute personnel, research sites, equipment and operating expenses. The World Bank is providing complementary assistance in a rain-fed area of northern Morocco.

Beneficiaries: The ultimate beneficiaries are the inhabitants of semi-arid areas (300-400 mm rainfall) where this project will introduce appropriate farming technology. While it is difficult to determine precisely the number of people to be affected by the project, the provinces where research centers will be located include an estimated 3.8 million rural people, including 569,000 farm units of which 76% have less than 6 hectares. Cost per beneficiary family is under \$2 in FY 80 and totals about \$8 over the

life of the project.

FY 80 Program: Field work will be initiated to develop and compare alternative production packages. Participant training will begin.

Major Outputs: All Years

Dryland food production applied research unit established and operational (cost: \$2,270,000)	1
Moroccan agricultural scientists trained to MA and Ph.D. levels in the U.S. (\$48,000 each)	22
On the job training completed for 18 Moroccan agricultural technicians and 22 agricultural scientists (\$24,000 each)	40
Low-cost, appropriately designed dryland tillage and planting equipment developed (\$130,000)	40
Socio-economic research completed (\$84,000)	

A.I.D.-Financed Inputs: (\$ thousands)

	<u>FY 80</u>
Three resident U.S. contract technicians plus short-term consultants (160 person-months)	538
U.S. training for long-term/academic, and short-term participants (385 person-months)	386
Agricultural equipment and demonstration materials	20
Local support costs (logistical support, research, in-country training, locally-provided scientific and education materials)	<u>14</u>
Total	958

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	2,096	-	2,096	To be selected
Estimated Fiscal Year 1979	-	1,125		
Estimated through September 30, 1979	2,096	1,125	971	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	958	1,446	4,500	

TITLE Range Management Improvement		FUNDS Agriculture, Rural Development and Nutrition	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 608-0145		PRIOR REFERENCE FY 79 Near East Programs, p. 865	FY 80	LIFE OF PROJECT	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>		376	3,000	
			INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 85

Purpose: To strengthen the Moroccan Government's ability to organize and conduct research in range management and to implement sound range improvement programs.

Background: Years of mismanagement and over-stocking have reduced the forage production of Morocco's approximately 30 million acres of rangeland. Yet even as the range deteriorates, more animals are being crowded onto the land to meet the demands of a rapidly increasing population.

An A.I.D.-assisted project in the early 1970s demonstrated that the carrying capacity of the rangeland can be increased substantially by reseeding with grasses and proper management. In mid-1977, an A.I.D. contract team studied Morocco's range resources and outlined a comprehensive improvement program. After extended review in 1977 and 1978 the GOM responded favorably, offering an outline version of a project proposal couched in the framework of this study for A.I.D. consideration. The proposed new project will assist the government to develop and spread improved range management practices, and will help develop the Ministry of Agriculture's permanent capacity for research and development of rangelands.

Host Country and Other Donors: The Ministry of Agriculture will contribute personnel, equipment and operating expenses. An FAO expert has developed research plots on moist coastal sites. A private operation, Ranch Adarouch (King Ranch of Texas), has had results suitable for adaptation in other areas.

Beneficiaries: The designated areas included in the GOM project proposal have been declared range perimeters strictly for use by some 100,000 nomadic herder families who will be the principal project beneficiaries at a cost of under \$4 per family in FY 80 and \$30 over the life of the project. Seventy percent of the

Moroccan population or 2.2 million families participate in live-stock production and marketing and will ultimately benefit from improved range management practices at negligible per family cost in FY 80 and a per family cost of about \$1 over the life of the project.

FY 80 Program: A contract team will be selected and will begin field trials of grass and legume species to determine adaptation to Moroccan conditions. Participant training will begin.

Major Outputs (All Years):

Improved range forage species developed, improved range management techniques introduced, effective livestock management practices in use, Moroccan professionals and technicians trained in range R&D, a functional range development program being implemented.

A.I.D.-Financed Inputs:

	(\$ Thousands)
	FY 80
Long-term technical assistance (3 person years)	300
Short-term consultants (1 person year)	26
Equipment and demonstration materials	30
Local Support Costs	20
Total	376

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	To be selected.
Estimated Fiscal Year 1979	-	-	-	
Estimated through September 30, 1979	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	376	2,624	3,000	

TITLE Population and Family Planning Support, Phase II		FUNDS Population Planning	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 608-0155		PRIOR REFERENCE	FY 80	LIFE OF PROJECT	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>	FY 79 Near East Program, p. 873	2,920	12,000	
			INITIAL OBLIGATION FY 78	ESTIMATED FINAL OBLIGATION FY 82	ESTIMATED COMPLETION DATE OF PROJECT FY 83

Purpose: To strengthen the Moroccan Government's capacity to plan, carry out and evaluate cost-effective population programs.

Background and Progress to Date: This project is a revision and extension of the Family Planning Support project (608-0112), approved in FY 1971. It addresses one of the most serious development problems in Morocco - a 2.9% rate of population growth - which cancels many economic development gains. A.I.D. provided contraceptive supplies and equipment, technical assistance, training, and other support for the Moroccan Government population program, including construction of 13 provincial family planning referral centers. In 1977 the Health Ministry, with A.I.D. assistance, launched a large pilot program to provide contraceptives directly to the homes of all families in Marrakech province. A.I.D. is also assisting in the design and support of a national fertility and family planning survey. Some 350,000 couples (about 6% of the married women of reproductive age) are now believed to be practicing a modern contraceptive method. This project revision expands activities begun under an earlier phase, with particular emphasis on successful household distribution and survey techniques developed under Phase I.

Host Country and Other Donors: The Moroccan Government provides personnel, facilities, transportation and expendable supplies estimated at \$6.5 million annually. The UNFPA and the International Planned Parenthood Federation (IPPF) support complementary family planning activities in Morocco.

Beneficiaries: Beneficiaries by the end of this project period (FY 1982) are expected to be 20-25% (about 850,000) of the three million couples in need of family planning services. Estimated cost to A.I.D. per family benefitted under this project is under \$4 in FY 80 and \$14 to \$20 over the life of project.

FY 80 Program: A.I.D. will assist in (1) large-scale expansion of household distributions; (2) establishing five new provincial referral centers and mobile outreach services in 15 such centers; (3) in-country and U.S. or third-country participant training for several categories of Moroccan family planning personnel; (4) support for a private sector contraceptive distribution program; (5) information and education activities of the private sector family planning association; (6) completion of the national fertility and family planning survey; and (7) continued commodity support for the GOM family planning program.

Major Outputs:	All Years
Pilot household distribution project completed	1
Household distribution project (additional provinces)	10
New provincial family planning centers operational	10
In-country and U.S. training provided (person months)	555
Improved family planning service available in health centers (number of centers)	1,600
Low-cost commercial distribution program operating	1
National family planning and fertility survey completed	1
Private sector information/education program operational	1

A.I.D. Financed Inputs:	(\$ thousands)
	<u>FY 80</u>
Long-term technical assistance (18 person months)	85
Long-term participant training (18 person months)	20
Short-term participant training (40 person months)	100
Commodities (including contraceptives, medical supplies)	1,260
Other Costs (support of household distribution, research programs, operation of referral centers)	1,455
	<u>2,920</u>

U.S. FINANCING (In thousands of dollars)	PRINCIPAL CONTRACTORS OR AGENCIES		
	Obligations	Expenditures	Unliquidated
Through September 30, 1978	366	197	169
Estimated Fiscal Year 1979	1,974	1,430	
Estimated through September 30, 1979	2,340	1,430	910
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1980	2,920	6,740	12,000

TITLE Non-Formal Education for Women		FUNDS Education and Human Resources Development	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 608-0139		PRIOR REFERENCE Advice of Program Change # 215, 5/11/78	FY 80 1,020	LIFE OF PROJECT 4,335	ESTIMATED COMPLETION DATE OF PROJECT FY 82
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>	NEW <input type="checkbox"/>	ESTIMATED FINAL OBLIGATION FY 81		
		CONTINUING <input checked="" type="checkbox"/>	INITIAL OBLIGATION FY 78		

Purpose: To strengthen the Moroccan Government's "Promotion of Women" program by providing new training and employment opportunities for women throughout Morocco.

Background and Progress to Date: Improved access of Moroccan women to education, training and employment is a high-priority development need in Morocco. One third of Moroccan households are headed by women, yet one fourth of the women actively seeking work are unemployed. The illiteracy rate among Moroccan women is 85 percent, and only a small percentage of school-age girls are in primary school. Non-formal education alternatives are therefore of great importance.

The principal alternative approach to the formal education system in Morocco for girls and women is the Promotion of Women program of the Ministry of Youth and Sports. A cadre of 2,000 professional women, civil servants, serve in provincial programs training women to participate more effectively in and benefit from economic and social development opportunities.

Under this project, the training capacity and effectiveness of the Promotion of Women institutions will be improved in areas directly responsive to employment potentials through curriculum development, job development, improved management, skill training, and teacher training. A companion project (Industrial and Commercial Job Training for Women) has been started to help the Ministry of Labor provide more advanced industrial and commercial training for women, mostly in major urban areas.

A grant agreement was signed in August 1978, and a U.S. contract team will begin work in mid-1979 on curriculum design for Promotion of Women training institutions.

Host Country and Other Donors: The Moroccan Government will pro-

vide staff, facilities, equipment and support costs for the National Training Center and the 300 women's training centers. There are no other donors to the project.

Beneficiaries: Primary beneficiaries are the 225,000 illiterate and semi-illiterate women who will attend the women's training centers. The cost per beneficiary in FY 80 is less than \$5 and approximately \$19 over the project life.

FY 80 Program: The contractor will complete collection of employment baseline data and submit a detailed work plan. In-country and U.S. training for administrative and instructional staff will continue. A job development fund will be activated to help trainees start or expand small businesses.

Major Outputs: All Years

Senior administrative staff trained	70
Instructional staff trained	1,052
Modern training program established at National Training Center	1
Job development fund established and operating	1
Instructional program modernized at training centers (number of centers)	330

A.I.D.-Financed Inputs: (\$ thousands)

	<u>FY 80</u>
Long-term advisors (66 person months)	563
Participant training (200 person months)	277
Training equipment and materials	80
Job development fund	<u>100</u>
Total	1,020

	U.S. FINANCING (In thousands of dollars)			PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	2,291	-	2,291	To be selected
Estimated Fiscal Year 1979	-	1,239		
Estimated through September 30, 1979	2,291	1,239	1,052	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	1,020	1,024	4,335	

PROGRAM: MOROCCO (GOM)

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE Industrial and Commercial Job Training for Women		FUNDS Education and Human Resources Development		PROPOSED OBLIGATION (In thousands of dollars) FY 80 836		LIFE OF PROJECT 3,236
NUMBER 608-0147	NEW <input type="checkbox"/>	PRIOR REFERENCE Advice of Program	INITIAL OBLIGATION FY 78	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 82	
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>	Change #229, 5/30/78			

Purpose: To assist the Ministry of Labor develop and make operational two pilot facilities to train Moroccan women in industrial and commercial skills appropriate for existing employment opportunities.

Background and Progress to Date: Moroccan women are increasingly forced into the labor market with inadequate skills. During 1960-71 the active female labor force showed a phenomenal increase of 75%, reflecting in part a growing family need for cash income and the fact that one third of Moroccan households are headed by a woman. The project will assist the Ministry of Labor establish and operate two pilot training centers specifically for women. Young women with no schooling beyond mid-secondary level will be taught skills in such areas as electricity, electronics, drafting, accounting and secretarial skills. Job development and job placement are integral parts of the project. It is expected that, if successful, these programs for women will be incorporated throughout the GOM's vocational and technical skills training program.

A Project Grant Agreement was signed in August 1978. A U.S. contract team will begin work in mid-1979 at two pilot training centers.

Host Country and Other Donors: The government will provide technical and administrative staff, facilities, equipment, and support costs valued at \$2 million for the two pilot centers. There are no other donors.

Beneficiaries: Some 450 women will be trained during the life of the project. Cost per beneficiary of this pilot activity is \$1,858 in FY 80 and about \$7,200 over the life of the project. This high initial cost, typical of pilot projects, will decline substantially in future years if the experimental program is successful and as it is expanded to other training centers.

FY 80 Program: The training program at Fes and Casablanca will be expanded to handle 300 women trainees. Job development and job placement activities will begin.

Major Outputs: All Years

Pilot centers successfully training women in industrial and commercial skills	2
Job placement and follow-up services for women operational	
Women professionals included on central supervisory staff of Labor Ministry's Vocational Training Office	6

A.I.D.-Financed Inputs: (\$ thousands)

	<u>FY 80</u>
Long-term advisory services in such fields as drafting, accounting, electricity, vocational counseling (79 PM)	789
Training equipment and materials	47
Total	836

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	2,400	-	2,400	To be selected
Estimated Fiscal Year 1979	-	1,050	-	
Estimated through September 30, 1979	2,400	1,050	1,350	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	836	-	3,236	

TITLE Development Training and Management Improvement		FUNDS Education and Human Resources Development	PROPOSED OBLIGATION (In thousands of dollars)		LIFE OF PROJECT
			FY 80 439		4,500
NUMBER 608-0149	NEW <input type="checkbox"/>	PRIOR REFERENCE Advice of Program	INITIAL OBLIGATION FY 78	ESTIMATED FINAL OBLIGATION FY 81	ESTIMATED COMPLETION DATE OF PROJECT FY 83
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>	Change # 300, 7/21/78			

Purpose: To improve the planning, management and technical expertise of Moroccans responsible for priority development activities.

Background and Progress to Date: A serious dearth of administrative and management expertise severely limits the Moroccan Government's ability to plan and implement programs benefitting the poor. This training project will increase the effectiveness of such efforts by improving the technical and administrative capabilities of government personnel.

The project provides university-level training in the U.S. for Moroccan officials who occupy key middle-level administrative positions in institutions supporting projects benefitting Morocco's poor majority. Training is concentrated primarily on economic planning, project management, statistical analysis, export promotion, and development of agriculture, rural industry, education and health. Consultant services are also provided under the project to introduce improved management practices to selected government agencies. Initial funding in FY 1978 provided training for 65 person-years of long-term training, 20 person-months of short-term training, and 24 person-months of short-term consultants. The grant agreement was signed in September 1978. USAID and the Government of Morocco are reviewing participant trainee selection criteria and short-term consultants are being recruited.

Host Country and Other Donors: The Moroccan Government pays international travel costs as well as the regular salaries of participants during their training programs. There are no other donors associated with this project.

Beneficiaries: Two hundred and twenty middle-level management personnel are the initial beneficiaries of training under the project for an FY 80 cost per trainee of \$1,900 and a life-of-project cost of \$20,400. Ultimately, the benefits of more

effective development planning and program implementation will accrue to more than 650,000 rural families living at subsistence levels. On this basis cost per family is under \$1 in FY 1980 and about \$7 over the life of the project.

FY 80 Program: A.I.D. will finance 9 person-years of long-term and 26 person-months of short-term participant training, and 14 person-months of short-term consultants in development planning and management.

Major Outputs:

All Years

Middle-level management personnel trained	
Receiving long-term training	140
Receiving short-term training	80
Introduction of modern management and administrative techniques into ministries and other agencies concerned with socio-economic development programs	

A.I.D. Financed Inputs:

(\$ thousands)

	<u>FY 80</u>
Participant training (9 py long-term and 26 pm short-term)	352
Short-term consultants (14 person months)	87
Total	439

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	2,175	-	2,175	
Estimated Fiscal Year 1979	-	1,100		
Estimated through September 30, 1979	2,175	1,100	1,075	
Proposed Fiscal Year 1980	439	Future Year Obligations 1,886	Estimated Total Cost 4,500	

BASIC DATA			
Total population	(thousands, mid 1978)	<u>6,235</u>	
Per capita GNP	(dollars, 1976)	<u>840</u>	
Average annual per capita real GNP growth rate	(1970-75)	<u>6.9%</u>	
Average annual rate of inflation	(1960-1970)	<u>3.7%</u>	(1970-1976) <u>7.7%</u>
% national income received by low 20% of population	()	<u>n.a.</u>	
Life expectancy at birth, in years	(1970-1975)	total <u>54.1</u>	male <u>52.5</u> female <u>55.7</u>
	(1865-1870)	total <u>51.6</u>	male <u>50.2</u> female <u>53.1</u>
Literacy rate	(1974)	total <u>55%</u>	male <u>n.a.</u> female <u>n.a.</u>
	(1966)	total <u>24%</u>	male <u>37%</u> female <u>11%</u>
AGRICULTURE			
Average annual per capita agricultural production growth rate	(1954-77)	<u>1.7%</u>	
Agricultural production as % of GDP	(1976)	<u>21</u>	
Population density per square mile of agricultural land	(1975)	<u>190</u>	
% land owned (1970) by:	top 10%	<u>53</u>	low 10% <u>0.5</u>
Major crop(s):	% of arable land	Year	
Subsistence wheat and barley	44	(1977)	
Cash olives	30	(1977)	
Major agricultural exports	(1977)	olive oil, wine	
Major agricultural imports	(1977)	wheat, sugar, dairy products	
Proportion of labor force in agriculture	(1970)	<u>46%</u>	
CENTRAL GOVERNMENT FINANCES			
Total domestic revenues (\$ millions, U.S.)	(1974)	<u>829</u>	(75) <u>1,011</u> (76) <u>1,091</u>
Total expenditures (\$ millions, U.S.)	(1974)	<u>946</u>	(75) <u>1,173</u> (76) <u>1,336</u>
Deficit (-) or surplus (\$ millions, U.S.)	(1974)	<u>-117</u>	(75) <u>-162</u> (76) <u>-245</u>
Defense expenditures,			
as % of total expenditures	(1974)	<u>4.8</u>	(75) <u>5.8</u> (76) <u>5.8</u>
as % of GNP	(1974)	<u>1.3</u>	(75) <u>1.7</u> (76) <u>1.8</u>
Official international reserves, gross holdings end of period,			
(\$ millions, U.S.)	(1975)	<u>385</u>	(76) <u>371</u> (77) <u>358</u>
Equivalent to	<u>2.4</u>	months of imports (1977)	
FOREIGN TRADE			
Major exports	(1977)	petroleum, phosphates, olive oil	
Exports to U.S. (\$ millions, U.S., f.o.b.)	(1975)	<u>88</u>	(76) <u>108</u> (77) <u>98</u>
as % of total exports	(1975)	<u>10</u>	(76) <u>14</u> (77) <u>11</u>
Major imports	(1975)	raw materials, machinery and equipment, consumer goods	
Imports from U.S. (\$ millions, U.S., c.i.f.)	(1975)	<u>96</u>	(76) <u>95</u> (77) <u>103</u>
as % of total imports	(1975)	<u>7</u>	(76) <u>6</u> (77) <u>6</u>
Total trade balance (\$ millions, U.S.)	(1975)	<u>-568</u>	(76) <u>-741</u> (77) <u>-903</u>
Main trading partners		France, Italy, U.S.	
External public debt as % of GNP	(1976)	<u>30.3</u>	
Service payments on external public debt, (\$ millions, U.S.)	(1976)	<u>110</u>	
as % of export earnings (debt service ratio)	(1976)	<u>6.8</u>	
SOCIAL DATA			
Population growth rate	(1967-77)	<u>2.3%</u>	
% population in urban areas	(1973)	<u>45</u>	(1976) <u>47</u>
Total births per 1,000 population	(1976)	<u>36</u>	
% married women aged 15-49 yrs. using contraception	(1977)	<u>22</u>	
% of the population (1975) in age group: (0-14 yrs.)	<u>44.4</u>	(15-64 yrs.)	<u>51.6</u> (65+ yrs.) <u>4.0</u>
Infant deaths during first year of life per 1,000 infants	(1973)	<u>63</u>	
People per physician	(1975)	<u>4,770</u>	
Major causes of death (1978)	tuberculosis, diphtheria, gastrointestinal diseases		
Major disease(s) (1978)	tuberculosis, diphtheria, syphilis		
Per capita calorie supply as a % of requirements	(1973)	<u>98</u>	
% of population with reasonable access to clean water supply	(1970)	<u>49</u>	
Total school enrollment as % of population in age group:			
Primary (ages 5-14)	(1975)	total <u>57.1</u>	male <u>68.4</u> female <u>45.3</u>
Secondary (15-19)	(1975)	total <u>27.5</u>	male <u>36.5</u> female <u>18.1</u>
Post Secondary (20-24)	(1973)	total <u>2.4</u>	male <u>3.8</u> female <u>1.1</u>
Energy production as % of consumption	(1970)	<u>398</u>	

U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS (U.S. Fiscal Years - Millions of Dollars)						ECONOMIC PROGRAMS OF OTHER DONORS (Millions of Dollars)						
COUNTRY TUNISIA						A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS						
PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-78	REPAY- MENTS AND INTEREST 1946-78	TOTAL LESS REPAY- MENTS AND INTEREST 1946-78	TOTAL			
	1975	1976	TQ	1977	1978				TQ	FY 1977	FY 1978	FY 1946-78
I. ECONOMIC ASSISTANCE - TOTAL	13.2	11.7	0.9	23.9	37.9				3.0	98.7	71.9	632.9
Loans	-	2.3	-	13.1	18.5				-	89.5	67.0	471.4
Grants	13.2	9.4	0.9	10.8	19.4				-	-	1.2	21.8
a. A.I.D. and Prodecessor Agencies	2.2	2.5	0.4	13.9	20.1				-	4.8	0.1	70.1
Loans	-	-	-	8.2	9.5				3.0	4.2	-	23.4
Grants	2.2	2.5	0.4	4.7	10.6				-	0.2	2.1	36.8
(Security Supporting Assistance)	-	-	-	-	-				-	-	1.5	9.4
b. Food for Peace (PL 480)	10.1	7.9	0.2	12.0	17.2							
Loans	-	2.3	-	6.9	9.0							
Grants	10.1	5.6	0.2	5.1	8.2							
Title I - Total Sales Agreements	-	2.3	-	6.9	9.0							
Repayable in U.S. Dollars - Loans	-	2.3	-	6.9	9.0							
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-							
Title II - Total Grants	10.1	5.6	0.2	5.1	8.2							
Emerg. Relief, Econ. Develop. & World Food Program	9.2	4.6	0.1	0.5	2.0							
Voluntary Relief Agencies	0.9	1.0	0.1	4.6	6.2							
c. Other Economic Assistance	0.9	1.3	0.3	1.0	0.6							
Loans	-	-	-	-	-							
Grants	0.9	1.3	0.3	1.0	0.6							
Peace Corps	0.9	1.3	0.3	1.0	0.6							
Other	-	-	-	-	-							
II. MILITARY ASSISTANCE - TOTAL	7.2	15.7	10.1	25.4	26.1							
Credits or Loans	5.0	15.0	10.0	25.0	25.0							
Grants	2.2	0.7	0.1	0.4	1.1							
a. MAP Grants	1.8	0.2	0.1	*	*							
b. Credit Sales under FMS	5.0	15.0	10.0	25.0	25.0							
c. Intl. Military Education & Training Program	0.4	0.5	-	0.4	1.1							
d. Transfers from Excess Stocks	-	-	-	-	-							
e. Other Grants	-	-	-	-	-							
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	20.4	27.4	11.3	49.3	64.0							
Loans	5.0	17.3	10.0	38.1	45.5							
Grants	15.4	10.1	1.3	11.2	20.5							
Other U.S. Government Loans and Grants	-	8.4	14.5	-	-							
a. Export-Import Bank Loans	-	8.4	14.5	-	-							
b. All Other Loans	-	-	-	-	-							

1. D.A.C. COUNTRIES (Excluding U.S.)			
Donor	CY 1976	CY 1977	CY 1969-77
TOTAL	164.9	172.2	941.0
France	57.1	57.0	346.4
Germany	38.6	65.0	246.5
Canada	15.6	9.5	93.7
Italy	20.6	6.3	72.3
Sweden	11.7	14.5	74.4
Belgium	9.6	10.3	55.8
Other	11.7	9.6	51.9

2. O.P.E.C. COUNTRIES			
Donor	CY 1976	CY 1977	CY 1973-77
TOTAL	11.2	NA	93.8
UAE	6.2	NA	32.1
Saudi Arabia	-	NA	20.9
Qatar	5.0	NA	20.0
Libya	-	NA	8.0
Kuwait	-	NA	7.8
Iraq	-	NA	5.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES			
	CY 1976	CY 1977	CY 1954-77
TOTAL	155.0	92.0	398.0
USSR	55.0	-	82.0
Eastern Europe	100.0	35.0	209.0
China	-	57.0	97.0

NA - Not available UAE - United Arab Emirates

FIGURES NOT AVAILABLE AT TIME OF PRINTING

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER

TUNISIA

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
1978							
Loans	9,500	6,000	-	3,500	-	-	-
Grants . . .	10,551	5,397	1,405	2,211	-	1,538	-
Total . .	20,051	11,397	1,405	5,711	-	1,538	-
1979							
Loans	4,000	2,500	-	1,500	-	-	-
Grants . . .	6,666	3,742	1,641	733	-	550	-
Total . .	10,666	6,242	1,641	2,233	-	550	-
1980							
Loans	6,680	6,680	-	-	-	-	-
Grants . . .	5,779	3,214	1,615	950	-	-	-
Total . .	12,459	9,894	1,615	950	-	-	-

CP 80-13(10-78)

U.S. Interests

The U.S. seeks to maintain the close and cooperative relationship that has existed with Tunisia since her independence in 1966. Politically, Tunisia's moderate and pragmatic positions on regional and international issues generally support U.S. objectives. Economically, Tunisia is becoming increasingly important as a middle-income country approaching independence from concessional assistance. On humanitarian grounds, the U.S. helps Tunisia to assist poor people to become economically self-sufficient. All these interests are served by A.I.D.'s effort to help ensure the success of Tunisia's Fifth Development Plan (1977-81) in achieving equitable growth, important to social stability and increased participation by the poor in Tunisia's development.

Development Overview

Under its Fourth Plan (1973-76), Tunisia achieved an average annual Gross Domestic Product growth rate of 7.2% (market prices) and exceeded its target for generating

non-agricultural employment. The current Five Year Plan seeks to accelerate the growth rate to an ambitious 7.6% annually, which could result in a per capita Gross Domestic Product approaching \$1,000 by 1981. Despite this outstanding record of progress, Tunisia still faces development challenges. Principal among these are to: (1) increase employment and improve living standards for its rural and urban poor people; (2) achieve more equitable distribution of income and public services among regions; (3) increase food production to reduce or eliminate net imports of food products; and (4) further reduce the population growth rate. A.I.D. is assisting Tunisia to address these and contributory problems, including shortages of technical and management skills, excessive administrative centralization, and limited Government capability to mobilize and redistribute resources to less developed regions of the country.

Socio-Economic Performance

Tunisia's rapid economic growth has been noteworthy to the extent that economic gains have been shared equitably among its people. Only 14% of the population now lives below the Tunisian poverty line, in contrast to 30% estimated in 1966.

Substantial economic and social disparities still exist, however, between the more developed coastal regions and the still-impooverished interior. To reduce these disparities, a \$250 million rural development fund has been established and plans made to decentralize administration of local development activities. With U.S. assistance, a comprehensive regional development program has been launched in Central Tunisia to increase the incomes and well-being of rural poor people in this dryland zone, and to develop Tunisian capabilities to plan and manage such a program in this and other similar areas.

Tunisia's national food production plan combines emphasis on expanded livestock forage and feeding programs, small farmer credit, and irrigation with improved water management. To stimulate greater production and food reserves, the Government has increased purchase prices for cereals

TUNISIA

and will construct new grain storage facilities. The Government also is increasing labor-intensive agriculture through expansion and better use of irrigated areas.

Tunisia has been a pioneer among developing nations in conducting family planning services and enlisting women to participate in development. Government efforts also are directed toward expanding and improving social services, particularly to the rural population. The infant mortality rate has been reduced from 130 per thousand in 1968 to 106, and the population growth rate from 2.8% in 1970 to 2.3%.

Total Resources

The Fifth Plan projects an investment outlay of approximately \$2 billion annually, with nearly 28% coming from external sources. In 1977-78 foreign financing commitments, including commercial borrowing and private foreign investment, accounted for some \$700 million. Long-term public loans totalling \$257.5 million were provided, mainly on concessional terms, from the World Bank, African Development Bank, Kuwait, Saudi Arabia, West Germany, France and others. Technical assistance cash grants and food aid of \$48 million were provided by Sweden, Saudi Arabia, European Economic Community, United Arab Emirates and UN agencies. Private sector medium term loans totalled \$287.5 million and direct investments in petroleum manufacturing and other industries totalled \$87.5 million. The U.S., which in FY 77 ranked as the fifth largest donor on the basis of estimated disbursements, provided assistance of some \$35 million, including A.I.D. grants and loans, Peace Corps, PL 480, and Housing Guaranties.

A.I.D. Strategy

To assist the Tunisian Government in redressing regional social and economic development imbalances, A.I.D.'s major FY 80 program will be directed toward a multi-sectoral rural development program in three impoverished provinces in Central Tunisia. A.I.D. will help develop Tunisian capabilities to plan and implement replicable projects in food and forage crop production, range management, water conservation and use, irrigated agriculture, low-cost

FY 80 PROGRAM HIGHLIGHTS	
*The A.I.D. program will continue to support:	
--rural development in disadvantaged areas	
--increased food production	
--primary health care	
--family planning services	
*A.I.D. will provide \$12.5 million in loans and grants and \$12.9 million in PL 480 (Titles I and II). Housing Investment Guaranty programs are expected to continue at a \$10 million level.	

PERSONNEL/PARTICIPANTS DATA CP 80-17(10-78)			
Category	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID Personnel^a			
Direct Hire ^b	17	17	16
PASA ^c	5	8	8
Contract	4	10	14
Total	26	35	38
Participants^d			
Noncontract	46	52	33
Contract	28	33	33
Total	74	85	66

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1979 and FY 1980 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

TUNISIA

RESOURCE FLOWS			
<i>(In thousands of dollars)</i>			
CP 80-08(10-78)			
Program	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID*			
Loans		10,415	8,485
Grants	2,166	7,392	7,622
Total AID	2,166	17,807	16,107
P.L. 480**			
Title I	11,200	12,000	9,800
(of which Title III is)	()	()	()
Title II	8,372	3,630	3,134
Total P.L. 480	19,572	15,630	12,934
Total AID and P.L. 480	21,738	33,437	29,041
*AID levels represent actual and estimated expenditures.			
**P.L. 480 levels represent actual and estimated value of shipments.			

P.L. 480 PROGRAMS SUMMARY						
<i>(In 000MT/\$000)</i>						
CP 80-14(10-78)						
Program	FY 1978 (Actual)		FY 1979 (Estimated)		FY 1980 (Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat	80	8,800	60	7,300	59	7,600
Rice						
Feedgrains	25	2,400	50	4,700	22	2,200
Vegoil						
Non-food						
Title I Total ... (of which Title III is)		11,200 ()		12,000 ()		9,800 ()
<i>Title II</i>						
Voluntary Agencies ..		6,314		2,721		2,921
World Food Programs		2,058		909		213
Gov't.-to-Gov't						
Title II Total		8,372		3,630		3,134
Total P.L. 480		19,572		15,630		12,934

health delivery, marketing, and development of new economic activities.

Other Tunisian development projects --livestock feed production and agricultural credit for small farmers-- will be continued. In family planning, A.I.D. is encouraging private voluntary agencies to increase their participation in multi-donor population/health programs. A.I.D. will continue to provide contraceptives, training and equipment. A science and technology transfer program is aimed at establishing links between U.S. and Tunisian institutions and developing renewable energy and other priority programs. The Housing Investment Guaranty Program concentrates on shelter programs and complementary social services for the urban poor. PL 480 programs will provide: (a) continued nutrition/feeding programs for disadvantaged people, and (b) imports of wheat and feed grains to supplement drought-stricken local production. Title I will support Tunisian and U.S. priorities for agricultural credit, family planning services and rural development.

MISSION DIRECTOR: Hermon S. Davis, Jr.,

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM TUNISIA

CP 80-02(10-78)

PROJECT TITLE	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
				OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
AGRICULTURE, RURAL DEV. AND NUTRITION										
AGR. ECONOMIC RESEARCH AND PLANNING	G	664-0237	67	2,661	2,391	---	137	---	133	---
NUTRITION PLNG	G	664-0284	70	511	335	---	176	---	---	---
RURAL DEVELOPMENT	G	664-0285	76	959	383	---	365	---	211	---
LIVESTOCK FORAGE PRODUCTION	* G	664-0293	77	919	735	657	599	751	490	---
SMALL FARMER SUPERVISED CREDIT	G	664-0302	78	514	10	393	226	---	249	---
SMALL FARMER SUPERVISED CREDIT	* L	664-0302	78	6,000	---	---	3,960	4,700	3,500	6,600
AGRICULTURE TECHNOLOGY TRANSFER	G	664-0304	78	3,570	---	---	600	---	910	930
R.D. ROADS AND BRIDGES	L	664-0305	77	3,200	---	---	3,065	---	135	---
COMM. BASED INTEGRATED RURAL DEV.-OPG	G	664-0307	77	617	60	---	407	---	128	---
CENTRAL TUNISIA RURAL DEVELOPMENT	* G	664-0312	79	---	---	2,692	760	2,463	1,900	2,855
CENTRAL TUNISIA RURAL DEVELOPMENT	* L	664-0312	79	---	---	2,500	640	1,980	1,800	8,720
INAT FACULTY DEVELOPMENT	G	664-0316	78	380	---	---	130	---	120	---
TOTAL FOR ACCOUNT				19,331	3,914	6,242	11,065	9,894	9,576	
GRANTS				10,131	3,914	3,742	3,400	3,214	4,141	
LOANS				9,200	---	2,500	7,665	6,680	5,435	
POPULATION PLANNING										
FAMILY PLANNING SERVICES	* G	664-0295	78	1,405	361	1,641	1,500	1,615	1,700	1,826
TOTAL FOR ACCOUNT				1,405	361	1,641	1,500	1,615	1,700	
GRANTS				1,405	361	1,641	1,500	1,615	1,700	
LOANS				---	---	---	---	---	---	
HEALTH										
RURAL COMMUNITY HEALTH	G	664-0296	78	1,000	8	---	315	---	360	---
RURAL COMMUNITY HEALTH	L	664-0296	77	3,000	---	---	1,000	---	1,000	---
INTEGRATED PRE-SCHOOL FEEDING-OPG	G	664-0297	77	1,060	77	33	377	---	300	---
KAIRUAN WATER FACILITIES	G	664-0298	77	345	270	---	75	---	---	---
CENTRAL TUNISIA RURAL DEVELOPMENT	* G	664-0312	79	---	---	700	300	950	525	740
CENTRAL TUNISIA RURAL DEVELOPMENT	L	664-0312	79	---	---	1,500	500	---	800	1,500
LEKEF POTABLE WATER/RURAL HYGIENE	G	664-0313	78	344	---	---	180	---	164	---
SILIANA RURAL CENTERS WATER SYSTEMS	L	664-0318	78	3,500	---	---	1,250	---	1,250	---
TOTAL FOR ACCOUNT				9,249	311	2,233	3,997	950	4,399	
GRANTS				2,749	311	733	1,247	950	1,349	
LOANS				6,500	---	1,500	2,750	---	3,050	
EDUCATION AND HUMAN RESOURCES										
AGR. ECONOMIC RESEARCH AND PLANNING	G	664-0237	67	739	674	---	65	---	---	---

* Detailed project narrative - See Activity Data Sheet.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM TUNISIA

CP 80-02(10-78)

PROJECT TITLE	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
				OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
TOTAL FOR ACCOUNT				739	674	---	65	---	---	
GRANTS				739	674	---	65	---	---	
LOANS				---	---	---	---	---	---	
SELECTED DEVELOPMENT ACTIVITIES										
SCIENCE AND TECH. DEVELOPMENT- PHASE I	G	664-0300	7A	1,538	56	---	983	---	207	---
SCIENCE AND TECH. DEVL. -PHASE II	G	664-0315		---	---	550	50	---	225	1,450
TOTAL FOR ACCOUNT				1,538	56	550	1,033	---	432	
GRANTS				1,538	56	550	1,033	---	432	
LOANS				---	---	---	---	---	---	
TOTAL FOR COUNTRY				32,262	5,316	10,666	17,660	12,459	16,107	
GRANTS				16,562	5,316	6,666	7,245	5,779	7,622	
LOANS				15,700	---	4,000	10,415	6,680	8,485	
TOTAL FOR BUREAU				4,654,498	2,033,705	1,887,600	2,275,447	1,904,600	2,153,680	
GRANTS				1,496,718	890,083	1,110,200	881,677	1,107,920	893,265	
LOANS				3,157,780	1,143,622	777,400	1,393,770	796,680	1,260,215	

* Detailed project narrative -- See Activity Data Sheet.

TITLE Livestock Forage Production		FUNDS Agriculture Rural Development and Nutrition		PROPOSED OBLIGATION (In thousands of dollars)		
				FY 80 751	LIFE OF PROJECT 2,327	
NUMBER 664-0293	NEW <input type="checkbox"/>	PRIOR REFERENCE		INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>	FY 79 Near East Programs, p. 884		FY 77	FY 80	FY 81

Purpose: To develop a Tunisian Government capability to reach the small livestock farmer with appropriate modern technology in forage production, feed utilization and livestock management.

Background and Progress to Date: Using tested agronomic and livestock management technology developed in Tunisia during recent years, project technicians and their counterparts are establishing a network of on-farm demonstrations of autumn and spring-planted forages under rain-fed and irrigation conditions in the livestock regions of 14 provinces. Farmers and agents are being introduced to new hay and pasture crops, cultural practices and crop/livestock management systems. Confined grazing, selective breeding, internal/external pest control and other techniques are increasing cattle and sheep production. The U.S. technicians are upgrading the technical competence and skills of their counterparts through the demonstration/performance method. Twelve long-term participants have been selected for M.S. degree training in the U.S.

Host Country and Other Donors: The GOT provides staff and facilities for the Tunisian livestock office headquarters and 15 regional offices. Germany, Canada, the Netherlands and Austria have provided related technical assistance, commodities and administrative services.

Beneficiaries: Project beneficiaries are farmers who operate small private farms of two to ten hectares with a family income ranging from subsistence to a few hundred dollars per year. By the end of the project, an estimated 100,000 farm families in 14 provinces will have participated in project activities. The cost per beneficiary family is \$23 during the project life and under \$8 per family in FY 80. Numerous additional farmers will benefit from the capacities established and procedures introduced by the project after its completion.

FY 80 Program: A.I.D. will continue to provide technical personnel, consultants, commodities and training to meet the scheduled output targets.

Major Outputs:	All Years
Specialists trained to M.S. level	12
Trained production specialists staffing provincial offices	50
Cattle feeding demonstrations conducted	328
Forage seed production demonstrations conducted	3,600
Forage seed produced (tons)	17,500
Livestock extension service reporting and analysis system functioning (number of reporting agents)	88

A.I.D. Financed Inputs:	(\$ thousands)
	FY 80
Six USDA technicians (126 pm) and Short-term consultants (2 pm)	602
Short-term training (10 pm) for five participants	40
Other costs (PASA support costs for local housing, education allowance, travel)	109
	751

	U.S. FINANCING (In thousands of dollars)			PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	919	735	184	U.S. Department of Agriculture
Estimated Fiscal Year 1979	657	599		
Estimated through September 30, 1979	1,576	1,334	242	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	751	-	2,327	

TITLE Small Farmer Supervised Credit		FUNDS Agriculture, Rural Development and Nutrition	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 80 4,700 (Loan)	LIFE OF PROJECT 18,207	(Grant 907) (Loan 17,300)
NUMBER 664-0302	NEW <input type="checkbox"/>	PRIOR REFERENCE Advice of Program	INITIAL OBLIGATION FY 78	ESTIMATED FINAL OBLIGATION FY 81	ESTIMATED COMPLETION DATE OF PROJECT FY 83
GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>	Change # 119, 2/24/78			

Purpose: To provide, through a supervised credit program, access to improved agriculture production inputs and technical information necessary to increase the productivity of small and medium-sized units.

Background and Progress to Date: Tunisia's Fifth Development Plan (1977-81) places priority in the agriculture sector on increasing production of cereals and animal products, intensifying the utilization of agricultural resources, and increasing the productivity of farm families. The Plan notes in particular the need to expand extension and support programs to greater numbers of small and medium-size farmers. A major constraint to achievement of these objectives is inadequate credit for these farmers. This project is designed to provide the credit and extension of technical information needed to give these farmers access to production inputs and new technology. An initial loan of \$6,000,000 for credit and a \$514,000 grant for technical assistance were obligated in 1978.

Host Country and Other Donors: The GOT is providing operational costs including personnel, materials, vehicles, travel and other incidental expenses. The Government will also provide medium-term loan funds for livestock shelter construction, and maintenance of loan fund capital through payments for loans not repaid by farmers. These contributions total more than 50% of estimated project costs. Sweden supports a similar activity in an adjoining area.

Beneficiaries: Initial project beneficiaries are some 11,665 small and medium-sized dryland farm families of five northern provinces of Tunisia, who are generally in the lowest third of the income scale in rural Tunisia. The cost to A.I.D. is approximately \$1,561 per family over project life and \$403 per family in FY 1980. In future years, beneficiary costs will decrease as

loan funds are repaid and reloaned, and as the number of beneficiary families increases.

FY 80 Program: A.I.D. will continue its grant support for advisory assistance in credit administration, training of credit extension agents and development of individual farm production plans. A second tranche of \$4.7 million in loan funds will finance additional agriculture production inputs and livestock purchases.

<u>Major Outputs:</u>	<u>All Years</u>
1. Farm production plans designed	11,665
2. Production credits extended (short term seasonal crop loans) (\$000)	13,200
3. Medium term loans extended (livestock and equipment) (\$000)	4,100
4. Livestock purchased (number)	33,120
5. Production inputs financed (units)	
a. Seeds (000 MT)	19
b. Fertilizers (000 MT)	68
c. Mechanized Services (000 hrs.)	1,210

A.I.D. Financed Inputs: (\$ thousands)

	<u>. FY 80</u>
<u>Loan</u>	
Short-term fund (for seasonal inputs)	3,826
Medium-term fund (for livestock and equipment purchases)	874
Total	4,700

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	6,514	10	6,504	U.S. Department of Agriculture
Estimated Fiscal Year 1979	393	4,186		
Estimated through September 30, 1979	6,907	4,196	2,711	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	4,700	6,600	18,207	

TITLE Central Tunisia Rural Development		FUNDS (1) Agriculture, Rural Development and Nutrition (Health)	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 80 5,393 (Grant 3,413 (Loan 1,980)	LIFE OF PROJECT 26,600 (Grant 10,400 (Loan 16,200)	
NUMBER 664-0312	NEW <input type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION FY 79	ESTIMATED FINAL OBLIGATION FY 81	ESTIMATED COMPLETION DATE OF PROJECT FY 83
GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>	FY 79 Near East Programs, p. 880			

Purpose: To increase income and employment and to improve the quality of life in the arid steppe zone of Central Tunisia; and to improve central and local government capabilities to plan, manage and evaluate rural development programs replicable in other poor rural areas of the country.

Background and Progress to Date: In FY 77, the GOT requested A.I.D. assistance in developing a comprehensive program to redress the disparity in social and economic development between relatively prosperous coastal regions and the impoverished interior. A project zone in Central Tunisia was defined for collaborative action. The area contains 250,000 people of whom 96% are rural. About 88% of the rural population have incomes below the poverty level. Joint rural development strategy and management plans were formulated in 1978, and a Central Tunisia Development Authority (CTDA) was established to manage the multisectoral program. During 1978-79, basic studies will be completed and projects initiated to develop and extend improved grain varieties, expand irrigation and potable water facilities, and develop CTDA planning and management capability in such areas as food and livestock production, public services, marketing, small industry, and natural resource management. In FY 79, studies will be initiated on health and nutrition, additional crop improvements, and extension.

Host Country and Other Donors: The GOT will at least match total A.I.D. contributions, and will provide staff and finance recurring costs of the CTDA and a supporting applied research facility. Other-donor inputs will include FAO/SIDA technical assistance in irrigated agriculture, WFP food-for-work assistance to cooperatives, and possible IBRD financing of rural roads and complementary agricultural projects.

Beneficiaries: About 40,000 families (200,000 persons) will benefit from higher income, employment and improved living conditions as a result of increased access to potable and irrigation waters,

improved grain and other crop varieties suited to dryland production, improved livestock management, expanded health, social and nutrition education services, and new economic activities. The cost to A.I.D. per beneficiary family is \$665 during project life and \$135 in FY 80.

FY 80 Program: Activities begun in FY 79 will continue, and new projects will be initiated based on FY 79 studies on health service extension, nutrition education, and additional improved crop extension. Rural development pilot activities, such as small industry development and improved marketing systems, will be planned and implemented by CTDA with A.I.D. assistance.

Major Outputs:

All Years

Trained CTDA, local government and agricultural research staff	40
CTDA pilot projects completed	15
Farm systems demonstrations conducted	160
New/improved irrigation systems installed	1,000
New irrigated lands in production (Hectares)	908
New potable water wells/systems built	156
Extension service and marketing systems functioning	
Health outreach/nutrition education program functioning	
New small industries and business services operating	

A.I.D.-Financed Inputs

(\$ thousands)

	<u>FY 80</u>
Technical Advisory Services	1,103
Commodities	350
Training	100
Other Costs	1,180
Operational Program Grants	680
Loans	1,980
Totals	5,393

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	To be selected
Estimated Fiscal Year 1979	7,392	2,200		
Estimated through September 30, 1979	7,392	2,200	5,192	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	5,393	13,815	26,600	

TITLE Family Planning Services		FUNDS Population	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 80 1,615	LIFE OF PROJECT 6,487	
NUMBER 664-0295	NEW <input type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>	FY 79 Near East Programs, p. 882	FY 78	FY 81	FY 82

Purpose: To assist the Tunisian Government develop and expand an effective low-cost family planning delivery system, with emphasis on villages and households including the poorest and most rural areas.

Background and Progress to Date: The Tunisian Family Planning and Population Office (ONPPF) has made significant progress since 1973 in expanding and improving its Family Planning Program. Over 1,250 field workers are now employed in the program and services are available in 617 centers. Currently 22% of women of child-bearing age are active users of contraceptive services. Tunisia's population planning priorities include community-based distribution programs. A program for household distribution of contraceptives is being expanded to include Central and Southern Tunisia. Training programs to upgrade the skills of medical and paramedical health personnel are underway, as is an intensified information program concentrating on the rural areas. Eight new centers for voluntary sterilization have been established over the past year.

Host Country and Other Donors: The GOT provides administrative and technical personnel, facilities, materials and supplies valued at \$9 million. Approximately 12 other donors, including UN agencies, the IBRD, the International Project Association for Voluntary Sterilization (IPAVS), and Johns Hopkins University are providing training, advisory services, equipment and supplies to the Family Planning program.

Beneficiaries: The target population is over one million families. The cost to A.I.D. is approximately \$6 per family over the life of project and under \$2 per family in FY 80. At the present rate of growth in the number of new acceptors, the GOT estimates that 35% of Tunisia's eligible women will be practicing family planning by FY 1982 as a direct result of this project.

FY 80 Program: Work will continue to expand and improve community-based distribution systems, upgrade skills of existing and new personnel, support medical and educational program components, and continue research and evaluation programs.

<u>Major Outputs:</u>	<u>All Years</u>
Physicians trained in family planning techniques	120
Nurses, midwives, and other paramedical staff trained in family planning techniques	900
Newly constructed MCH Centers and upgraded rural clinics providing family planning services	410
Mass communication and information program, emphasizing the rural poor, in operation	1
National fertility survey completed	1
Voluntary sterilization centers in operation	32

<u>A.I.D. Financed Inputs:</u>	(\$ thousands)
	<u>FY 80</u>
5 U.S. short-term consultants (7 pm.)	70
20 Medical trainees (U.S., short-term) (15 pm.)	35
400 Medical and Paramedical Trainees (in-country, short-term)	144
Other costs (Medical equipment and Supplies, Educational Programs, Research and Evaluation)	1,166
Contraceptive supplies	200
	<u>1,615</u>

	U.S. FINANCING (In thousands of dollars)			PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	1,405	361	1,044	
Estimated Fiscal Year 1979	1,641	1,500		
Estimated through September 30, 1979	3,046	1,861	1,185	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	1,615	1,826	6,487	

BASIC DATA	
Total population (thousands, mid 1878)	<u>5,804</u>
*Per capita GNP (dollars, 1976)	<u>250</u>
Average annual per capita real GNP growth rate . . (1972-75)	<u>5.8%</u>
Average annual rate of inflation (1960-1970)	<u>n.a.</u> (1970-1976) <u>n.a.</u>
% national income received by low 20% of population . ()	<u>n.a.</u>
Life expectancy at birth, in years (1970-1975)	total <u>44.8</u> male <u>43.7</u> female <u>45.9</u>
(1965-1970)	total <u>42.3</u> male <u>41.4</u> female <u>43.3</u>
**Literacy rate (1975)	total <u>13%</u> male <u>25%</u> female <u>2%</u>
(1962)	total <u>3%</u> male <u>5%</u> female <u>n.a.</u>
AGRICULTURE	
Average annual per capita agricultural production growth rate . ()	<u>n.a.</u>
Agricultural production as % of GDP ()	<u>n.a.</u>
Population density per square mile of agricultural land (1974)	<u>200</u>
% land owned () by: top 10%	<u>n.a.</u> low 10% <u>n.a.</u>
Major crops):	% of arable land Year
Subsistence sorghum	79 (1976)
Cash coffee, grapes	n.a. (1976)
Major agricultural exports . . (1978)	hides and skins, coffee
Major agricultural imports . . (1978)	cereals, fruits and vegetables, sugar
Proportion of labor force in agriculture (1975)	<u>73%</u>
CENTRAL GOVERNMENT FINANCES	
Total domestic revenues (\$ millions, U.S.) (1974)	<u>61</u> (75) <u>83</u> (76) <u>124</u>
Total expenditures (\$ millions, U.S.) . . . (1974)	<u>101</u> (75) <u>144</u> (76) <u>207</u>
Deficit (-) or surplus (\$ millions, U.S.) . . . (1974)	<u>-40</u> (75) <u>-61</u> (76) <u>-83</u>
Defense expenditures,	
as % of total expenditures (1974)	<u>n.a.</u> (75) <u>n.a.</u> (76) <u>34.7</u>
as % of GNP (1974)	<u>n.a.</u> (75) <u>n.a.</u> (76) <u>6.2</u>
Official international reserves, gross holdings and of period,	
(\$ millions, U.S.) (1975)	<u>338</u> (76) <u>720</u> (77) <u>1,240</u>
Equivalent to	<u>20.9</u> months of imports (1976)
FOREIGN TRADE	
Major exports . . (1978)	sugar confectionery, hides, coffee
Exports to U.S. (\$ millions, U.S., f.o.b.) (1975)	<u>0</u> (76) <u>0</u> (77) <u>1</u>
as % of total exports (1975)	<u>n.a.</u> (76) <u>n.a.</u> (77) <u>n.a.</u>
Major imports . . (1977)	transport equipment and machinery, cereals
Imports from U.S. (\$ millions, U.S.,	
c.i.f.) (1975)	<u>5</u> (76) <u>15</u> (77) <u>38</u>
as % of total imports (1975)	<u>2</u> (76) <u>4</u> (77) <u>n.a.</u>
Total trade balance (\$ millions,	
U.S.) (1975)	<u>-283</u> (76) <u>-405</u> (77) <u>n.a.</u>
Main trading partners	Saudi Arabia, Japan, France
External public debt as % of GNP. (1976)	<u>17.8</u>
Service payments on external public debt, (\$ millions, U.S.) ()	<u>n.a.</u>
as % of export earnings (debt service ratio) ()	<u>n.a.</u>
SOCIAL DATA	
Population growth rate (1967-77)	<u>2.9%</u>
% population in urban areas ()	<u>n.a.</u> (1975) <u>11</u>
Total births per 1,000 population (1975)	<u>50</u>
% married women aged 15-49 yrs. using contraception ()	<u>n.a.</u>
% of the population (1975) in age group: (0-14 yrs.)	<u>44.6</u> (15-64 yrs.) <u>52.7</u> (65+ yrs.) <u>2.7</u>
Infant deaths during first year of life per 1,000 infants (1973)	<u>175</u>
People per physician (1973)	<u>17,700</u>
Major causes of death (1975)	parasitic diseases, respiratory and digestive diseases
Major disease(s) . . (1975)	parasitic diseases, respiratory and digestive diseases
Per capita calorie supply as a % of requirements (1974)	<u>83</u>
% of population with reasonable access to clean water supply . . (1975)	<u>8</u>
Total school enrollment as % of population in age group:	
Primary . . . (ages 5-14) (1974)	total <u>17.2</u> male <u>30.6</u> female <u>3.4</u>
Secondary . . (15-19) (1974)	total <u>3.4</u> male <u>6.2</u> female <u>0.6</u>
Post Secondary (20-24) (1973)	total <u>0.2</u> male <u>0.3</u> female <u>n.a.</u>
Energy production as % of consumption ()	<u>n.a.</u>

*Estimate in 1977 World Bank Atlas. A.I.D. sources estimate per capita GNP at \$390 in 1977.

**Mission report.

U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS (U.S. Fiscal Years - Millions of Dollars)						ECONOMIC PROGRAMS OF OTHER DONORS (Millions of Dollars)						
COUNTRY YEMEN ARAB REPUBLIC						A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS						
PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-78	REPAY- MENTS AND INTEREST 1946-78	TOTAL LESS REPAY- MENTS AND INTEREST 1946-78	TQ	FY 1977	FY 1978	FY 1946-78
	1975	1976	TQ	1977	1978				-	21.2	42.2	172.4
I. ECONOMIC ASSISTANCE - TOTAL	6.9	7.4	2.7	17.1	7.5							
Loans	1.4	-	-	-	-							
Grants	5.5	7.4	2.7	17.1	7.5							
a. A.I.D. and Predecessor Agencies	3.2	4.4	1.7	15.5	6.8							
Loans	1.4	-	-	-	-							
Grants	1.8	4.4	1.7	15.5	6.8							
(Security Supporting Assistance)	-	-	-	-	-							
b. Food for Peace (PL 480)	3.4	2.6	0.8	1.1	0.2							
Loans	-	-	-	-	-							
Grants	3.4	2.6	*	1.1	*							
Title I - Total Sales Agreements	-	-	-	-	-							
Repayable in U.S. Dollars - Loans	-	-	-	-	-							
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-							
Title II - Total Grants	3.4	2.6	0.8	1.1	0.2							
Emerg. Relief, Econ. Develop. & World Food Program	0.7	0.7	0.8	0.7	0.2							
Voluntary Relief Agencies	2.7	1.9	*	0.4	*							
c. Other Economic Assistance	0.3	0.4	0.2	0.5	0.5							
Loans	-	-	-	-	-							
Grants	0.3	0.4	0.2	0.5	0.5							
Peace Corps	0.3	0.4	0.2	0.5	0.5							
Other	-	-	-	-	-							
II. MILITARY ASSISTANCE - TOTAL	-	0.4	*	0.8	0.8							
Credits or Loans	-	-	-	-	-							
Grants	-	0.4	*	0.8	0.8							
a. MAP Grants	-	0.2	*	0.4	-							
b. Credit Sales under FMS	-	-	-	-	-							
c. Intl. Military Education & Training Program	-	0.2	-	0.4	0.8							
d. Transfers from Excess Stocks	-	-	-	-	-							
e. Other Grants	-	-	-	-	-							
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	6.9	7.8	2.7	17.9	8.3							
Loans	1.4	-	-	-	-							
Grants	5.5	7.8	2.7	17.9	8.3							

Other U.S. Government Loans and Grants												
a. Export-Import Bank Loans												
b. All Other Loans												

* LESS THAN \$50,000. TQ - TRANSITIONAL QUARTER												

ECONOMIC PROGRAMS OF OTHER DONORS (Millions of Dollars)				
A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				
TOTAL	TQ	FY 1977	FY 1978	FY 1946-78
	-	21.2	42.2	172.4
IFC	-	-	3.2	3.2
IDA	-	21.0	39.0	148.8
UNDP	-	0.2	-	17.4
Other UN	-	-	-	3.0
B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS				
1. D.A.C. COUNTRIES (Excluding U.S.)				
Donor	CY 1976	CY 1977	CY 1969-77	
TOTAL	11.2	27.2	105.6	
Germany	6.7	15.2	84.1	
United Kingdom	1.6	1.6	5.8	
Italy	1.5	2.8	6.0	
Other	1.4	7.6	9.7	
2. O.P.E.C. COUNTRIES				
Donor	CY 1976	CY 1977	CY 1973-77	
TOTAL	190.5	NA	418.3	
Saudi Arabia	121.8	NA	265.8	
UAE	35.5	NA	65.9	
Kuwait	23.6	NA	54.7	
Iraq	2.7	NA	13.1	
Libya	2.2	NA	11.0	
Qatar	4.7	NA	7.8	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
TOTAL	CY 1976	CY 1977	CY 1954-77	
	25.0	-	225.0	
USSR	-	-	105.0	
Eastern Europe	-	-	13.0	
China	25.0	-	107.0	

NA - Not available UAE - United Arab Emirates

FIGURES NOT AVAILABLE AT TIME OF PRINTING

YEMEN ARAB REPUBLIC

PROGRAM SUMMARY							
<i>(In thousands of dollars)</i>							
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs
1978							
Loans	-	-	-	-	-	-	-
Grants . . .	6,803	1,601	-	1,978	2,724	500	-
Total ..	6,803	1,601	-	1,978	2,724	500	-
1979							
Loans	-	-	-	-	-	-	-
Grants . . .	13,505	5,800	-	5,575	2,130	-	-
Total ..	13,505	5,800	-	5,575	2,130	-	-
1980							
Loans	-	-	-	-	-	-	-
Grants . . .	14,000	7,450	-	500	6,050	-	-
Total ..	14,000	7,450	-	500	6,050	-	-

U. S. Interests

Strategically located between Saudi Arabia and the Horn of Africa, the Yemen Arab Republic is the most populous country in the Arabian Peninsula, an area of major U. S. political and economic interests. Broad-based and equitable development in Yemen and continuation of the Government's moderate foreign policy are important for stability in the Peninsula. U. S. assistance also reflects a humanitarian concern to improve the extremely poor quality of life in Yemen's rural areas.

Development Overview

Yemen is at the same time among the most affluent and the most primitive of the least developed countries. Per capita GNP in 1976 was estimated at \$250. However, in 1978 some 600,000 migrant workers, mostly in Saudi Arabia, sent back to Yemen between \$1 and \$2 billion. Thus, per capita GNP by 1978 had doubled. Between 1977 and 1978 tax revenues from import duties increased 50%. The rapid increase in incomes

fed an inflation rate of 30-40%, but in this situation the government's services remained minimal. A literacy level of 13%, a life expectancy of 45 years, and a nearly universal lack of institutional capacities and basic services reflect a quality of life which puts the Yemeni people near the bottom of any development scale.

Yemen is in a unique and difficult development situation. Under the conservative religious rule of the Imams, it was completely isolated from the modern world. The republican government established only in 1970 still seeks to extend its control over some tribal areas. Government agencies and educational institutions are embryonic, and an inadequate transportation network impedes development of internal markets and rural areas. The climate and terrain are harsh and water is extremely scarce. Because of migration, there is a serious internal labor shortage. The work force that remains is 90% illiterate.

Socio-Economic Performance

The rapid income growth generated by labor remittances is too recent to be reflected in improved socio-economic indicators. A governmental administrative structure and training of a civil service did not begin until 1970, so there is as yet only a marginal institutional ability to transform Yemen's financial bonanza into social and development programs. The infant mortality rate is 175 per 1,000 live births. Of the surviving school-age children, only 16% were enrolled in 1975/76, and only 4% of girls. Women are still highly restricted, although this is changing as educational and economic opportunities arise.

Nevertheless, some basic progress is being made. Local Yemeni development associations are engaged in often substantial self-help activities. Primary school enrollment tripled over a five-year period and health services are being expanded. The Five-Year Plan (1977-81) emphasizes basic health services, education, and the physical infrastructure necessary for access to isolated regions. The Plan also aims at increasing small farm productivity. Government policies encourage local development initiatives and private enterprise and permit private family planning programs.

Total Resources

Foreign economic assistance in FY 1977 was \$146 million, of which about 11% came from the U. S. (A.I.D. and Peace Corps). The largest donors are Yemen's oil-rich neighbors, which provide budget support and financing for major capital projects. Next is IBRD, which concentrates on constructing and equipping vocational training institutions and on agriculture development. The UNDP provides a wide range of technical assistance. Great Britain and West Germany support significant but more limited programs. The U. S. has growing economic interests, principally in commerce, banking and oil exploration.

A.I.D. Strategy

A.I.D.'s strategy is to foster agriculture and local development initiatives, provide basic social services, and increase the capacity of institutions critical for equitable development. Human resource development is a key element of U. S. assistance. A Title XII program will enlist the resources of U. S. land grant universities in a long-term effort to modernize smallholder agriculture and develop related agricultural institutions. A comprehensive program in basic education focusing on the primary and non-formal systems will be implemented in collaboration with an American university. Successful efforts to develop rural water supplies have led to a series of related projects designed to encourage local initiatives more broadly, including introduction of technologies appropriate for rural areas. A.I.D. also plans to support expansion of a successful health and nutrition program being implemented by a U. S. voluntary agency in the Tihama; the poorest region of Yemen. Strong emphasis is given to providing technical assistance and community development through U. S. PVOs in Yemen. A.I.D.'s programs are coordinated closely with the Peace Corps and other donors, notably the World Bank, which provides capital assistance integral to A.I.D.'s education and agriculture programs.

FY 80 PROGRAM HIGHLIGHTS	
FY 1980 will see implementation of a revised program focus initiated in FY 1977:	
-	A comprehensive basic education program focusing on primary and nonformal education;
-	A long-term Title XII program;
-	A coordinated program of support to local development initiatives, and
-	Expansion of basic health services in Yemen's poorest region

PERSONNEL/PARTICIPANTS DATA CP 80-17(10-78)			
Category	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID Personnel^a			
Direct Hire ^b	28	31	31
PASA ^c	-	2	2
Contract	10	23	34
Total	38	56	67
Participants^d			
Noncontract	149	207	252
Contract	-	8	20
Total	149	215	272
<i>a U.S. nationals on duty at the end of the fiscal year. b FY 1979 and FY 1980 position levels. c Participating agency technicians. d Programmed during the fiscal year.</i>			

RESOURCE FLOWS			
<i>(In thousands of dollars)</i>			
Program	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID*			
Loans	729	-	-
Grants	3,246	9,228	17,321
Total AID	3,975	9,228	17,321
P.L. 480**			
Title I	()	()	()
(of which Title III is)			
Title II	183	184	170
Total P.L. 480	183	184	170
Total AID and P.L. 480	4,158	9,412	17,491
*AID levels represent actual and estimated expenditures.			
**P.L. 480 levels represent actual and estimated value of shipments.			

P.L. 480 PROGRAMS SUMMARY						
<i>(In 000MT/\$000)</i>						
Program	FY 1978 (Actual)		FY 1979 (Estimated)		FY 1980 (Proposed)	
	MT	\$	MT	\$	MT	\$
<u>Title I</u>						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total .. (of which Title III is)		()		()		()
<u>Title II</u>						
Voluntary Agencies ..		9		-		-
World Food Programs		174		184		170
Gov't.-to-Gov't		-		-		-
Title II Total		183		184		170
Total P.L. 480		183		184		170

MISSION DIRECTOR: Robert G. Huesmann

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM YEMEN ARAB REPUBLIC

CP 80-02(10-78)

PROJECT TITLE	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
				OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
AGRICULTURE, RURAL DEV. AND NUTRITION										
POULTRY DEVELOPMENT	G	279-0019	75	1,686	1,513	240	413	---	---	---
TROPICAL AND SUBTROPICAL HORTICULTURE	* G	279-0024	76	1,064	545	374	374	762	547	---
AGRICULTURAL RESEARCH AND DEVELOP.	* G	279-0030	76	1,887	1,285	500	636	680	600	233
COMMUNITY BASED RD PHASE I	* G	279-0031	77	1,040	281	---	650	560	550	---
LAND CLASSIFICATION	G	279-0042	78	486	---	---	298	---	188	---
LOCAL RESOURCES FOR DEVELOPMENT	G	279-0045	79	---	---	3,186	1,273	---	1,565	2,814
APPROPRIATE VILLAGE TECHNOLOGY	G	279-0046	79	---	---	1,500	200	---	835	1,600
AGRICULTURAL DEVELOPMENT SUPPORT	* G	279-0052	79	---	---	---	---	5,448	2,030	14,552
TOTAL FOR ACCOUNT				6,163	3,624	5,800	3,844	7,450	6,315	
GRANTS				6,163	3,624	5,800	3,844	7,450	6,315	
LOANS				---	---	---	---	---	---	
HEALTH										
RURAL WATER SUPPLY	G	279-0022		4,894	4,658	---	236	---	---	---
WATER SUPPLY SYSTEMS MGT	G	279-0028	77	2,986	7	1,200	800	---	640	114
APPLIED HEALTH AND NUTRITION	G	279-0035	76	496	254	---	242	---	---	---
TAIZ WATER AND SEWERAGE CONSTRUCTION	G	279-0039	77	10,000	103	---	---	---	2,340	---
WATER RESOURCES PLANNING MGT.	G	279-0043	79	---	---	1,690	698	---	630	1,210
SMALL RURAL WATER PROJECTS	G	279-0044	79	---	---	2,685	843	---	1,065	2,115
TIHAMA PRIMARY HEALTH CENTER	* G	279-0065	80	---	---	---	---	500	400	5,500
TOTAL FOR ACCOUNT				18,376	5,022	5,575	2,819	500	5,075	
GRANTS				18,376	5,022	5,575	2,819	500	5,075	
LOANS				---	---	---	---	---	---	
EDUCATION AND HUMAN RESOURCES										
TRAINING FOR YAR DEVELOPMENT	G	279-0020	73	2,395	2,120	---	275	---	---	---
DEVELOPMENT TRAINING II	* G	279-0040	78	2,724	138	2,130	1,930	1,940	2,945	8,806
BASIC EDUCATIONAL DEVELOPMENT	* G	279-0053	79	---	---	---	---	4,110	2,849	13,890
TOTAL FOR ACCOUNT				5,119	2,258	2,130	2,205	6,050	5,794	
GRANTS				5,119	2,258	2,130	2,205	6,050	5,794	
LOANS				---	---	---	---	---	---	
SELECTED DEVELOPMENT ACTIVITIES										
WATER SURVEY OF NORTH YEMEN	G	279-0025	74	2,072	1,585	---	350	---	137	---

* Detailed project narrative - See Activity Data Sheet.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM **YEMEN ARAB REPUBLIC**

CP 80-02(10-78)

PROJECT TITLE	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
				OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
TOTAL FOR ACCOUNT				2,072	1,585	---	350	---	137	
GRANTS				2,072	1,585	---	350	---	137	
LOANS				---	---	---	---	---	---	
TOTAL FOR COUNTRY				31,730	12,489	13,505	9,218	14,000	17,321	
GRANTS				31,730	12,489	13,505	9,218	14,000	17,321	
LOANS				---	---	---	---	---	---	

* Detailed project narrative - See Activity Data Sheet.

TITLE Tropical and Subtropical Horticulture Development		FUNDS Agriculture, Rural Development and Nutrition	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 279-0024		PRIOR REFERENCE Advice of Program Change No. 323	FY 80	762	LIFE OF PROJECT
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>		ESTIMATED FINAL OBLIGATION	FY 80	ESTIMATED COMPLETION DATE OF PROJECT
NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>			FY 76	FY 80	FY 81

Purpose: To increase the varieties and quantities of horticulture crops in three major ecological zones of Yemen, and help develop an initial horticultural research capability in the Ministry of Agriculture.

Background and Progress to Date: The variety, quantity and quality of fruit production in Yemen are extremely limited at present. Although demand is high, the bulk of it is met by imports. The potential exists in Yemen for significant improvement in both tropical and temperate zone tree crops. Expanded and diversified horticultural production is a priority item in the YARG's current five-year plan, and if pursued should result in increased incomes for numerous small producers, improved national nutrition and reduced imports. This project focuses on development of a horticultural research capability within the Ministry of Agriculture. Earlier problems in finding qualified staff willing to work under difficult conditions have been largely resolved. Three of the four project team members are in country and work is underway at one research station with the second scheduled to be operational early in FY 1979. Most project commodities are now on hand. Initial social/economic studies called for in the project began in October, 1977, with follow-on work scheduled for early 1979. Life-of-project cost has increased by about 10% because of the high local inflation rate and expansion of the size of the project team.

Host Country and Other Donors: The Yemen government provides counterpart staff, land, research facilities and supplementary financial support. Project work is undertaken in close coordination with other donors, especially UNDP/FAO in Taiz and Hodeidah.

FY 80 Program: A.I.D. will finance acquisition of needed plant material, participant training, local costs for the development/operation of two research stations, and varietal and cultural practice trials at research stations and in farmers' fields and farmer training workshops.

Beneficiaries: Given the general research and institution building nature of this project, it is estimated that up to 50 percent of Yemen's 840,000 farm families stand to benefit from this project at a life-of-project cost to A.I.D. per family of \$5. Cost per family in FY 1980 will be \$2. Project impact will be highest in tropical fruits, potentially a major crop for farmers in Yemen's poorest region.

<u>Major Outputs:</u>	<u>All Years</u>
Research stations operational	2
Varietal and cultural practice trials completed	to be determined
Social/economic studies completed	6
Participants trained	8
Farmer training workshops completed	6

Establishing research stations costs approximately \$200,000 per station

<u>A.I.D.-Financed Inputs:</u>	(\$ thousands)
	<u>FY 80</u>
Technical Assistance	
Long-term technicians (28 person months)	244
Short-term technicians (1 person month)	5
Participant Training	
U.S. academic (24 person months)	32
Third country technical (6 person months)	7
Commodities (plant material)	4
Other Costs	
Research station development	238
Operational support costs (e.g. local wages and per diem)	202
Evaluation (end of project)	<u>30</u>
Total	762

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	1,064	545	519	Tuskegee Institute
Estimated Fiscal Year 1979	374	374		
Estimated through September 30, 1979	1,438	919	519	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	762	-	2,200	

TITLE Agricultural Research and Development (Sorghum and Millet)		FUNDS Agriculture, Rural Development and Nutrition	PROPOSED OBLIGATION (In thousands of dollars) FY 80 680		LIFE OF PROJECT 3,300
NUMBER 279-0030	NEW <input type="checkbox"/>	PRIOR REFERENCE Advice of Program	INITIAL OBLIGATION FY 76	ESTIMATED FINAL OBLIGATION FY 81	ESTIMATED COMPLETION DATE OF PROJECT FY 81
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>	Change No. 324, 8/4/78		

Purpose: To establish the research and development capability needed to raise the productivity of sorghum and millet, the two basic subsistence crops of Yemen.

Background and Progress to Date: Sorghum and millet are grown on more than 75 percent of cultivated land. Improvement in productivity of these crops is a top priority, together with making a start at developing the Ministry of Agriculture's research capability in sorghum and millet. Initial variety trials and high-altitude experiment station development began in 1976 shortly after a University of Arizona team arrived. In 1978 the team continued the reorganization of research methods, based on evaluation of previous research, to allow more rapid selection of adapted varieties. Eleven trials of potentially adaptable varieties were initiated on farmers' fields in areas from just south of Sana to Sada in the north. Subsoiling of the hard pan on the research farm near Sana has significantly improved water penetration and reduced variability of plot yields. Implementation of the research work in the coastal plain area is underway. Project buildings in Sana are complete and in use.

Host Country and Other Donors: The Yemen government is providing counterpart staff, facilities, land for field trials, and trainees. The UNDP and IBRD provide part-time specialist services and seed specimens for field trials from strains developed in rural areas where they operate. The UNDP and FAO have contributed the use of laboratory facilities.

FY 80 Program: One additional experiment station will be established. Adaptive varietal and cultural practice trials will continue. Work on weed control and on basic soil fertility studies will be initiated. Trials in the coastal plains initiated in 1979 will be continued. Trials conducted will include 20 varietal, 6 cultural practice and 12 on farmers' fields.

Beneficiaries: Almost all of Yemen's approximately 840,000 farm families grow sorghum and millet and stand to benefit ultimately from the results of this project. Life-of-project costs to A.I.D. are about \$4 and FY 80 costs are about \$1.

Major Outputs:	<u>All Years</u>
Experiment stations established	3
Trials conducted:	
- Varietal: sorghum/millet	50
- Cultural practices	32
- On farmers' fields	38
Participants trained	12
Experiment station establishment costs approximately \$200,000.	

A.I.D.-Financed Inputs:	(\$ thousands)
	<u>FY 80</u>
Technical Assistance	
Long-term technicians (36 person months)	380
Short-term technicians (12 person months)	60
Commodities	
Research commodities and equipment spares	25
Other Costs	
Research station development	100
Operational support costs (e.g. local wages and per diem)	<u>115</u>
Total	680

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	1,887	1,285	602	University of Arizona International Voluntary Services
Estimated Fiscal Year 1979	500	636		
Estimated through September 30, 1979	2,387	1,921	466	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	680	233	3,300	

PROGRAM: YEMEN ARAB REPUBLIC (YARG)

ACTIVITY DATA SHEET

CP 80-05 (10-78)

TITLE Community-Based Rural Development		FUNDS Agriculture, Rural Development and Nutrition	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 80	560	LIFE OF PROJECT 1,600
NUMBER 279-0031	NEW <input type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION FY 77	ESTIMATED FINAL OBLIGATION FY 80	ESTIMATED COMPLETION DATE OF PROJECT FY 81
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>	FY 78 Near East Programs, p. 98			

Purpose: To assist community-based development institutions to plan and manage rural development activities.

Background and Progress to Date: Local-level rural Yemeni institutions, while very active, suffer from a chronic lack of managerial and technical expertise. A.I.D. provided an Operational Program Grant (OPG) to Save the Children Federation (SCF) in 1978 to address this problem in Mahweit Governorate. The project scope calls for a team of specialists to work directly with selected Local Development Associations (LDAs) in Mahweit to support small-scale development projects undertaken by the community. Emphasis is on training local people in planning and management techniques and providing technical assistance to implement projects. Another project planned for initiation in FY 79 (Local Resources for Development: 279-0045) will also provide assistance to the LDAs at the national level through the Confederation of Yemeni Development Associations (CYDA). By the end of the present phase of this project, SCF will have completed assistance to a series of 20 local development projects and conducted training seminars for local officials. Although difficulties in recruiting qualified technicians slowed project implementation, the SCF team is now fully staffed. A youth center project has been completed and work is in progress on a community water project. Training sessions have been conducted with the Mahweit Governorate LDA Coordinating Council (LDA/CC) and several non-formal training sessions have been conducted with the Mahweit sub-district LDA. A second phase of this project will be considered after an evaluation of the project in FY 80.

Host Country and Other Donors: The YARG is providing counterpart staff and facilities. Other donors are financing capital-intensive rural development efforts in other governorates. SCF contributes approximately \$70,000 per year.

Beneficiaries: It is estimated that by project completion, 8,800 families will have benefitted from the project at a per family cost to A.I.D. of \$182. FY 80 costs are \$64 per family.

FY 80 Program: SCF will complete training of community workers and officers and assistance to local development projects.

Major Outputs: All Years

Administration	10 LDAs able to plan and manage community development projects
Project Design	60 planning seminars held
Training	200 LDA and LDA/CC staff members trained
Development Projects	25 community development projects completed or underway
Institutionalization	3 LDAs operating without need for further assistance; LDA/CC providing support to LDAs

The development projects will cost an average of \$40,000.

<u>A.I.D.-Financed Inputs:</u>	(\$ thousands)
	<u>FY 80</u>
Technical Assistance	
SCF volunteers and staff (15 person years)	360
Other Costs	
Community project funds	145
Operational support costs	<u>55</u>
Total	560

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	1,040	281	759	Save the Children Federation
Estimated Fiscal Year 1979	-	650		
Estimated through September 30, 1979	1,040	931	109	
		<u>Future Year Obligations</u>	<u>Estimated Total Cost</u>	
Proposed Fiscal Year 1980	560	-	1,600	

TITLE Agricultural Development Support		FUNDS Agriculture, Rural Development and Nutrition	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 80 5,448	LIFE OF PROJECT 20,000	
NUMBER 279-0052	NEW <input checked="" type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 85
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input type="checkbox"/>	FY 79 Near East Programs, p. 899			

Purpose: To improve Yemen's capacity for broad-based agricultural development by introducing the U. S. land grant college concept of integrated teaching, research and extension.

Background and Progress to Date: Little modern agricultural technology has been introduced in Yemen. The country has few trained agriculturalists, and agricultural institutions for research, education, and extension are weak or non-existent. The project is designed to address this problem by supporting a long-term commitment (under Title XII) by U. S. universities to aid in developing Yemen's agricultural sector. During the project a number of specific sub-activities will be implemented by a Title XII university or combination of universities. While this initial project will last six years, the overall effort, if successful, is expected to last a decade or more. Contractor selection will be completed in early FY 79, and final project design will then be initiated by the selected institution.

Host Country and Other Donors: YARG agencies will provide counterparts and trainees and will contribute personnel and material support to the training, research, and extension activities. The project will be coordinated closely with other donors' activities in the agricultural sector, particularly those of the IBRD, which will finance construction of educational facilities.

Beneficiaries: The immediate benefit of this project will be to the host country institutions involved in agricultural development. As this translates into improved agricultural productivity, the ultimate beneficiaries will be virtually all of the population of Yemen in occupations related to agriculture. With the increasing involvement of women in Yemeni agriculture, a major focus of research under this project will be on techniques for increasing their productivity. Life-of-project cost to A.I.D. per family for an estimated 840,000 farm families in Yemen will be \$24. Costs in FY 80 will be \$6.

FY 80 Program: Initial activities will be development of Yemen's first agricultural training institution at Ibb and establishment of a nationwide seed program. Two additional sub-activities in farm water management and soil fertility will also be started.

Major Outputs: All Years

- Capability established to produce and distribute dependable improved seed
- An agricultural training center established at Ibb
- Economically viable fertilizer use and on-farm irrigation recommendations made
- A viable agricultural extension program in operation
- An agriculture credit program serving small farmers

<u>A.I.D.-Financed Inputs:</u>	(\$ thousands)
	<u>FY 80</u>
Technical Assistance	
Long-term technicians (34 person years)	4,736
Short-term technicians (12 person months)	75
On-campus support (30 person months)	100
Commodities	
Research equipment, educational materials and vehicles	375
Other Costs	
Operational support costs	162
Total	5,448

	U.S. FINANCING (In thousands of dollars)			PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	To be selected
Estimated Fiscal Year 1979	-	-	-	
Estimated through September 30, 1979	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	5,448	14,552	20,000	

TITLE Tihama Primary Health Care		FUNDS Health		PROPOSED OBLIGATION (In thousands of dollars) FY 80 500		LIFE OF PROJECT 6,000
NUMBER 279-0065	NEW <input checked="" type="checkbox"/>	PRIOR REFERENCE None		INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 85
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>	CONTINUING <input type="checkbox"/>				

Purpose: To improve and extend basic health care services to the rural population of the Tihama, a coastal region of Yemen.

Background and Progress to Date: The health status of the population of Yemen is very poor; the infant mortality rate is over 175 per thousand, the doctor/patient ratio is 1 to 17,700 and there are only 25 hospitals in the country, most of which are far below acceptable standards. Yemen has only 75 rural health clinics to serve a population of 5.8 million. To support health improvement activities in the coastal plain area of Tihama, where conditions are worse than average, A.I.D. has provided partial funding of the costs of foreign personnel to train local staff at Al-Olofy Hospital in the port city of Hodeida, and has supported a health and nutrition education project in the Hodeida region. Both of these activities have been effectively carried out under Operational Program Grants (OPGs) to Catholic Relief Services (CRS). CRS has proposed a five-year expanded project which would focus on supporting the YARG's planned basic health care program for the Tihama, and serve as a model for the rest of the country. Under the project, CRS will train primary health care workers and community health nurses who will work in the primary health care centers and establish a referral system linked to the regional hospital in Hodeida (Al-Olofy). A system of nutrition education will be extended to rural areas using PL 480 Title II food as an incentive. Assistance will also be provided in administrative and logistical support requirements and in training public health physicians.

Host Country and Other Donors: The project will be designed by CRS in close collaboration with the Ministry of Health and WHO. The Peace Corps will provide volunteers to assist with training in Al-Olofy Hospital and to serve on immunization teams.

Beneficiaries: The Tihama area of Yemen has a population of 1.2 million people. During the life of the project, primary health care centers will be able to reach about 75% of these people.

Thus, 180,000 rural females will have access to better health services at a life-of-project cost of \$33 per family. The FY 80 cost will be \$3 per family.

FY 80 Program: CRS will put its staff in place and begin training community health nurses, primary health care workers, and midwives. Long-term training will begin for Yemeni public health administrators.

<u>Major Outputs:</u>	<u>All Years</u>
Primary health care centers functioning	45
Community health nurses trained	450
Primary health care workers trained	225
Midwives trained	150
Community health record system established	45
Equitable salary schedule in place	1
 <u>A.I.D.-Financed Inputs:</u>	 (\$ thousands)
	<u>FY 80</u>
Technical Assistance	
CRS personnel (3 person years)	250
Participant Training	
Long-term academic (2 person years)	30
Short-term specialized (6 person months)	20
Commodities	100
Other Costs	
In-country training costs	50
Operational support costs	<u>50</u>
Total	500

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES	
	Obligations	Expenditures	Unliquidated		
Through September 30, 1978	-	-	-		
Estimated Fiscal Year 1979	-	-	-		
Estimated through September 30, 1979	-	-	-		
Proposed Fiscal Year 1980	500	5,500	6,000		

TITLE Development Training II		FUNDS Education and Human Resources	PROPOSED OBLIGATION (In thousands of dollars) FY 80 1,940		LIFE OF PROJECT 15,600
NUMBER 279-0040	NEW <input type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION FY 78	ESTIMATED FINAL OBLIGATION FY 82	ESTIMATED COMPLETION DATE OF PROJECT FY 86
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>	FY 79 Near East Programs, p. 901			

Purpose: To strengthen the YARG's capacity to plan and manage development programs by increasing the supply of trained personnel in priority technical and managerial fields and by helping to develop an initial government capacity in human resources planning.

Background and Progress to Date: Lacking adequate higher-level educational institutions within Yemen, the YARG must continue to send most students abroad for training. Shortages of adequately trained public servants are a critical obstacle to Yemen's development. A.I.D. has helped address this problem through participant training support since 1973. However, considerably more assistance is required to develop an adequate cadre of competent government personnel. Through this project A.I.D. provides both graduate and undergraduate academic training and short-term non-degree professional training in key development fields where there are work force shortages. A.I.D. also seeks to build an institutional capability within the YARG to identify training needs, establish priorities, select candidates, and establish follow-up procedures to ensure the proper placement and use of returned students. At the end of FY 78 there were 58 participants in training in the United States and 82 in Arab countries (Egypt, Syria and Lebanon). A consultant team has analyzed the potential for establishment of a Human Resources Planning Unit at the Central Planning Organization.

Host Country and Other Donors: The YARG provides staff salaries, office space, equipment, and secretarial services for human resources specialists, plus departure costs and partial international travel for participants. The UNDP, other Western donors, and the USSR also provide scholarships and training.

Beneficiaries: The direct beneficiaries of the project are the participants trained and the government organizations to which they return. Ultimate beneficiaries are the large segment of Yemen's population at every level that will benefit from improved

government planning, administration, and services. Considering participants only, approximately 600 Yemenis will be trained during the life of the project at an average cost to A.I.D. of \$26,000. The FY 80 funding contribution will be \$3,233 per participant.

FY 80 Program: During FY 80 approximately 58 participants will start long-term academic training and 20 will begin short-term specialized training. U. S. technicians will start the development of a Human Resources Planning Unit. Approximately 50 participants are expected to complete their programs and return during the year.

Major Outputs:	<u>All Years</u>
Returned participants	600
Human Resources Planning Unit established	1
Human resources studies completed	2
A.I.D.-Financed Inputs:	(\$ thousands)
	<u>FY 80</u>
Technical Assistance	
Long-term technicians (2 person years)	280
Short-term technicians (5 person months)	40
English language instructors (50 person months)	47
Participant Training	
Long-term academic, U.S. (29 person years)	456
Long-term academic, third country (135 person years)	882
Short-term specialized, U.S. (8 person years)	<u>235</u>
Total	1,940

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	2,724	138	2,586	To be selected
Estimated Fiscal Year 1979	2,130	1,930		
Estimated through September 30, 1979	4,854	2,068	2,786	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	1,940	8,806	15,600	

TITLE Basic Educational Development		FUNDS Education and Human Resources	PROPOSED OBLIGATION (In thousands of dollars) FY 80 4,110		LIFE OF PROJECT 18,000
NUMBER 279-0053	NEW <input checked="" type="checkbox"/>	PRIOR REFERENCE	INITIAL OBLIGATION FY 80	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 86
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input type="checkbox"/>	FY 79 Near East Programs, pp. 893,894			

Purpose: To help develop the institutions required for basic primary and related secondary education in Yemen.

Background and Progress to Date: Yemen's educational needs are largely unmet at all levels. It is estimated that only about 13% of the population as a whole and less than 2% of females are literate. The problem is particularly acute in primary schools in rural areas. Teachers are predominantly intermediate or secondary school dropouts who, in addition to being little older than children themselves, are unskilled and untrained. The intermediate and secondary schools are only in slightly better condition. Yemen's one university currently trains teachers only for secondary schools. This project will undertake a comprehensive program designed to improve the quality of education at the primary and secondary education levels. It will focus on preparation of qualified Yemeni teacher trainers to staff Primary Teacher Training Institutes (PTTIs). It will also develop within Sana University the capacity to train primary teacher trainers, and teachers to introduce science programs at primary and secondary levels. Additionally, the project will assist in the development of the necessary YARG administrative capacity to support the program. Further analysis of this activity has resulted in a merger of two projects presented in the FY 79 Congressional Presentation (0053 and 0054) into a broader program focusing more directly on basic education. Contractor selection will be completed early in FY 79. Additional study and final project design will then be undertaken by the selected institution.

Host Country and Other Donors: The YARG will provide counterpart staff salaries and facilities for the Yemeni educators involved. The IBRD has financed the construction of six PTTIs.

Beneficiaries: Direct beneficiaries will be the primary and secondary school population. As primary/secondary enrollment is expected to reach 625,000 by the end of the project, life-of-project

cost will be \$29 per beneficiary. FY 80 cost will be \$7 per beneficiary.

FY 80 Program: U. S. specialists will begin interim training of Yemeni staff for PTTIs. Work in developing the capacity of the University of Sana to prepare primary teacher trainers and science educators will begin, as well as assistance in educational administration.

Major Outputs:

	All Years
PTTIs functioning	6
PTTI staff trained	150
Sana University's capacity developed to produce primary teacher trainers	-
Primary teacher training curriculum improved	1
Science teacher training program underway	1

A.I.D.-Financed Inputs

	(\$ thousands)
	FY 80
Technical Assistance	
Long-term technicians (18 person years)	2,700
Short-term technicians (24 person months)	192
On campus support (60 person months)	200
Participant Training	
Long-term academic (30 person years)	510
Short-term specialized (44 person months)	98
Commodities	
Training materials, equipment, vehicles	200
Other Costs	
Operational support costs	210
Total	4,110

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	To be selected
Estimated Fiscal Year 1979	-	-	-	
Estimated through September 30, 1979	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	4,110	13,890	18,000	

Regional Projects

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
1978							
Loans	-	-	-	-	-	-	-
Grants . . .	4862	743	-	31	3891	197	-
Total . .	4862	743	-	31	3891	197	-
1979							
Loans	-	-	-	-	-	-	-
Grants . . .	4502	690	-	587	1825	1400	-
Total . .	4502	690	-	587	1825	1400	-
1980							
Loans	-	-	-	-	-	-	-
Grants . . .	7600	950	-	650	4050	1950	-
Total . .	7600	950	-	650	4050	1950	-

CP 80-13(10-78)

The Near East Bureau's regional technical assistance grants support U.S. developmental and humanitarian interests in the region, and fund the research, analysis and project design efforts needed to develop and evaluate bilateral country programs.

There are three continuing Near Eastern regional projects and two proposed new ones. The continuing projects are American University of Beirut, Grants to Private Voluntary Organizations and Project Development and Support. The proposed new projects are Renewable Energy Development and Conservation and Law and Development.

American University of Beirut (AUB)

The United States has had a long-standing interest, both economic and political, in providing scholarships to the AUB which has trained a cadre of technical and professional personnel essential to the development of Near Eastern and

South Asian countries. The scholarship program enhances prospects for stability and cooperation among the region's countries, and between them and the United States, by bringing together the countries' future leaders in a University where American cultural and educational values are prevalent.

Conversely, the program helps maintain and develop AUB as a western-oriented center of excellence in the Near East, capable of providing high-quality education in a growing number of development-related fields.

Although AUB's enrollment, including AID-financed participants, dropped sharply during the civil war, the number of students now approaches pre-war levels. In FY 78, AUB assumed full responsibility for administering and implementing the entire AID-funded participant training project.

Grants to Private Voluntary Organizations (PVOs)

Congress and A.I.D. share humanitarian commitments to benefit directly the poor majorities in assisted countries; to help poor people to participate in planning, implementing, and supporting their self-assistance efforts. Therefore, A.I.D. has more heavily relied upon the resources and skills of PVOs to carry out these goals. A program to expand support of PVOs' regional development activities was begun in FY 1976.

U.S. PVOs operating in the Near East have unique expertise and long experience at the grass-roots level, dedicated staffs with cultural understanding and the ability to work directly--and economically--with private groups and local-level government authorities.

A.I.D. rapidly responds to PVO proposals and provides funds (apart from country program budgets) to stimulate increased support of worthwhile PVO projects. As part of the effort to increase PVO involvement, the Near East Bureau increasingly supports PVOs as designers as well as implementors of certain projects, in close collaboration with A.I.D. and often as an integral part of larger A.I.D.

assisted programs.

Project Development and Support

This project supports U.S. assistance objectives in Afghanistan, Morocco, Tunisia, and Yemen by providing funds for the development, design, and evaluation of individual and regional programs. Most of the funds are used for pre-project studies to identify critical assistance needs and to design projects and programs for maximum effectiveness.

Law and Development

This project is designed to strengthen our understanding of the legal systems in developing Islamic countries, in order to increase our capacity to design projects that will benefit poor people through fuller understanding of the legal context in which the projects are undertaken and of any changes that must be made in that context to achieve intended objectives. The project may in time also pave the way for activities furthering the objectives of Section 116(e) of the Foreign Assistance Act.

Renewable Energy Development and Conservation

To promote the application of renewable energy and conservation technologies for use in the LDCs, the Near East Bureau will focus on potential uses of solar, wind and bio-mass energy sources within the countries of the region assisted by A.I.D.

FY 80 PROGRAM HIGHLIGHTS
<ul style="list-style-type: none"> - Support of scholarships in development-related fields at the American University of Beirut; - grants to PVOs for grassroots programs; - a new initiative in renewable energy development and conservation.

PERSONNEL/PARTICIPANTS DATA CP 80-17(10-78)			
Category	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID Personnel ^a			
Direct Hire ^b	-	-	-
PASA ^c	-	-	-
Contract	-	-	-
Total	-	-	-
Participants ^d			
Noncontract			
Contract	273	305	305
Total	273	305	305
^a U.S. nationals on duty at the end of the fiscal year. ^b FY 1979 and FY 1980 position levels. ^c Participating agency technicians. ^d Programmed during the fiscal year.			

RESOURCE FLOWS			
<i>(In thousands of dollars)</i>			
Program	FY 1978 (Actual)	FY 1979 (Estimated)	FY 1980 (Proposed)
AID*			
Loans	-	-	-
Grants	4862	5288	6566
Total AID	4862	5288	6566
P.L. 480**			
Title I	(n . a)	(n . a .)	(n . a .)
(of which Title III is)			
Title II			
Total P.L. 480	-	-	-
Total AID and P.L. 480	4862	5288	6566
*AID levels represent actual and estimated expenditures.			
**P.L. 480 levels represent actual and estimated value of shipments.			

P.L. 480 PROGRAMS SUMMARY						
<i>(In 000MT/\$000)</i>						
Program	FY 1978 (Actual)		FY 1979 (Estimated)		FY 1980 (Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total . . .	/	()	/	()	/	()
(of which Title III is)						
<i>Title II</i>						
Voluntary Agencies . .	/		/		/	
World Food Programs	/		/		/	
Gov't.-to-Gov't	/		/		/	
Title II Total	/		/		/	
Total P.L. 480	/	n . a .	/	n . a .	/	n . a .

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM NEAR EAST REGIONAL

CP 80-02(10-78)

PROJECT TITLE	*	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
					OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
PD AND S	*	G	298-0035		4,774	4,141	590	512	650	566	---
PVOS (OPG)	*	G	298-0036	79	---	---	100	80	300	240	---
TOTAL FOR ACCOUNT					4,774	4,141	690	592	950	806	
GRANTS					4,774	4,141	690	592	950	806	
LOANS					---	---	---	---	---	---	
HEALTH											
PD AND S	*	G	298-0035	67	18	17	462	402	450	392	---
PVOS (OPG)	*	G	298-0036	79	---	---	125	100	200	160	---
TOTAL FOR ACCOUNT					18	17	587	502	650	552	
GRANTS					18	17	587	502	650	552	
LOANS					---	---	---	---	---	---	
EDUCATION AND HUMAN RESOURCES											
AUB	*	G	298-0015	51	60,344	55,278	1,500	2,800	3,500	3,210	---
PD AND S	*	G	298-0035	67	526	475	300	271	350	315	---
PVOS (OPG)	*	G	298-0036	79	---	---	25	20	200	160	---
TOTAL FOR ACCOUNT					60,870	55,753	1,825	3,091	4,050	3,685	
GRANTS					60,870	55,753	1,825	3,091	4,050	3,685	
LOANS					---	---	---	---	---	---	
SELECTED DEVELOPMENT ACTIVITIES											
ENERGY	*	G	298-0005	79	---	---	863	690	1,300	1,040	208
LAW AND DEVELOPMENT	*	G	298-0006	79	---	---	200	190	200	200	---
PD AND S	*	G	298-0035	67	343	199	212	123	350	203	---
PVOS (OPG)	*	G	298-0036	79	---	---	125	100	100	80	---
TOTAL FOR ACCOUNT					343	199	1,400	1,103	1,950	1,523	
GRANTS					343	199	1,400	1,103	1,950	1,523	
LOANS					---	---	---	---	---	---	
* Detailed project narrative - See Activity Data Sheet.											

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM NEAR EAST REGIONAL

CP 80-02(10-78)

PROJECT TITLE	*	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
					OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
TOTAL FOR COUNTRY					66,005	60,110	4,502	5,288	7,600	6,566	
GRANTS					66,005	60,110	4,502	5,288	7,600	6,566	
LOANS					---	---	---	---	---	---	

** Detailed project narrative - See Activity Data Sheet.*

TITLE Project Development and Support		FUNDS Various	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 298-0035		PRIOR REFERENCE FY 79 Annex A, Near East Programs, p. 912	FY 80	1800	LIFE OF PROJECT Continuing
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>		INITIAL OBLIGATION FY 74	ESTIMATED FINAL OBLIGATION FY Continuing	ESTIMATED COMPLETION DATE OF PROJECT FY Continuing

Purpose: To develop technical and capital assistance projects and programs in key activity areas in Near East Bureau countries, and provide for evaluation and problem-specific support of country and regional projects.

Background and Progress to Date: Before funding for any project is approved, an analysis is made of the problems it seeks to address, who will benefit, how the project will be implemented, its economic soundness and cost effectiveness, and environmental and other pertinent questions. Under this project, specialized services are obtained to assist A.I.D. and host governments in the Near East to carry out these analyses. The project also funds research, evaluations, design of field tests, conferences, pilot activities, and training, carried out directly or by contract or grant with organizations, cooperatives, voluntary agencies, or individuals; and related commodity or other support necessary for effective program and policy development, evaluation and management. Primary areas addressed continue to be in the agriculture, rural development, health, family planning and education sectors.

Activities funded under this project during the past year included: a study of irrigation in Afghanistan; a major evaluation of the Moulouya Irrigation project in Morocco; several surveys in support of various components of the Central Tunisia Rural Development project; project development assistance in several areas of rural primary education in Afghanistan; surveys of appropriate methods for the transfer of Agricultural Technology in Tunisia and technology appropriate for rural use in Yemen; support of the agriculture sector in Yemen under the Title XII mechanism; surveys of the role and status of women in Afghanistan, Morocco and Tunisia; and the design of a non-formal education effort for Moroccan women.

Host Countries and Other Donors: Host country officials work closely with the experts sent to assist them design and evaluate projects, but A.I.D. pays for these outside services. Other donors are consulted when they are involved in sectors in which A.I.D. is considering a project, and at times jointly funded teams are fielded.

FY 1980 Program: A.I.D. requests \$1,800,000 for continuing project development and support needs. Activities presently under consideration and development include studies of rural development in Afghanistan and Yemen, nutrition project design and evaluation in Morocco and Tunisia, and additional studies in various sectors in support of the Central Tunisia Rural Development project. These are but a few of the new projects proposed elsewhere in this book for FY 1980 that require analytic and design services prior to being approved.

Beneficiaries: This project funds research and analysis of critical importance to A.I.D. and host countries in developing, managing and evaluating projects in the region. The ultimate beneficiaries are those, primarily the poor, who benefit from the projects themselves.

Major Outputs: Thirty-seven project development and support activities were funded in FY 1978 under this project. A somewhat greater level of activity is projected in 1979 and 1980, both to support development of the expanded program being proposed and to improve the quality of project design with minimal increases in direct-hire A.I.D. staff.

A.I.D.-financed Inputs: Project development and support services in the following functional accounts: (\$ Thousands)

Food and Nutrition	650
Health	450
Education and Human Resources	350
Selected Development Activities	350
Total	1800

U.S. FINANCING (In thousands of dollars)			
	Obligations	Expenditures	Unliquidated
Through September 30, 1978	5661	4832	829
Estimated Fiscal Year 1979	1564	1308	
Estimated through September 30, 1979	7225	6140	1085
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1980	1800	Continuing	Continuing

PRINCIPAL CONTRACTORS OR AGENCIES
To be selected

TITLE Grants to Private Voluntary Organizations		FUNDS Various	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 298-0036		PRIOR REFERENCE FY 80 Annex A, Near East Programs, n. 911	FY 80 800	LIFE OF PROJECT Continuing	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>		INITIAL OBLIGATION FY 79	ESTIMATED FINAL OBLIGATION FY Continuing	ESTIMATED COMPLETION DATE OF PROJECT FY Continuing

Purpose: To support and expand priority development activities of private voluntary organizations (PVOs) in the Near East countries.

Background and Progress To Date: Though limited in number, those U.S. PVOs operating in the Near East countries have unique experience and capabilities in providing assistance to the poor. They have administered food programs under Title II of PL 480, humanitarian relief to victims of disasters, poverty, and illness, and limited but growing economic and social development programs. This project encourages expansion of these development activities by setting funds aside, outside regular country program budgets, for rapid response to worthwhile PVO proposals. Once approved, funding for each project generally becomes part of individual country programs.

Areas of interest for funding are projects that increase income, improve nutrition, health, and practical education, and benefit women in rural areas. Emphasis is also being given to projects that stimulate maximum local-level participation by low-income groups in planning and implementing rural development activities. PVO projects receiving FY 78 funding included an integrated pre-school feeding program in Tunisia, which also utilized Title II commodities, and additional support to an applied health and nutrition project in Yemen.

Host Countries and Other Donors: The host country and PVOs together contribute at least 25% of the cost of each approved project.

FY 1980 Program: A new effort to establish rural primary school gardens and small animal husbandry activities is under consideration in Tunisia for funding under this project. The \$800,000 requested will permit consideration of this and other projects of the kind described above.

Beneficiaries: The beneficiaries of PVO projects are the poor, with whom the PVOs work directly.

Major Output: The outputs of each project differ.

A.I.D.-Financed Inputs: by functional account (\$ Thousands)

<u>Grants to PVOs:</u>	<u>FY 80</u>
Food and Nutrition	300
Health	200
Education and Human Resources Development	200
Selected Development Activities	<u>100</u>
Total	800

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	(Included in country funding)			CARE Catholic Relief Services (CRS) Save the Children Federation (SCF) Others to be selected
Estimated Fiscal Year 1979	375	300		
Estimated through September 30, 1979	375	300	75	
Proposed Fiscal Year 1980	800	Future Year Obligations Continuing	Estimated Total Cost Continuing	

PROGRAM:

ACTIVITY DATA SHEET

CP 80-05(10-78)

TITLE American University of Beirut		FUNDS Education and Human Resources	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 298-0015		PRIOR REFERENCE Advice of Program Change No. 441, 9/14/78	FY 80	ESTIMATED FINAL OBLIGATION FY Continuing	LIFE OF PROJECT Continuing
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>		3,500		ESTIMATED COMPLETION DATE OF PROJECT FY Continuing

Purpose: To assist selected countries to meet human resource needs in priority development areas by providing undergraduate and graduate training at the American University of Beirut (AUB); and to support AUB's efforts to become an educational service center addressing the development needs of the countries in its area.

Background and Progress to Date: AUB completed the 1977-78 school year without any major disruptions despite the off-and-on troubles in Beirut. All scheduled regular and special programs were held. The total number of students who were enrolled increased from 2,699 students in the third trimester of 1976-77 to 3,721 students during the second semester of 1977-78. During that same period, the number of A.I.D. sponsored students increased from 164 to 243 students. The new academic year of 1978-79 has opened on schedule and 273 A.I.D. students are enrolled in regular academic studies. Total AUB enrollment is approximately 3,700 students.

AUB is fully responsible for administering this project and it now implements all aspects of the project, including those duties and responsibilities formerly carried out by A.I.D. Missions.

Host Country and Other Donors: All participating countries in the project (Afghanistan, Bangladesh, Cyprus, Djibouti, Jordan, Lebanon, Maldives, Nepal, Pakistan, Somalia, Sudan and Yemen) continue the payment during training of salaries to those students who are government employees. Cyprus, Jordan and Lebanon also pay travel costs for their students to and from Beirut. AUB received two significant financial contributions from oil-exporting countries during the last academic year. One is a grant to establish a new Faculty of Business and Management: the other is a general grant which will cover a ten-year period.

Beneficiaries: Direct beneficiaries of the project are the students trained at AUB. More importantly, the participating countries benefit when the students return and use their new knowledge in social and economic development activities.

FY 80 Program: The requested funds will finance a total of 305 students, both continuing and new starts, in regular academic programs during 1980-81 school year, and special summer programs for about 50 students.

Major Outputs:

Through FY 80
(Academic Year 80-81)

Students receiving degrees, including:	2520
Agriculture	(699)
Arts & Science, including Education	(1302)
Engineering	(345)
Nursing	(48)
Pharmacy	(71)
Public Health	(55)

Students trained in non-degree programs 3343

A.I.D. Financed Inputs: (\$Thousands)
FY 80

Student training (305 PY)	3,400
AUB administrative costs	100
Total	3,500

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	60,344	55,278	5,066	The American University of Beirut
Estimated Fiscal Year 1979	1,500	2,800		
Estimated through September 30, 1979	61,844	58,078	3,766	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	3,500	Continuing	Continuing	

TITLE Renewable Energy Development and Conservation		FUNDS Selected Development Activities	PROPOSED OBLIGATION (In thousands of dollars) FY 80 1,300		LIFE OF PROJECT Continuing
NUMBER 298-0005	NEW <input type="checkbox"/>	PRIOR REFERENCE None: FY 79 Advice of Program Change to be Provided	INITIAL OBLIGATION FY 79	ESTIMATED FINAL OBLIGATION FY Continuing	ESTIMATED COMPLETION DATE OF PROJECT FY Continuing
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>				

Purpose: To assist developing countries within the Near East region alleviate their energy problems by identifying and applying alternative energy sources and conservation techniques.

Background and Progress to Date: Because of the worldwide energy crisis there exists an urgent need, both in the developed and the developing world, to promote more effective energy utilization, particularly through the use of renewable energy sources and improved conservation. To address this need, the Congress has mandated that A.I.D. make an increased effort to develop and support activities in renewable energy technologies and conservation methods. In FY 78 A.I.D. funded two small surveys, using Project Development and Support funds. In FY 79, A.I.D. plans to undertake through this project such activities as the following: assistance to the Government of Morocco in establishing a Solar Energy Research Center in Meknes; solar/wind energy studies in Morocco, Tunisia, and Yemen; a small scale hydro-power study in Morocco to explore the feasibility of using small dams and energy plants in a proposed canal to power local irrigation and serve other rural energy needs; and a study of bio-mass applications for the generation of renewable energy in Tunisia.

Host Country and Other Donors: The Moroccan government will fund the principal costs of establishing and operating the Solar Energy Research Center, and salaries and operating costs for other proposed projects. The World Bank has completed a study of potential renewable energy sources in Morocco and may participate in future projects. The Tunisian government will finance personnel and operating costs of projects developing from the findings of A.I.D.-financed study teams. In Yemen, the government will furnish basic operating costs for village energy demonstration projects.

Beneficiaries: This project will primarily fund surveys and research into practical applications of newer nonconventional energy

technologies. As the results are applied, all levels of society will benefit. The primary beneficiaries, however, will be low and middle income families in rural areas who will have expanded access to energy sources which are more readily available and less expensive than conventional energy sources currently in use.

FY 1980 Program: A.I.D. requests \$1.3 million to provide expanded funding for the Moroccan Solar Energy Research Center, for further studies of small-scale hydro-power potential in Morocco, and for solar and wind energy feasibility surveys and pilot projects in Morocco, Tunisia and Yemen.

Major Outputs: By the end of FY 80 the Moroccan Solar Energy Research Center will be established. In addition, research in Morocco, Tunisia, and Yemen will be completed and demonstration projects underway.

A.I.D.-Financed Inputs:	(\$ Thousands)
Feasibility studies and pilot projects	1,300

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	To be Selected
Estimated Fiscal Year 1979	863	690		
Estimated through September 30, 1979	863	690	173	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	1,300	Continuing	Continuing	

TITLE Law and Development		FUNDS Selected Development Activities	PROPOSED OBLIGATION (In thousands of dollars) FY 80 200 .			LIFE OF PROJECT 1,000
NUMBER 298-0006 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>	PRIOR REFERENCE FY 79 Advice of Program Change to be provided	INITIAL OBLIGATION FY 79	ESTIMATED FINAL OBLIGATION FY 82	ESTIMATED COMPLETION DATE OF PROJECT FY 83	

Purpose: To improve U.S. and Arab understanding and expertise in the relationships between law and social structure in Near Eastern countries, and thereby improve the design of A.I.D. and host country projects in benefitting the poor.

Background and Progress to Date: The rapid modernization taking place in many of the traditional Islamic societies of the Middle East and North Africa is changing the face of these societies and bringing into question many of the tenets upon which their social structure and legal systems have historically been based. In the development process there is a need to identify the changes in legal systems necessary to bring about maximum equity in the distribution of the benefits of development. These changes, however, can only be successful if they are integrated and consistent with accepted social patterns within the developing countries. Recognizing that a fuller understanding of the relationships among these factors would contribute to more effective project design and implementation, the Near East Bureau in FY 1978 began to plan activities to foster this objective. In FY 1979 the Bureau plans to initiate a project bringing together in various fora U.S. specialists in Middle Eastern studies and legal specialists from Near Eastern countries. Support will be given to workshops, summer institutes, regional conferences, pre and post-doctoral research fellowships, and individual research grants.

Host Country and Other Donors: Host countries will pay the regular salaries of Ministry employees during the period that they are participating in the various activities under the project.

Beneficiaries: The immediate beneficiaries of the project will be the participants in the various conferences, seminars and research programs. The ultimate beneficiaries will be the poorest elements of the developing countries, who will benefit from better programs and projects which are based upon sound social analyses and

principles of equity.

FY 80 Program: The activities begun in FY 1979 will be continued and similar new ones initiated.

<u>Major Outputs:</u>	<u>All Years</u>
Workshops held	10
Summer institutes held	2
Regional conferences held	6
Pre-doctoral fellowships granted	12
Post-doctoral research fellowships granted	12
Individual research grants made	20

<u>A.I.D. Financed Inputs:</u>	<u>FY 80 (\$ Thousands)</u>
Support to institutes and conferences	90
Research fellowships and grants	<u>110</u>
Total	200

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1978	-	-	-	To be selected.
Estimated Fiscal Year 1979	200	190	10	
Estimated through September 30, 1979	200	190	10	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1980	200	600	1,000	

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Additional Program
Requirements

SHELF PROJECTS*

TITLE	ESTIMATED LENGTH OF PROJECT	ESTIMATED 1ST YEAR COST	PURPOSE
Regional Training for Women	3 Years	\$665,000	To enhance the ability of women in the Near East to contribute to their countries' development through specialized training and country and regional seminars.
Yemen - Education Outreach	5 Years	\$625,000	To develop within the Yemen government a capacity to provide Yemen's non-school population with basic skills for more productive employment.
Yemen - Development Administration	4 Years	\$800,000	To develop the financial and administrative capacity of the government ministries and other institutions responsible for Yemen's development effort.
Afghanistan - Non-formal Education	5 Years	\$500,000	To develop rural community education systems for adults and out-of-school youths within the Ministries of Health and Agriculture and Rural Development Department in three provinces.
Afghanistan - Helmand Valley Water and Pest Control	5 Years	\$3,000,000	To upgrade the extension service to assist small-scale rural farmers in water management and pest control, in order to raise income through increased yields in the Helmand Valley area.

*Projects identified for implementation if additional funds become available.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM BAHRAIN

CP 80-02(10-78)

PROJECT TITLE	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
				OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
SECURITY SUPPORTING ASSISTANCE										
DEVELOPMENT ADMINISTRATION	G	231-0001	76	1,100	472	---	---	---	---	---
TOTAL FOR ACCOUNT				1,100	472	---	---	---	---	
GRANTS				1,100	472	---	---	---	---	
LOANS				---	---	---	---	---	---	
TOTAL FOR COUNTRY				1,100	472	---	---	---	---	
GRANTS				1,100	472	---	---	---	---	
LOANS				---	---	---	---	---	---	

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM EUROPEAN REGIONAL

CP 80-02(10-78)

PROJECT TITLE	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
				OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
INTERNATIONAL DISASTER ASSISTANCE										
INT DISASTER RELIEF	G	198-0001	78	12,300	---	700	8,000	---	5,000	---
TOTAL FOR ACCOUNT				12,300	---	700	8,000	---	5,000	
GRANTS				12,300	---	700	8,000	---	5,000	
LOANS				---	---	---	---	---	---	
TOTAL FOR COUNTRY				12,300	---	700	8,000	---	5,000	
GRANTS				12,300	---	700	8,000	---	5,000	
LOANS				---	---	---	---	---	---	

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM **LEBANON**

CP 80-02(10-78)

PROJECT TITLE	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
				OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
INTERNATIONAL DISASTER ASSISTANCE										
DISASTER RELIEF	G	268-K000	77	19,900	18,051	---	1,849	---	---	---
TOTAL FOR ACCOUNT				19,900	18,051	---	1,849	---	---	
GRANTS				19,900	18,051	---	1,849	---	---	
LOANS				---	---	---	---	---	---	
SECURITY SUPPORTING ASSISTANCE										
TECHNICAL EDUCATION	G	268-0300	78	1,500	24	---	1,476	---	---	---
EL KAFAR PRSTHETIST TRAINING COURSE	G	268-0301	78	100	31	---	69	---	---	---
REHABILITATION IN BOHRT-HAMMOUND	G	268-0303	78	500	180	---	320	---	---	---
HEALTH SECTOR REHABILITATION	G	268-0305	78	4,900	3	---	3,140	---	1,757	---
RURAL POTABLE WATER	G	268-0306	78	6,500	---	---	4,900	---	1,600	---
YWCA VOCATIONAL/TECHNICAL TRNG	G	268-0307	78	200	---	---	200	---	---	---
HOUSING REHABILITATION	G	268-0308	78	932	---	---	932	---	---	---
YMCA VOCATIONAL TRNG FOR LEBANON	G	268-0309	78	800	---	---	400	---	400	---
SO LEBANON HOUSING REPAIR-RECONSTRUCTION	G	268-0310	78	2,800	---	---	2,000	---	800	---
RESTORATION OF MINISTRY OF AGRIC SER	G	268-0311	78	768	---	---	768	---	---	---
TECHNICAL ASSISTANCE FOR CDR	G	268-0312	78	1,000	---	---	500	---	500	---
TOTAL FOR ACCOUNT				20,000	238	---	14,705	---	5,057	
GRANTS				20,000	238	---	14,705	---	5,057	
LOANS				---	---	---	---	---	---	
TOTAL FOR COUNTRY				39,900	18,289	---	16,554	---	5,057	
GRANTS				39,900	18,289	---	16,554	---	5,057	
LOANS				---	---	---	---	---	---	

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM MALTA

CP 80-02(10-78)

PROJECT TITLE	L/G	PROJECT NUMBER	FY OF INITIAL OBLIGATION	THROUGH FY 1978		ESTIMATED FY 1979		PROPOSED FY 1980		FUTURE YEAR OBLIGATIONS
				OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
SECURITY SUPPORTING ASSISTANCE										
CASH GRANT	G	134-K608	78	9,500	9,500	---	---	---	---	---
TOTAL FOR ACCOUNT				9,500	9,500	---	---	---	---	
GRANTS				9,500	9,500	---	---	---	---	
LOANS				---	---	---	---	---	---	
TOTAL FOR COUNTRY				9,500	9,500	---	---	---	---	
GRANTS				9,500	9,500	---	---	---	---	
LOANS				---	---	---	---	---	---	

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