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Annual Budget Submission

FY 1984

MAURITANIA

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ANNUAL BUDGET SUBMISSION

FY 84

MAURITANIA

USAID/MAURITANIA

FY - 84 ANNUAL BUDGET SUBMISSION

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ABS SUMMARY STRATEGY STATEMENT

1. Analysis

Recent Economic Development

There have been three developments of economic significance in Mauritania since the January 1981 submission of our CDS8. Exports of fish have more than quadrupled from the average of the 1975-1978 period; with iron ore exports static or marginally downward, fishing revenues now constitute about a third of export earnings and budgetary revenues. As a result of the success in fisheries and as a result also of more vigorous collection of tax and customs revenues, domestic budgetary revenues jumped by 20% in 1981. With tight austerity in budgetary expenditures, the current budgetary deficit consequently fell to about \$78 million that year from an average of about \$120 million per year during 1978-1980.

The third significant development was a near normal harvest approaching 65,000 tons of cereals this past winter, as compared to a 45,000 ton average over the past decade. In October 1981, the GIRM raised the producer price for millet and sorghum from 8 to 13 ouguiyas per kilogram. The price of paddy was also raised from 10 to 12.5 ouguiyas per kilogram. In negotiations with US Mission officials, the GIRM has stated its intention to promulgate additional rises in producer prices over the next several years. These favorable prices will act as a powerful production

incentive so as to complement the USAID initiatives in both dryland and irrigated agriculture to significantly reduce the structural food deficit. Continued progress in reducing and finally eliminating the current budgetary deficit will enable the GIRM to assume gradually a greater share of the counterpart and recurrent costs of development projects.

Principal Developmental Constraints

The principal development constraints remain a lack of water, a dispersed population, extensive environmental degradation, rural health deficiencies and a lack of institutional capacity for extension.

Water shortages are serious both because of insufficient quantities in the dry-lands regions and near the major rivers and because of the extreme variability in rainfall and in the rise and fall of the Senegal river. The dispersed population raises the cost of supplying essential goods and impedes the marketing of crop surpluses. Continuing movement of sand dunes and soil erosion combined with inadequacies in rural health care are contributing to rapid urbanization. Insufficiencies in extension are slowing down the spread of promising new seeds and crop cultivation techniques.

Target Group

The lowest socio-economic level (manual laborers, sharecroppers, migrant workers) are not in a position to lead off in increasing

supplies of foodstuffs, fuelwood, etc. Conversely, those who control large amounts of capital invest it in quick-return sectors (real-estate, consumer goods, commerce) where profits are and will continue to be far greater than those than can be obtained in agriculture.

For USAID the target group is the lower and mid-level stratum which, with proper motivation and training, can increase supplies of food and other agricultural goods and be rewarded in the process. They are the small dryland and oasis agriculturalists; extended families or communities that form corporate groups that exploit land in the fluvial strip; and in the rainfed areas communities with clear title to specific dam-recession areas. These groups are able to respond to incentives offered by external financing, and are disposed to make profit out of increased agricultural production. Moreover, once the economic viability is proven, they can maintain and even expand upon a scheme. Provided the interventions are well-designed, the outlook for this target group is good: they still have social cohesion as well as entrepreneurial drive. But unless they perceive early rewards for their efforts, this group will seize on alternative possibilities outside of the rural sector.

2. Strategy

The AID strategy in Mauritania responds to the GIRM's rural development priorities in those areas where AID's limited assistance can have significant impact: increasing food production,

environmental restoration and natural resources management, and rural primary health. This strategy was developed to help meet Mauritania's food needs; to fight desertification which has constrained rural production; and to help revitalize the rural interior through the development of primary health services so as to assure a healthier, more productive work force.

The strategy aims at assisting agricultural producers in productive rural areas of the southern third of Mauritania. In the short-term the strategy focusses primarily on the improvement of rainfed agriculture and oasis production. In the longer term it will be broadened to incorporate irrigated agriculture along the Senegal River Basin area in conjunction with activities financed through the auspices of the OMVS. The USAID program focusses on two sectors to assist rural producers.

In the agricultural sector, the program aims at increasing food production through the transfer of technology and applied agricultural research appropriate to rural producers in oases and rainfed cereal production areas. The strategy aims at improving the extension capabilities of the GIRM so that productivity can be increased through the introduction of improved seeds and cultivation practices. Production is also increased by expanding available land through a program of technically improving the traditional system of rainwater runoff retention dam construction. The USAID program also addresses policy reform issues by encouraging the GIRM to increase producer prices for cereals and to establish a land tenure system which would assure broader access to productive

lands. Market access is also addressed by improving transportation constraints in the most agriculturally productive area of the country. The environmental constraints posed by desertification are being addressed through better resource management, sand dune stabilization, and improved forestry management.

In the health sector, USAID is assisting the GIRM reorient its health policy toward rural primary health care in order to improve the rural productive base. The lack of health services is among the factors involved in the rural exodus. The reorientation in GIRM health policy seeks to overcome the basic constraints of poor health coverage, lack of effectiveness, and increasing government costs by gradually extending a basic largely village-financed primary health care system in rural areas, including control of environmental diseases related to agricultural production.

While there are hopeful signs of increasing cereals production through the return of near normal harvests after years of drought, Mauritania is still a heavily food-deficit country. The USAID strategy is to continue the improvement of food production in rainfed and oasis agricultural areas in the short and medium run while investigating what are the most appropriate complementary uses of limited bilateral resources to support the development of irrigated agriculture in the Senegal River Basin. Although the greatest long-term potential for food production lies in the OMVS-affiliated activities along the Senegal River, the current USAID strategy remains to support the GIRM priorities on maintaining balanced rural development which includes rainfed and oasis agri-

culture. These areas are not only significant food production zones but remain the rural base for a large and vital component of Mauritania's population. Even with the development of the Senegal River Basin, Mauritania cannot afford the social upheaval of rapidly moving its entire population to the River Basin or to urban areas. The recently completed RAMS (Rural Assessment Manpower Survey) reports verify the benefits of a balanced riverine and rainfed approach to agricultural development in Mauritania.

However, USAID will carry out a major assessment of the agricultural sector late in FY 82 with the aim of modifying the USAID strategy as is appropriate in light of the evolving OMVS program and changing circumstances in Mauritania. It is expected that this will result in an agriculture sector grant which will focus on policy reform, institutional development to strengthen extension services, human resource development, increased food production, and improvements in maintaining the natural resource base. The Mission anticipates the development of a long-term relationship with a Title XII university which can backstop the GIRM's food and agriculture program and assist in the design and implementation of the USAID program. This modified strategy will appropriately guide AID to move from the generation of experimental projects associated with the relief phase after the Sahelian drought into a more fully developed program.

While USAID has experienced difficulties with project implementation in terms of contractor support, poor communications with the GIRM, and procurement problems, these are being rectified by improved

mission and contract management and greater communications and closer decision-making with the GIRM. One area that continues to provide problems is the dearth of qualified GIRM counterparts on both technical and administrative levels which underscores the need for human resources development as a component of AID efforts in Mauritania.

A recent evaluation of the Integrated Rural Development Project indicated that appreciable increases in food production are possible in the rainfed areas through appropriate dissemination of modest technical improvements in cultivation practices.

3. New Emphases

The new AID emphases on policy change, involvement of the private sector, technology transfer, and institutional development have implications on the continuing development of USAID strategy in Mauritania. As the mission approaches a major assessment of the agriculture sector with the goal of developing an agriculture sector grant based on a modified strategy, it is clear that a more effective approach to training and institutional development will have to be worked out than has heretofore guided AID projects in this country. The sector assessment allows an ideal opportunity to analyze the constraints faced by local entrepreneurs in using the marketplace to furnish the supplies and services required to increase food production, and how AID resources might be imaginatively used to overcome them. The sector assessment will also investigate how USAID can further support activities to strengthen policy designed to minimize food subsidies and provide production incentives. It may well be that the agriculture sector assessment,

guided along the lines of the new AID emphases, will result in a long-term shift of program direction more rapidly toward support of the development of irrigated agriculture in the riverine area. The new AID emphases may also alter the approach of the proposed 1983 health sector grant to encourage the development of the private medical sector, particularly as it relates to the provision of pharmaceuticals.

The new emphases for AID also reinforce USAID's Mauritania program strategy in several areas:

- In order to tap Mauritania's significant potential in the rainfed areas, USAID is creating a GIRM/institutional capacity to encourage private enterprise involvement in the national program of small-dam based recessional agriculture in the dryland interior. This involves improving technical engineering standards in dam construction and enabling the GIRM Rural Works Department to pass these standards on to private Mauritanian construction firms. Improved dam standards are also expected to encourage rural communities to invest locally in this developed infrastructure which will increase food production. USAID is encouraged to continue pursuing this approach. Several other donors interested in supporting the construction of small dams are prepared to modify previous intentions to pursue a force account approach once the Rural Works Department has this improved capacity to mobilize private firms at a technically acceptable standard.

- USAID is encouraged to continue its policy dialogue with the GIRM over grain pricing policy in the context of the PL 480 program. The significant steps taken by the GIRM to raise grain producer prices are encouraging to USAID and of interest to the other food aid donors.

- USAID will also continue its efforts to help the GIRM establish a clear new policy on land tenure. The constraint to food production posed by land tenure problems is great. USAID is assisting the GIRM to build the institutional capacity to formulate a land tenure policy which will encourage rural investments and production.

- In the health sector, USAID is continuing to urge the GIRM Ministry of Health to mobilize community resources so that beneficiaries assume the major costs for drugs and primary healthworker services. These efforts have been successful in the pilot primary health care project which USAID hopes to expand in the health sector grant in an effort to help the GIRM come to grips with recurrent costs problems of expanded health services.

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

Country/Office USAID/MAURITANIA

DEVELOPMENT ASSISTANCE	FY 1982 EST	FY 1983 EST	FY 1984 REQUEST	PLANNING PERIOD		
				1985	1986	1987
Functional Accounts						
Grants	----	----	----	--	--	--
Loans	----	----	----	--	--	--
Other D.A. Accounts (Sahel Dev. Program)						
Grants	6,550	6,800	8,100	9,000	9,200	9,600
Loans	----	----	----	--	--	--
Economic Support Fund						
Grants	----	----	----	--	--	--
Loans	----	----	----	--	--	--
TOTAL DA AND ESF	6,550	6,800	8,100	9,000	9,200	9,600
P.L. 480 (non-add)						
Title I (of which Title III)	----	----	----	--	--	--
Title II						
Section 206	3,600	3,500	3,600	-0-	-0-	-0-
VOLAG	2,610	1,490	1,100	1,900	2,000	2,000
TOTAL Personnel						
USDH(workyears)	18.1	19.2	19.0	19.0	19.0	19.0
FNDH(workyears)	22.0	18.0	18.0	18.0	18.0	18.0
Other SH Non-Add Items	637	1,132	1,032	1,057	782	807

TABLE I - NARRATIVE

Adapting to the budget realities made evident since the ABS exercise of last year, USAID/Mauritania has substantially adjusted its proposed program. These adjustments include the elimination as separate activities of proposed Alternative Energy Project (682-0223) and the Agricultural and Human Resources Project (682-0224). The proposed amendment to the Renewable Resources Management Project (682-0225) has also been eliminated from the budget. Elements of all of these activities which are found to be consistent with strategy developed from the upcoming Agricultural Sector Assessment may be included under the proposed Agricultural Sector Grant (682-0229).

This revised program package will allow for the pay-off by FY 1984 of all mortgages on projects begun prior to FY 1983. Elimination of these mortgages will permit the use of substantial resources to implement the proposed Agricultural Sector Grant beginning in the first quarter of FY 1984. The current budget scenario also allows for the development of a Health Sector Grant (682-0230) as a logical follow-on to the Rural Medical Assistance Project (682-0202) and the Expanded Program of Immunization (625-0937). This project is programmed to begin in FY 1983 to allow for an orderly transition from the first generation programs to the proposed new initiatives. The two new Sector Grants pose no difficulties in terms of AID forward funding guidelines.

Two projects show substantial pipelines due to delays in implementation, particularly in obtaining the services of institutional contractors. These projects are: Rural Land Reclamation (682-0203) and Oases Development (682-0207). Improvements in pipeline use will become evident as institutional contractors are brought on board and pace of work under these two projects is accelerated during the next fiscal year. Despite the large pipelines in these two cases, USAID/Mauritania has proposed large obligations in FY 83 and, for one project, in 1984 in order to free the Mission from the continued mortgaging of its program.

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

Country/Office USAID/MAURITANIA

APPROPRIATION ACCOUNT	FY 1982	FY 1983	FISCAL YEAR 1984
<u>Sahel Development Program</u>			
682-0201 - Integrated Rural Development (Guidimaka)	1162	---	-----
682-0202 - Rural Medical Assistance	----	---	-----
682-0203 - Rural Land Reclamation	2814	2590	1374
682-0204 - Vegetable Production	335	---	-----
682-0205 - Renewable Resources Management	----	---	-----
682-0207 - Oases Development	1239	1710	-----
682-0214 - Rural Development Improvement	1000	1500	1500
682-0226 - Small Irrigated Perimeters (OPG)	----	---	-----
682-0230 - Agricultural Sector Grant	----	---	4226
682-0230 - Health Sector Grant	----	1000	1000
TOTAL ALL DA Appropriation Accounts	6550	6800	8100
TOTAL ESF	----	---	-----
TOTAL DA AND ESF	6550	6800	8100
P.L. 480 (non-add)			
Title I/II	----	----	-----
Title II			
Section 206	3600	3500	3600
VOLAG			
Other SH Non-Add Items	637	1132	1032

TABLE IV. PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	OBLIGATION DATE		LIFE OF PROJECT COST	CUM. PERCENTAGE OF 0/10/81	FY 1982		FY 1983		ESTIMATED U.S. DOLLAR COSTS (\$000)				ITEM #		
		INITIAL	FINAL			OBL	EXP	OBL	EXP	1984 AAPT	1984 TO MR/YR	1985	1986		1987	FUTURE YEAR
		FY	FY													
682-0201	SAHEL DEVELOPMENT PROGRAM Integrated Rural Development (Goulimakay)	G	79	82	3901390	125%	1162	1920	--	500	--	--	--	--	7945	
682-0202	Rural Medical Assistance (PC)	G	79	79	16621662	1141	--	450	--	500	--	--	--	--	7946	
682-0203	Rural Land Reclamation	G	81	84	89008900	2119	2814	400	2590	1625	7/86	--	--	--	7947	
682-0204	Vegetable Production (PC)	G	77	82	1470180	475	335	680	--	200	--	--	--	--	7948	
682-0205	Renewable Resources Mgmt.	G	79	81	46784678	2921	--	700	--	700	--	--	--	--	7949	
682-0207	Oxter Development	G	81	83	3991599	2692	1239	800	1710	1600	--	--	--	--	7950	
682-0214	Rural Food Improvement	G	81	84	-- 4000	--	1000	50	1500	450	3/85	--	--	--	7951	
682-0226	Small Enterprises (MSGAR)	G	81	81	457457	442	--	300	--	142	--	--	--	--	7952	
682-0229	Agricultural Sector Grants	G	84	88	-- 20000	--	--	--	--	--	4226	3/85	4000	4000	3774	
682-0230	Health Sector Grant	G	83	86	-- 4000	--	--	--	1000	400	12/84	1000	1000	--	7953	
APPROPRIATION TOTAL					278595839	116486850	6850	5300	6800	6117	8100	5000	5000	4000	3774	
PROGRAM TOTAL					278595839	116486850	6850	5300	6800	6117	8100	5000	5000	4000	3774	

1/ These totals reflect only amounts for those projects now identified for funding in FY 82 or FY 84. They do not take into account the amounts for FY 85, 86 and 87 or Table I since no new starts are indicated on Table IV for the years following FY 84.

Project Title and No. Agriculture Sector Grant (682-0229)

Proposed Funding:

<u>FY 1984</u>	<u>FY 1985</u>	<u>LOP</u>	<u>Approp.</u>
4.2 m	4.0 m	20.0 m	SH

Purpose: Increase agricultural production and productivity (agriculture, fisheries, forestry, livestock) by 1) strengthening those private and public sector institutions that support agricultural and rural development activities; 2) financing productive, economically sound and cost effective interventions in the sector; and 3) strengthening and enlarging the human resources within the sector.

The GIRM in its fourth Five Year Development Plan (1981-1985), and in subsequent government statements, gives priority to the development of the rural sector. The new plan emphasizes the move toward self-sufficiency in food production, environmental regeneration rural population stabilization, and the return of peoples uprooted by the drought back to their traditional homes. The GIRM hopes to stem the influx of rural migrants to urban centers, by improving conditions in the rural areas. It must support activities that improve agricultural productivity, generate employment, and provide needed services in the rural areas in order to accomplish this. The Plan identifies two areas that need special attention as both conditions necessary for and prerequisites to implementation of the Plan's objectives: 1) The need to develop Mauritania's human resources; and 2) The need to increase local participation and keep down the recurrent cost obligations incurred by Government.

Preparation of the PID will be preceded by an agricultural sector assessment and strategy development now planned for September 1982. The assessment will build upon data and development strategies produced under the RAMS project and by the new Plan to provide a sharper definition of the types of interventions this program will finance. A Title XII institution may be chosen using the collaborative contracting mode to design and implement the sector grant. This would offer an opportunity for a Title XII institution to focus its resources on Mauritania and to develop a staff knowledgeable about Mauritanian development potential.

The agricultural sector grant program will have two basic components: One, activities designed to strengthen local capacity to program, finance, design, and implement rural development projects, including reinforcement of the rural extension system; USAID funded assistance will focus on private, Government and para-statal institutions. Two, funding for a series of food production oriented sub-activities or sub-projects complementary to the OMVS funded activities in the Senegal River Basin as well as consolidating components of and expanding on the lessons learned from the initial Mauritanian program activities in rainfed agriculture. The core component of the program will include the provision of technical assistance relating to food production concerns and be prepared to assist the appropriate

ministerial level planning group in the design and implementation of subsequent program activities that promote food production and related employment in rural areas. Consolidation of components of on-going USAID supported agricultural activities will be charged to the core activity as well as supervision of all subsequent agricultural activities under the program.

Key to effective implementation of this proposed program are the trained human resources required to design and implement such activities. Mauritania lacks sufficient numbers of adequately trained personnel to design and implement effective rural interventions, therefore, one sub-activity/sub-project will train and upgrade technical personnel in those skills needed to carry out rural development. On-the-job training will be done through actual implementation of sub-activities and the core activity. Training will use both third country (Francophone) institutions and U.S. universities, technical schools, and junior colleges as appropriate. Much in-country training of field staff will be done at the Kaedi Agricultural Training School, which may be a major sub-activity of the program. Curricula and refresher courses will be developed to meet sectoral needs.

With the identification and development of technical capacity, the program will finance the creation of a rural development fund (or window) to provide resources to implement the needed interventions in rural areas. This component, not expected to begin until the third year of this seven year program, will establish a set of general project/sub-project criteria. Thereafter, the institution involved, the host government and USAID will identify projects or sub-projects for subsequent funding. The core technical assistance team will work with entrepreneurs, Ministries and the financial institutions to establish project/sub-project identification, implementation and financing guidelines.

Host Country and Other Donors: The GIRM will agree to provide resources to this program in the form of personnel, facilities and land. It is also possible that other donors will find the rural development fund component a useful device through which to channel their own development resources. The GIRM recently established the National Development Fund (FND). This fund has a private sector orientation like the World Bank Group's International Finance Corporation. This fund is capitalized with 400 million UM (\$8 million) and will finance intermediaries who implement development activities. The FND may take an equity position in financed ventures along with private citizens and public and private corporations. USAID-financed feasibility studies will determine if the FND is an institution with which this program should work. There is also a Mauritanian Development Bank which is in need of a window to finance rural development/agro-industrial projects.

Major Issues: Major issues are 1) whether a local financial institution has the management capacity to supervise a rural development fund; 2) whether there are sufficient "bankable" schemes lacking financing; and 3) whether USAID and GIRM regulations will permit U.S.G. participation in this type of financing.

Target Group: The target group of this program are those rural agriculturalists who, with proper motivation and training, can increase supplies of food and other agricultural goods and be rewarded in the process. They include small land-owners in oases; river valley agriculturalists; and communities in the rainfed areas with clear title to specific dam-recession sites. These groups are able to respond to incentives offered by external financing, and are disposed to make profit out of increased agricultural production.

Project Title and No. Health Sector Grant (682-0236)

Proposed Funding (Grant):

<u>FY 1983</u>	<u>FY 1984</u>	<u>LOP</u>	<u>Approp.</u>
\$1.0 m	\$1.0 m	\$4.0 m	SH

Purpose: Development of a system of low cost, high coverage health care to improve the productivity and quality of life for rural Mauritians.

Project Description: The proposed project is designed to redress three main problems associated with health care in Mauritania by: 1) extending the availability of health care, which reaches only about 25% of the population and that portion mostly in urban areas; 2) shifting the emphasis to preventive health care as opposed to the current focus on curative health care; and 3) sharing, with some of the communities concerned, the responsibility for meeting the sharply escalating costs of a system which aims to provide the individual user free medical services and medication.

The project will be administered by the Mauritanian Ministry of Labor, Health and Social Affairs and the national Primary Health Care (PHC) Commission. Rotating extension teams will reach all villages two to three times per year to vaccinate, supervise health workers, conduct health education sessions, and control endemic diseases, etc. Potential project activities which benefit populations preferentially in rural development areas and which develop private medical related enterprises will be given high priority. Project activities will be designed to complement the rural development efforts of the agricultural sector grant program. High priority will be given to components which contribute to rural productivity by better serving rural populations and thereby helping to stem the rural exodus to urban areas. Efforts will also address environmental health problems affiliated with agricultural production. Underlying health problems associated with poor sanitation and malnutrition will be specially addressed. Project activities which incur minimum recurrent costs to the GIRM will also have high priority. The current cost of the national vaccination program is about five dollars per child vaccinated; this consolidated, multi-functional project is estimated to provide service costing about one dollar per beneficiary.

The project will focus efforts in three sectors: Central and rural institutional capabilities, selective consolidation and extension of current PHC activities, and private sector participation.

1) Institutional Capabilities: Project training will span a five year period and emphasize planning and management of PHC. Proposed training will include components in public health, teaching, supervision, gynecology and family planning, research planning and evaluation, and health education. Nurses, midwives, physicians, health planners, and educators to be trained will constitute the GIRM's PHC extension cadre and provide a core of planners and managers to improve Ministerial and regional medical administration of PHC. The PHC commission will assess and integrate PHC activities.

Technical assistance as well as training interventions during the first year of the project will strengthen the capacity of the planning unit of the Ministry of Health to evaluate and coordinate PHC activities.

2. Consolidations and Extensions: Reducing costs and administrative duplication, the project will gradually integrate elements of the following on-going activities into a single PHC effort: The Expanded Program of Immunization (625-0937.05), the Village Health Worker Training (Rural Medical Assistance Project (682-0202) and the Déléguées Sanitaire Program, the traditional Midwife Training, the National Health Education Program, the Leprosy Control Program, the Schistosomiasis and Malaria Control Program, the Nutrition Counselors Program, and the Family Health/Family Planning Project. Elements which are not made part of the project will be phased out.

3. Private Sector: The GIRM's health policy is to extend basic health services without substantially increasing the cost to the Government. Increasingly, therefore, beneficiary communities will be required to pay for these services. The proposed project will foster this transfer of basic costs under a concept which has proven feasible in the USAID-financed Rural Medical Assistance Project. One component of this concept functions to reduce the costs to the end user of medicines by half. Technical assistance may be appropriate under the proposed project to help the GIRM establish or expand in-country production of some medical equipment for local purchase.

TABLE V - FY 1984 PROPOSED PROGRAM RANKING

RANK	PROGRAM ACTIVITY		ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)	
	DESCRIPTION	ENCR				CUM	
	<u>New and Continuing Projects</u>						
1.	682-0229	Agricultural Sector Grant	N	G	SH	4226	4226
2.	P.L. 480	Title II, Section 206	O	G		(3600)	4226
3.	682-0203	Rural Land Reclamation	O	G	SH	1374	5600
4.	682-0214	Rural Roads Improvement	O	G	SH	1500	7100
5.	682-0230	Health Sector Grant	O	G	SH	1000	8100
6.	P.L. 480	Title II, CRS MCH	O	G		(1100)	8100
	<u>Non-Add Items</u>						
1.	625-0621	OMVS IDP	O	G	SH	- 1/	
2.	625-0605	OMVS Agricultural Research.	O	G	SH	(555) 2/	
3.	625-0928	Regional Food Crop Protection	O	G	SH	(300)	
4.	625-0936	Sahel Manpower Development	O	G	SH		
5.	625-0929.2	Planning, Management & Research	O	G	SH	(225)	
6.	625-0928	Integrated Pest Management	O	G	SH		
7.	625-0620	OMVS Data and Institutional Dev.	O	G	SH		
8.	682-9901	Special Self Help	O	G	SH	(87)	

1/ Financial Plan for the Mauritania component of this program is expected to be available July 1982.
 2/ These are illustrative figures; corrected breakdowns will be available upon completion of the PP amendment expected during June, 1982.

TABLE V - PROGRAM RANKING NARRATIVE

The FY 1984 Mauritania program is structured to reflect the goals of the CDSS in a manner consistent with GIRM development priorities and new AID program emphases. The agriculture sector grant/program, although a new start in FY 1984, is given first priority in the program ranking because it will be the core of a more comprehensive effort to increase food production in Mauritania. Building on the efforts of the earlier Mauritanian program in agriculture, the sector grant will focus on institutional development both to strengthen the extension services and to increase the efficiency of the market system. The sector grant will support activities to strengthen policy designed to minimize food subsidies and provide production incentives. The second priority is assigned to the on-going PL 480 Title II Section 206 program which is the foundation of AID's successful grain pricing policy dialogue with the GIRM. This has resulted in increased producer prices for cereals and is a vital incentive for individual farmers to increase food production. The development projects supported through the generation of local currencies in the Section 206 program also address marketing constraints, improve transportation links in food producing areas, and assure the continued extension of new cultivation practices initiated by the first generation of AID-supported projects in Mauritania. The third priority is assigned to the Rural Land Reclamation project, a continuing institution-building activity which will allow the GIRM to turn over to private Mauritanian construction firms the responsibility for building small recessional agriculture dams with improved technical standards. FY 1984 funding will complete the obligations for this project as well as for the **fourth priority project, Rural Roads Improvement**, which will assure year-round accessibility by a road network reaching Mauritania's most productive agricultural areas. The fifth priority is for the on-going health sector grant which will help the GIRM institutionalize rural primary health care. This is based on extending primary health services while reducing GIRM recurrent costs by requiring local communities to meet the costs for medicines and for primary health care workers' services. The final priority is for the on-going PL 480 CRS program which is aimed at improving nutritional conditions through MCH centers.

While the USAID Mission has no problems with the assigned workforce level for the bilateral program, it must be pointed out that there will be increasing mission responsibilities for monitoring the bilateralized aspects of the regionally-funded OMVS activities in Mauritania, particularly the Integrated Development and Agronomic Research Projects. USAID/Mauritania fully supports these vital activities in the Senegal River Basin area, but to assure the proper management and monitoring of these projects, one or two full-time professionals will have to be assigned to USAID/Mauritania in addition to the bilateral staff.

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TABLE VIII

	FY 1982			FY 1983		
	TOTAL	TRUST FUNDS	AID/W FUNDED	TOTAL	TRUST FUNDS	AID/W FUNDED
U.S. DIRECT HIRE	1,625.1	N/A		1,976.1	N/A	
P.N. DIRECT HIRE	405.4			412.2		
CONTRACT PERSONNEL	100.0			264.0		XXXXX
HOUSING EXPENSES	806.7			733.9		20
OFFICE OPERATIONS	1,909.9			2,206.5		XXXXX
TOTAL	4,847.1			5,592.7	(A)	XXXXX
USDH - NON AOC	(976.5)			(1,161.2)		
RECONCILIATION	(1,220.6)			(1,331.5)		XXXXX
MISSION ALLOWANCE	2,650.0	N/A		3,100.0	N/A	XXXXX

1983

(A) Mission estimates \$1,451.0 for local currency costs
Ougiya rate est at 50 UM to \$1 US.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

FY 1984 PROPOSED				
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	1,846.9	N/A		19.0
F.N. DIRECT HIRE	453.8	-		18.0
CONTRACT PERSONNEL	298.0			XXXXX
HOUSING EXPENSES	765.1			20
OFFICE OPERATIONS	2,231.6			XXXXX
TOTAL	5,595.4			XXXXX
USDH - NON ADD	(1,195.4)			
FAAS - ESTIMATE	(1,400.0)			
RECONCILIATION		XXXXX	XXXXX	XXXXX
MISSION ALLOWANCE	3,000.0	XXXXX	XXXXX	XXXXX

PL 480 PROGRAM SUMMARY

USAID is currently integrating its PL 480 program more closely into its development strategy for Mauritania. To avoid the pitfalls of yearly emergency food aid and yet assist in meeting Mauritania's large annual food grain deficit until a more self-sufficient balance can be reached, the PL 480 program is working through bilateral and PVO channels to encourage a more rational, development oriented approach to national food availability and needs.

I. CRS

One of the most important components in USAID's food strategy is the CRS Maternal- Child Health Project, targeted toward the nutritional needs of the most vulnerable population group, pre-school children. The CRS program is committed to improving nutrition and health services and consequently the quality of life in rural population centers. GIRM, CRS, and USAID objectives to improve rural health services and to stem the rural exodus dovetail in the MCH Program.

The CRS program is an important link in USAID's strategy to improve preventive health care in rural areas. While coordination of these activities could be considerably improved, MCH centers are important in verifying that children have received necessary vaccinations, in referring sick children to medical centers for professional care, in providing curative care for severely malnourished children, and in educating mothers in proper hygiene and diet for their offspring.

In the first half of FY '82, CRS reached an average of 50,000 mothers and children per month. In addition to the 1200 MT of SFSG, 600 MT of NFDM, and 300 MT of Vegoil distribution during this period, CRS also benefited from an annual Outreach Grant of \$541,543 which permitted further program expansion to rural areas. The importance of this grant should not be underestimated, as without these funds CRS would have to end its Food and Nutrition operations in most rural MCH centers. It is unlikely that GIRM would be able to finance the important transport costs involved in shipping commodities to these areas, and lack of a food supplement could have an adverse impact on other GIRM supported MCH activities.

Although now located in 26 centers in disadvantaged areas in Nouakchott and up-country, CRS has been slowed in expanding at an even faster rate by delays in construction of new MCH centers and the need to assure quality service in existing centers. Another factor hampering the programmed expansion of MCH services is the slow replacement of expatriate personnel needed to supervise the project. One position has been open for nearly eight months, placing an extremely heavy work load on other staff members. The success of this program depends heavily on quick refilling of empty staffing slots.

However, by the end of FY 82, when two new Red Crescent centers open in Nouakchott and five more are opened in rural areas, it is hoped that 65,000 beneficiaries will be reached each month.

CRS continues to improve its program both qualitatively and quantitatively. It is expanding the nutritional education element, developing nutrition rehabilitation cells in selected MCH centers, improving its stock control and distributing system, and opening several new centers to increase the number of beneficiaries. CRS also participates actively in training Mauritanian staff for newly opened centers. During the past year, it has trained personnel in all participating centers in the use of the CRS master chart to increase the efficiency of nutritional monitoring. CRS also uses this system to improve data analysis and program administration and evaluation.

Management of USG provided resources has been extremely good. CRS auditors concluded an internal audit of Mauritanian operations in April 1982 and reported that CRS/M is one of the best managed programs of its type in West Africa, with good financial and stock accountability. They recommend that longer term grant funding be provided to avoid disruption of on-going activities and to provide a sound base for future planning. CRS is scheduled for evaluation late in FY 82 or early in FY 83.

The USAID has reviewed the CRS operational plan and supporting table. It concurs with the plan which has not substantially changed from last year and the commodity levels requested.

While CRS expansion is moving more slowly than anticipated, USAID notes that current personnel are proceeding prudently in a balanced effort to improve the quality of services, especially the important educational component, as well as to expand the number of beneficiaries.

Storage facilities are adequate, and USAID does not believe that the relatively small tonnage levels requested will result in a disincentive to domestic production. The CRS Program is not only important for its impact on nutritional status of pre-school children, but also because it helps fill a part of Mauritania's substantial annual food deficit in a rational, programmed fashion.

II. TITLE II SECTION 206

To help cover Mauritania's annual food deficit, USAID has collaborated with GIRM to develop a Title II Section 206 Project Paper which will be submitted to AID/W within the next month for approval in FY 82. Over three years, the Mauritanian Grain Office (OMC) will sell 60,000 MT of PL 480 grain at gradually increasing prices, with the eventual goal of reaching import parity plus local handling costs in consumer prices of food aid. GIRM will use the proceeds from the sales to finance projects in the grain marketing, agricultural production, and rural transport sectors. These activities will complement current proposed efforts by USAID and other donors. It is also hoped that upward pressure on

subsidized consumer prices will pull up prices paid to local grain producers. In addition, USAID is collaborating closely with WFP in an effort to push the producer floor price to a level which would insure adequate compensation to the producer in bumper crop years. These combined actions should increase the income of rural producers in real terms. It should be noted that GIRM increased the floor price of food aid marketed by OMC by about 50% in 1981, and increased the floor price of locally produced grain by about 30% for the 1981 harvest.

Country/Office USAID/MAURITANIA

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE XI

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

COMMODITIES	FY 1982			Estimated FY 1983			Projected FY 1984		
	Agreement \$ MT	Shipments \$ MT	Carry into FY 1983 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1984 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1985 \$ MT
<u>Title I</u>	N/A			N/A			N/A		
<u>Total</u>									
Of which <u>Title III</u>									
<u>Total</u>									

COMMENT:

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE XII

Country/Office USAID/MAURITANIA

PL 480 TITLE I/III

Supply and Distribution
(000 Metric Ton)

<u>STOCK SITUATION</u>	<u>FY 1983</u>	<u>Estimated FY 1984</u>
Commodity - _____		
Beginning Stocks		
Production		
Imports		
Concessional	N/A	N/A
Non-Concessional		
Consumption		
Ending Stocks		
<hr/>		
Commodity - _____		
Beginning Stocks		
Production		
Imports		
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		
<hr/>		
Commodity - _____		
Beginning Stocks		
Production		
Imports		
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		
<hr/>		
<u>Comment:</u>		

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE XIII (Part I of II parts)

PL 480 TITLE II

I. Country MAURITANIA

Sponsor's Name CRS

A. Maternal and Child Health.....Total Recipients 72600

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>72600</u>	<u>SFSG</u>	<u>1,742.4</u>	<u>482.6</u>
<u>72600</u>	<u>NFDM</u>	<u>1,742.4</u>	<u>191.7</u>
<u>72600</u>	<u>Vegoil</u>	<u>435.6</u>	<u>359.4</u>
Total MCH		<u>3,920.4</u>	<u>1033.7</u>

B. School Feeding.....NONE.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total School Feeding		_____	_____

C. Other Child Feeding.....Total Recipients 3300

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>3550</u>	<u>SFSG</u>	<u>85.2</u>	<u>23.6</u>
<u>3550</u>	<u>NFDM</u>	<u>85.2</u>	<u>9.4</u>
<u>3550</u>	<u>Vegoil</u>	<u>21.3</u>	<u>17.6</u>
Total Other Child Feeding		<u>191.7</u>	<u>50.5</u>

D. Food for Work.....NONE.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Food for Work		_____	_____

E. Other (Specify).....Adult Health.....Total Recipients 3850

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>3850</u>	<u>SFSG</u>	<u>92.4</u>	<u>25.6</u>
<u>3850</u>	<u>NFDM</u>	<u>92.4</u>	<u>10.2</u>
<u>3850</u>	<u>Vegoil</u>	<u>23.1</u>	<u>19.1</u>
Total Other		<u>207.9</u>	<u>54.8</u>

II. Sponsor's Name _____

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE XIII (Part II)

PL 480 TITLE II

I. Country MAURITANIA

Sponsor's Name OFFICE MAURITANIEN DES CEREALES

A. Maternal and Child Health.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total MCH		_____	_____

B. School Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total School Feeding		_____	_____

C. Other Child Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Other Child Feeding		_____	_____

D. Food for Work.....Total recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Food for Work		_____	_____

E. Other (Specify)..Grain Marketing Section.??....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	Sorghum grain	10,000	1040
_____	Wheat grain	10,000	781
Total Other		20,000	3450

II. Sponsor's Name _____

CRS

<u>Fiscal Yr</u>	<u>No. Beneficiaries</u>	<u>Commodity</u>	<u>MT</u>	<u>Value</u>	<u>Total Value</u>
84	80,000	SFSG	1920	\$ 277	531,840
		NFDM	1920	\$ 110	211,200
		Vegoil	480	\$ 825	396,000
84 Total					\$ 1,139,040
85	88,000	SFSG	2112	285	601,920
		NFDM	2112	420	887,040
		Vegoil	528	866	457,248
85 Total					\$ 1,946,208
86	88,000	SFSG	2112	294	620,928
		NFDM	2112	420	887,040
		Vegoil	528	910	480,480
86 Total					\$ 1,988,448
87	88,000	SFSG	2112	303	639,936
		NFDM	2112	420	887,040
		Vegoil	528	955	504,240
87 Total					\$ 2,031,216
88	88,000	SFSG	2112	312	658,944
		NFDM	2112	420	887,040
		Vegoil	528	1003	529,584
88 Total					\$ 2,075,568

If SFSG increases 3% per year
NFDM increases to FY'82 price level after FY'84
Vegoil increases 5% per year

TITLE II Section 206

FY 83	10,000 MT	Sorghum	@ 152	1,520,000
	10,000 MT	Wheat	@ 206	2,060,000
			TOTAL	3,580,000
FY 84	10,000 MT	Sorghum	@ 164	1,640,000
	10,000 MT	Wheat	@ 181	1,810,000
			TOTAL	3,450,000
FY 85	10,000 MT	Sorghum	@ 172	1,720,000
	10,000 MT	Wheat	@ 190	1,900,000
			TOTAL	3,620,000

5% increase in FY 85^T

FY 86	-0-
FY 87	-0-
FY 88	-0-

FY 1984 ANNUAL BUDGET SUBMISSION

USAID/MAURITANIA

NON-BILATERAL FUNDED ACTIVITIES

ADDENDUM TABLE

PROJECT NUMBER	TITLE	DATE STARTED	TERMINAL DATE	AID CONTROL OFFICE	LOP COST (\$000)	PRIORITY	COMMENTS
625-0621	OMVS IDP	FY 83	FY 89	USAID/RBDO	- 1/	HIGH	
625-0605	OMVS Agricultural Research	FY 82	FY 87	USAID/RBDO	- 1/	HIGH	
625-0928.6	Regional Food Crop Protection	7/79	12/82	USAID/Dakar	884	HIGH	Project amendment now under consideration
625-0936.5	Sahel Manpower Development	8/79	LOP Exhausted	AFR/DR	743	HIGH	FY 82 Obligation: \$165,000
625-0929.2	Planning Management and Research	3/78	-	AFR/SWA	-	HIGH	FY 83 Request: \$325,000
625-0937.05	Expanded Program of Immunization (AIP)	6/80	4/83	AFR/DR	400	HIGH	
625-0937.05	Land Tenure (AIP)	9/81	4/85	AFR/DR	500	MEDIUM	
625-0620	OMVS Data and Institutional Dev.	FY 76	OPEN	USAID/RBDO	- 1/	MEDIUM	
682-9901	Special Self-Help	1/81	-	AFR/SWA	-	MEDIUM	FY 82 obligations: \$87,000 FY 83 request: \$87,000
625-0928	Integrated Pest Management	2/78	9/82	USAID/Ouagadougou	909	MEDIUM	

1/ Anticipated LOP for phase (s) in Mauritania are not available for these activities.