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Annual Budget Submission

FY 1984

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FY 1984

ANNUAL BUDGET SUBMISSION

USAID/Zaire

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SUMMARY STRATEGY STATEMENT

A. Analysis

1. Recent changes in the over-all economic situation

The political-economic environment in Zaire is exceedingly inhospitable to sustained economic-social development. In only one major respect has the situation apparently not deteriorated in recent months: The rate of inflation has been contained approximately within the targets agreed upon between the IMF and the GOZ last spring, as part of the Extended Fund Facility (EFF) arrangement. To some extent, even this reflects an unfavorable situation -- the declining purchasing power of the vast majority of Zairians.

By late 1981, after a somewhat promising start in late 1979, the GOZ had failed to meet virtually every other GOZ-IMF program target. This failure was in part due to GOZ failings (e.g., budget expenditures), and in some cases due to factors outside GOZ control (e.g., low mineral prices and reduced revenues). Accordingly, after allowing the GOZ to draw a net total of about \$155 million (136 million SDRs) under the billion-dollar EFF, which was to have been available in tranches from June 1981 to June 1984, the IMF has now (unofficially) allowed the EFF arrangement to lapse.

The CFF drawing in March, 1982 provided some temporary relief, and an IMF exploratory mission arrived in May. We understand that the IMF stands ready to assist the GOZ in developing an economic adjustment program. The USG continues to favor IMF

support for Zaire as the GOZ undertakes its own steps to improve its economy. In this context, the GOZ has committed itself to specific reforms favored by the IMF and IBRD, such as reductions and more efficiencies in government expenditures, improved production and marketing of agricultural commodities, and programs to arrest deterioration in the mining industry. Though these are steps that would improve the economic environment, it is too soon to judge whether the GOZ will commit itself and the funds to implement them.

The unfavorable changes include:

- The foreign-exchange shortage has become still more serious, so that the real value of imports fell in 1981, even if unofficial imports are included. For example, the GOZ has been forced to reduce -- by a reported 20% to 25% in 1982, on the heels of a 20% reduction in 1981 -- the volume of maize imports for the mining centers in South Shaba (which have in recent years accounted for over 80% of Zaire's imports of maize). Similar shortages of imported fuel and other materials, spare parts, and equipment hold down production in mining and manufacturing as well as in agriculture.

- Foreign debt and debt-servicing requirements. Total foreign debt has increased to \$4 to \$5 billion, while debt servicing eats up an estimated 30% of Zaire's export earnings compared with 20% in 1980 and 12% in the second half of the 1970s.

- Overvaluation of the zaire (the Zairian currency). The unofficial rate is now reported to be nearly three times the official rate, compared with a ratio of about two to one last year. Capital flight is thus encouraged; investment, production, and

imports are increasingly distorted; and some products, including coffee and diamonds, are reportedly exported unofficially. Some of the foreign exchange generated by the smuggling may help to finance unofficial imports needed for industry and agriculture, but much is used for imported luxury goods and capital flight. The two-tier foreign exchange market has been encouraged by the GOZ in the last two years by allowing the importation of goods using one's own source of foreign exchange (SAD regime). This has funnelled an estimated 30% of foreign exchange transactions through the parallel market, thus resulting in a de facto devaluation for those transactions.

- The terms of trade continued to worsen for Zaire (an estimated 16% decline in 1981, following a 9% decline in 1980), principally as a result of lower prices for Zaire's major exports (copper and cobalt) but also because of increased prices for most of Zaire's imports.

- A worsening of confidence among producers and potential investors as a result of these developments, which in turn has reinforced the deterioration.

2. Principal constraints to development

Though basically the same as during previous years, the five major constraints listed below are undoubtedly more serious;

- Budgetary problems for all development efforts. For example, Project North Shaba (PNS), USAID's largest project, requested \$18.3 million from the GOZ for 1982. The GOZ authorized \$4.8 million from its investment budget and \$891,000 from its ordinary budget. To date, it has allocated \$2,072,600 and \$891,000 respectively, the latter to be disbursed in monthly installments. The balance of \$12.6 million will be provided from

counterpart funds. This situation reflects serious budgetary constraints, not diminished GOZ interest in PNS, since the GOZ has in prior years provided proportionately more local-currency funds to PNS than to other rural development projects -- though the funds were consistently below PNS needs, with the shortfall being made up by counterpart.

- Administrative bottlenecks, often associated with mismanagement and corruption, continue to frustrate productive efforts.

- Transportation difficulties. Internal flights are cancelled much more frequently, owing to foreign-exchange-related fuel shortages. For example, flights to Kongolo, the site of Project North Shaba, are still scheduled, but there have been only two thus far in 1982. Roads continue to be virtually unusable for more than short distances. River and rail transportation continues to be both slow and costly. Accordingly, for this reason also, deliveries of spare parts, materials, and equipment are both costly and uncertain.

- Government restrictions on producer prices and inter-regional trade, which depress incentives to invest and produce in both agriculture and industry. Some amelioration and perhaps even removal of these restrictions may be in prospect. The Minister of Agriculture, Rural Development, and Environment said on May 7 that he intended to press for "liberalization" of both agricultural prices and inter-regional trade, though he added that he faced powerful opposition from some province governors. And on May 27 he said that the GOZ will be making price liberalization a national policy, one that governors must follow.

- Foreign-exchange shortages (see previous section).

3. USAID's target group

The extreme poverty among Zairians has not diminished and may even have worsened somewhat since the last submission. Moreover, in view of the circumstances already described, the outlook is bleak. However, life for small farmers and other rural poor in one area where USAID operates, in North Shaba, seems to have improved at least marginally during the past year or two.

4. Principal changes needed in GOZ policies

The changes needed have been outlined frequently by both international and bilateral lenders. They consist basically of:

- Reducing the government deficit, which creates both inflationary and balance-of-payments pressures.
- Establishing and maintaining a more realistic foreign-exchange rate. A substantial devaluation is needed now, to reduce the disparity between the official and unofficial rates.
- Removing producer price restrictions and other government interventions in the economy, and relying more on market forces.
- Establishing budget priorities, to alleviate transportation bottlenecks and to support the most urgent development projects.

Measures such as these would help the private sector more than any combination of donor and GOZ support. At the same time they would reduce the opportunities for the widespread corruption at all governmental and institutional levels -- which may be a key reason why the GOZ has taken so few steps in that direction.

B. Strategy

USAID's primary objective in Zaire at the present time is stabilization and recovery of the economy, so that the pre-conditions for medium and longer term development can be established. Our activities are directed toward eliminating important bottlenecks

in the economy, encouraging host country policy reform, strengthening the private sector's contribution to Zaire's development, demonstrating to the GOZ and other donors feasible approaches to the resolution of major problems, and mobilizing other donors in a collaborative effort so as to improve the chances of success.

The USAID program for the past several years has focused directly on Zaire's poor, while concurrently striving to effect constructive changes in the economic environment. Our assistance strategy emphasizes primarily agriculture and rural development, with a secondary emphasis on related nutrition, health, family planning, and human resources development. Our initial aim in agriculture is to increase small farmer incomes through over-all production increases, particularly of basic foodstuffs, using traditional but improved farming methods. Our subsequent aim is to improve the over-all quality of life of the small farmer by helping him to increase his productivity and move into commercial production.

As an integrating conceptual mechanism of our project assistance, we view and measure the effect of all of our initiatives within a food policy context. We visualize this as a chain that runs from the producers of basic foodstuffs to the consumer, encompassing all facets of the developmental spectrum. Our intention is to make Zaire as self-sufficient in basic foodstuffs as practicable. Complementing the policies of the GOZ as well as the programs of other donors, our strategy attempts to ensure that the key elements of the food chain from producer to consumer are in place, so as to achieve the higher goal of a nutritionally healthy population.

USAID's non-project aid for Zaire (PL-480 and the ESF-funded CIP) is particularly important during this period of economic

crisis. This balance-of-payments support provides the U.S. necessary leverage to stimulate GOZ implementation of economic policy reforms; and it is also urgently needed to increase utilization of capacity in the productive sectors and to rehabilitate infrastructure. The PL-480 Title I and Title II programs are equally important to meet the need for basic foods without strain on Zaire's scarce foreign-exchange resources. They are essential to alleviate shortages of basic foodstuffs in urban areas, until such time as increased domestic production and improved distribution can meet local requirements.

Whatever the method of financing, USAID would want to ensure that counterpart funds are generated. The programming of these funds has afforded an essential opportunity for a dialogue with the GOZ on policy reforms. That dialogue also has enabled USAID to help direct the allocation of domestic resources to priority uses.

These funds also provide critical financing for bilateral, PVO, and private sector development projects and activities. The GOZ has made severe budgetary cuts, which result in inadequate support for joint U.S./GOZ projects from the ordinary and investment budget accounts. Therefore, the ability to program counterpart funds has enabled USAID to continue financial assistance for joint projects as well as for other programs. Indeed, without the leverage provided by Title I food aid, to influence the allocation of counterpart funds, it is doubtful that USAID could have carried on its development programs.

By specializing in only a few priority sectors, USAID has been able to influence policy-makers in those sectors. We have been in the forefront of those advocating policy changes in the agriculture sector, and we have participated in and even led multi-donor

efforts. For example, we have developed a unified donor position on agricultural research which encourages its streamlining and integration into an over-all, long-term agricultural education, research and extension effort -- for which we plan to provide assistance.

It is our firm belief that our developmental strategy, involving both project and non-project aid, remains appropriate for Zaire at this time, despite the fact that the climate for standard AID projects is not propitious. We believe our efforts are helping to lay a solid foundation for some future time when appropriate conditions will exist in Zaire for accelerated development, particularly in agriculture. To forego this modest cost effort would make future programs much more difficult and costly. In addition, substantial and invaluable human resources would be lost.

C. New Emphases and Special Concerns

1. Private Enterprise

The USAID focus on strengthening private enterprise in Zaire is not new. We have sought, as a matter of special priority for some years, to identify private firms in essential development areas that need assistance to establish, maintain, or expand their activities. Through the utilization of counterpart funds when other investment was not available, we have encouraged both investment in and expansion of productive activities. For example, counterpart-fund loans totalling \$16.3 million in 1980-81 were made to various private agricultural enterprises such as EXFORKA and FORESCOM, for forestry projects; and KWILU NGONGO, for sugar production. Also in 1980-81, a total of \$5.4 million was loaned to Ifo, Lonkondo, Senzeyi, and Kankala farms, and to Kibila, Boeke,

Shingu plantations — all for animal-husbandry and food-production programs.

We are now seeking to strengthen this focus through (e.g.) the proposed FY 1983-FY 1984 CIP programs and the FY 1984 Agricultural Marketing Development Project. These will help overcome the critical shortage of foreign exchange for private manufacturers, which has reduced utilization of capacity to the 30% level in some instances, by providing scarce dollars for imports targeted to key sectors.

On-going Mission projects that impact positively on free market forces include, inter alia, Agricultural Marketing Support (660-K-025), providing imported commodities to private operators for marketing food crops; Agricultural Marketing Development (660-T-026), supporting private sector operators, both by providing incentives for increased food crop production and facilitating crop marketing; North Shaba Rural Development (660-0059), supporting small private farmers and merchants in production and marketing of corn and other crops in the project area; Fish Culture Expansion (660-0080), in which the Peace Corps and USAID jointly cooperate with the GOZ, to help establish small-scale fish farming by independent small farmers.

We also intend to explore further with Zaire's development bank (SOFIDE) as well as with private commercial banks, the opportunities for channeling through them foreign-exchange and counterpart-fund loans to private enterprises. SOFIDE, established in 1970, is capitalized and monitored principally by the World Bank (with some participation of foreign commercial banks and private Zairian investors). It is expected to play an expanding role in this area.

2. Recurrent Costs

Mindful of the heavy burden recurrent costs place on the Zairian budget, especially during the current budgetary crisis, USAID is seeking to hold down costs associated with both old and new projects. Our use of counterpart funds, as already noted, plays a major though hopefully temporary role in this respect.

3. Technology Transfer and Institution Building

We believe that the process of technology-transfer and institution-building can best be accomplished by working with complete indigenous systems rather than by attempting to concentrate on a single key institution within a network of institutions. For example, within the framework of the multi-donor agriculture research, education, and extension activity, there are a multiplicity of public and private sector actors such as educational institutions, seed multiplication centers, seed distributors, development centers, and research centers. The development of one institution, such as the Agronomic Faculty at Yangambi, could be a major step; but if such development were carried out in isolation, the effect of the activity could be quite limited. Hence, a holistic systems approach is warranted and required.

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

DEVELOPMENT ASSISTANCE	FY 1982 EST	FY 1983 EST	FY 1984 REQUEST	PLANNING PERIOD		
				1985	1986	1987
Country/Office <u>Zaire</u>						
Ag Rural Dev & Nut						
Grants	5,071	5,000	10,377	20,000	21,500	26,500
Loans	2,000	-	-	-	-	-
Population						
Grants	-	1,136	2,804	-	-	-
Loans	-	-	-	-	-	-
Health						
Grants	1,400	2,564	-	-	2,500	2,500
Loans	-	-	-	-	-	-
Education						
Grants	-	1,500	1,819	-	1,000	1,000
Loans	-	-	-	-	-	-
Selected Dev Activities						
Grants	-	-	-	-	-	-
Loans	-	-	-	-	-	-
SUB TOTAL FUNC ACCTS						
Grants	6,471	10,200	15,000	20,000	25,000	30,000
Loans	2,000	-	-	-	-	-
Other DA Accts						
Grants	-	-	-	-	-	-
Loans	-	-	-	-	-	-
TOTAL DA ACCTS						
Grants	6,471	10,200	15,000	20,000	25,000	30,000
Loans	2,000	-	-	-	-	-
Economic Support Fund						
Grants	-	15,000	15,000	15,000	15,000	15,000
Loans	-	-	-	-	-	-
TOTAL DA and ESP	8,471	25,200	30,000	35,000	40,000	45,000
PL-480 (non-add)						
Title I	10,000	10,000	20,000	22,000	25,000	25,000
(of which Title III)	-	-	-	-	-	-
Title II	-	2,100	2,100	2,100	3,000	3,000
Housing Guaranties (non-add)	-	-	-	-	-	-
TOTAL PERSONNEL						
USDH	25.6	27	27	27	27	27
FNDH	11	14.8	14.8	14.8	14.8	14.8

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

Country/Office Zaire

APPROPRIATION ACCOUNT	FY 1982	FY 1983	FISCAL YEAR 1984	
Agriculture, Rural Development and Nutrition				
660-0028 Agricultural Marketing Development (L)	2,000	-	-	-
660-0059 North Shaba Rural Development (G)	2,421	-	-	-
660-0070 Agricultural Sector Studies (G)	500	1,000	980	
660-0077 Cassava Outreach (G)	850	-	-	
660-0079 Area Nutrition Improvement (G)	1,014	1,000	2,286	
660-0080 Fish Culture Expansion (G)	286	-	-	
660-0091 Applied Agriculture Research & Extension (G)	-	1,500	2,305	
660-0095 Rural Hydroelectric Development (G)	-	1,500	1,806	
660-0098 Agricultural Marketing Development (G)	-	-	3,000	
Population				
660-0094 Family Planning Services (G)	-	1,136	2,804	
Health				
660-0086 Basic Rural Health (G)	1,400	2,564	-	
Education & Human Resources				
660-0068 Development Manpower Training (G)	-	1,500	1,819	
Selected Development Activities	-	-	-	
SUBTOTAL FUNCTIONAL ACCTS	8,471	10,200	15,000	

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

Country/Office Zaire

<u>APPROPRIATION ACCOUNT</u>	<u>FY 1982</u>	<u>FY 1983</u>	<u>FISCAL YEAR 1984</u>
Other Programs (Specify)	-	-	-
TOTAL ALL DA APPROPRIATION ACCOUNTS	8,471	10,200	15,000
Economic Support Fund			
660-0097 Commodity Import Program (G)	-	15,000	-
660-0100 Commodity Import Program (G)	-	-	15,000
TOTAL ESF	-	15,000	15,000
TOTAL DA AND ESF	8,471	25,200	30,000

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TABLE IV PROJECT BUDGET DATA

WDEP	PROJECT TITLE	OBLIG. DATE	INITIAL	FINAL	Life of Project Cost		CM PIPELINE AS OF 9/30/81	FY 1982		FY 1983		ESTIMATED U.S. DOLLAR COST (\$000)				OBLIGATIONS		ITEM #				
					Auth.	Plan		OBL	EXP	OBL	EXP	OBL	EXP	FUNDED TO NO/YR	1984 AMPL	1985	1986		1987	1988	1989	
																						1985
	Agriculture, Rural Development and Nutrition																					
660-T-026	Agricultural Marketing Dev.	79	79		5,000	5,000	5,000														7736	
660-0028	Agricultural Marketing Dev.	81	82		4,000	4,000	2,000															7735
660-0052	Agriculture Economic Dev.	77	80		2,169	2,169	1,119															7745
660-0055	Nutrition Planning	75	79		922	922	16															7748
660-0059	North Shaba Rural Dev. (PC)	76	82		9,925	11,712	3,999															7754
660-0059	North Shaba Rural Dev.	76	76		3,500	3,500	1,391															7755
660-0064	INERA Support	77	81		2,950	2,950	1,833															7758
660-0070	Agricultural Sector Studies	77	84		2,980	2,980	500															7762
660-0077	Cassava Outreach	78	82		3,027	3,027	2,175															7766
660-0079	Area Nutrition Improvement	82	84*		-	4,300	-															7769
660-0080	Fish Culture Expansion (PC)	78	82*		436	486	200															7771
660-0091	Applied Agricultural Research and Extension	83	85*		-	10,000	-															7779
660-0095	Rural Hydroelectric Dev.	83	85*		-	10,111	-															7782
660-0098	Agricultural Marketing Dev.	84	85		-	10,000	-															7784
	Appropriation Total				34,909	71,157	18,233															
	Grant				22,409	58,657	9,842															
	Loan				12,500	12,500	8,391															
660-0094	Population Family Planning Services (PVO/I/R) (PC)	83	84		-	3,940	-															
	Appropriation Total				-	3,940	-															
	Grant				-	3,940	-															
	Loan				-	-	-															

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TABLE IV PROJECT BUDGET DATA

PROJECT	ORIG. DATE	OBLIG. DATE	O/C	Life of Project Cost		COST PIPELINE AS OF 9/30/81	FY 1982		FY 1983		FY OBLIGATIONS				ITEM #		
				Auth.	Plan		OBL	EXP	OBL	EXP	FUNDED TO DATE	1984 A.A.P.L.	1985	1986		1987	FUTURE YEAR
660-0057		76	80	610	610	580	-	-	-	-	-	-	-	-	-	7751	
660-0058		76	80	887	887	409	-	-	59	-	-	-	-	-	-	7753	
660-0067		80	80	50	50	36	-	-	-	-	-	-	-	-	-	7759	
660-0086		81	83	4,864	4,864	900	1,400	2,564	1,500	-	-	-	-	-	-	7776	
660-0093		81	81	489	489	489	-	-	239	-	-	-	-	-	-	7780	
Appropriation Total				6,900	6,900	2,414	1,400	2,716	1,798	-	-	-	-	-	-		
Grant				6,900	6,900	2,414	1,400	2,716	1,798	-	-	-	-	-	-		
Loan				-	-	-	-	-	-	-	-	-	-	-	-		
Education and Human Resources Development Manpower Training		80	84	2,544	5,544	2,169	-	500	1,500	800	-	-	-	-	-	7760	
Appropriation Total				2,544	5,544	2,169	-	500	1,500	800	-	-	-	-	-		
Grant				2,544	5,544	2,169	-	500	1,500	800	-	-	-	-	-		
Loan				-	-	-	-	-	-	-	-	-	-	-	-		
Selected Development Activities		70	70	10,000	10,000	172	-	172	-	-	-	-	-	-	-	7740	
Transport Sector				10,000	10,000	172	-	172	-	-	-	-	-	-	-		
Appropriation Total				10,000	10,000	322	-	322	-	-	-	-	-	-	-		
Grant				10,000	10,000	322	-	322	-	-	-	-	-	-	-		
Loan				-	-	-	-	-	-	-	-	-	-	-	-		
Total Development Assistance				54,353	97,541	21,138	8,671	13,318	15,191	15,000	-	-	-	-	-		
Grant				31,853	75,041	14,625	6,471	8,296	11,300	15,000	-	-	-	-	-		
Loan				22,500	22,500	6,513	2,200	5,022	4,091	-	-	-	-	-	-		

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TABLE IV PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	G/L	OBLIG.		LIFE OF PROJECT COST	C/N PIPELINE AS OF 9/30/81	FY 1982				FY 1983				FY OBLIGATIONS				ITEM #		
			DATE	FINAL			OBL	EXP	OBL	EXP	OBL	EXP	OBL	EXP	1984 AAFL	FUNDED TO DATE	1985	1986		1987	FUTURE YEAR
			83	84			83	84	83	84	83	84									
660-K-025	Economic Support Fund	L	78	78	5,400	5,400	-	1,500	-	-	-	3,900	-	-	-	-	-	8356			
660-0052	Agricultural Marketing Supt.	G	77	80	1,561	1,561	14	14	-	-	-	-	-	-	-	-	-	7744			
660-0055	Agriculture Economic Dev.	G	75	79	700	700	49	49	-	-	-	-	-	-	-	-	-	7747			
660-0057	Nutrition Planning	G	76	80	667	667	31	31	-	-	-	-	-	-	-	-	-	7750			
660-0058	Health Systems Dev. (PC)	G	76	80	1,380	1,380	150	150	-	-	-	-	-	-	-	-	-	7752			
660-0064	Endemic Disease Control (PC)	G	77	81	900	900	124	124	-	-	-	-	-	-	-	-	-	7757			
660-0070	INERA Support	G	77	84*	500	500	332	332	-	-	-	-	-	-	-	-	-	7761			
660-0077	Agricultural Sector Studies	G	78	82	1,473	1,473	1,001	1,001	-	-	-	-	-	-	-	-	-	7767			
660-0080	Cassava Outreach	G	78	82*	464	464	181	181	-	-	-	-	-	-	-	-	-	7770			
660-0081	Fish Culture Expansion (PC)	G	78	78	500	500	22	22	-	-	-	-	-	-	-	-	-	7772			
660-0097	Karawa Rural Development (OFG/I/R)	G	83	83	-	15,000	-	-	-	-	-	5,000	-	-	-	-	-	7783			
660-0100	Commodity Import Program	G	84	84	-	15,000	-	-	-	-	-	-	15,000	-	-	-	-				
	Commodity Import Program	G																			
	Appropriation Total				13,545	43,545	7,304	3,404	15,000	8,900	15,000	8,900	15,000	15,000	15,000	15,000	15,000				
	Grant				8,145	38,145	1,904	1,904	15,000	5,000	15,000	5,000	15,000	15,000	15,000	15,000	15,000				
	Loan				5,400	5,400	5,400	1,500	-	3,900	-	3,900	-	-	-	-	-				
	Program Total				67,898	141,086	30,442	8,471	25,200	24,291	25,200	24,291	25,200	25,200	25,200	25,200	20,000				
	Grant				39,998	113,186	16,329	6,471	10,200	16,300	16,300	16,300	16,300	16,300	16,300	16,300	20,000				
	Loan				27,900	27,900	14,113	2,000	6,522	7,991	-	7,991	-	-	-	-	-				

Agricultural Marketing Development 660-0098

Purpose: To facilitate the access of small cultivators to agricultural marketing systems.

Background: This program in the agriculture marketing subsector aims at increasing small farmer production and income through the systematic removal of marketing and transport constraints in those zones having the highest production potential in basic foods.

The major constraint to increasing food crop supplies is the difficulty, and at times impossibility, of collecting and transporting food crop surpluses because of the seriously deteriorated condition of the transport network, particularly the road system.

Of Zaire's total land area, between 30 and 40 percent is estimated to have good potential for agriculture. At present, however, only a small part of this potential is productively exploited while the importing of substantial amounts of agricultural products continues.

Project activities will consist of (1) provision of foreign exchange for the importation of trucks, spare parts and marketing material/equipment for private sector use in the selected areas; (2) the improvement/maintenance of key secondary and farm-to-market routes; and (3) the improvement of river transport to selected zones.

The transportation of marketable surpluses is dependent upon the existence of an agricultural marketing system including the merchants who form an essential link in the food chain from the producers to the consumers in urban areas. An increase in producer-merchant contact would require that the present marketing system operate more efficiently and/or that it be expanded. The improvement and extension of the road system, and the upgrading of the maintenance capacity of the Bureau of Roads, will lower merchant vehicle operation and maintenance costs and allow the existing merchants to increase their area of operation. An increase in merchant profit margins could lead to an expansion of their vehicle fleet and attract more individuals and private firms to the agriculture sector.

An improved road transportation system is a necessary condition for the stimulation of agricultural production by small cultivators and the transportation of marketable surpluses of food crops to large population centers.

Host Country and Other Donors: The GOZ will provide the equivalent of \$5,000,000 over the life of the project for transport improvements. Participating merchants and businessmen will invest in marketing and transportation materials and equipment.

Beneficiaries: This project will benefit the private sector including small- and medium-size rural merchants and small farmers. The latter will be enabled to sell their commodities at a price that provides an adequate incentive to expand output beyond that needed for subsistence. Also benefiting, through increased supplies of food commodities, will be the urban consumers serviced by the selected agricultural areas.

FY 1984 Program: Participating agents mobilized, vehicles/equipment ordered, secondary and farm-to-market routes requiring improvement identified and work begun. Necessary improvements in water transport services and facilities identified and actions required to bring about those improvements initiated.

Major Outputs:

- Improved conditions of primary, secondary, and farm-to-market roads in project area.
- Improved river transport system.
- Increased tonnage of crops marketed.
- Increased products and income for small farmers.

A.I.D.-Financed Inputs (Grant):

	(\$000)	
	<u>Agriculture, Rural Development and Nutrition</u>	
	<u>FY 84</u>	<u>All Years</u>
Personnel: Five (5) long-term consultants (180 P/M)	3,000	3,000
Commodities: Trucks, spare parts, road maintenance equipment and tools	2,000	7,000
	<hr style="width: 50px; margin: 0 auto;"/>	<hr style="width: 50px; margin: 0 auto;"/>
	5,000	10,000

Commodity Import Program 660-0100

Purpose: To provide significant quantities of American capital equipment, spare parts, and raw materials to selected agro-industrial and transport activities as a very rapid and effective means of increasing production and employment in Zaire's domestic market.

Background: Most of Zaire's industry producing for the domestic market currently operates at between 20 and 40 percent of capacity. In order to forestall heightened import dependence and to dampen inflation it is essential that Zaire's domestic market industries revive quickly and sustain production as domestic demand picks up. Direct employment effects of this program will be substantial and, because of commodity programming tied to the domestic market, there will be significant secondary employment effects. Since the end of the last A.I.D. commodity program, Zairian industry has been turning elsewhere for substitutes for formerly U.S.-origin materials, parts, and equipment. Through a Commodity Import Program, the U.S. would serve the best interests of both partner nations, Zaire and the U.S. On the one hand, A.I.D. would be providing a portion of the external resources essential to the timely revival, rehabilitation and expansion of Zaire's agricultural and agro-industrial sectors. On the other hand, U.S. technology would be transferred via the program, serving American commercial interests including those active in Zaire. To maximize the impact of the resources provided, a positive list of categories of equipment, spare parts, and materials would be negotiated with the objective of enhancing the productivity of existing agro-industrial and transport investments and associated labor force.

The proposed grant would be devoted to the needs of the private sector, and in particular to agro-industrial and transport enterprises producing for and supporting the domestic market.

The grant agreement would provide for counterpart funds generated under the proposed Commodity Import Program to be utilized by the GOZ for development activities to be agreed upon with A.I.D.

The program, financed by the Economic Support Fund, would reiterate to the GOZ the commitment of the U.S. to contribute to the economic policy support and social stability of a strategic nation which is providing significant amounts of essential minerals to the U.S.

Host Country and Other Donors: The project will be financed solely by A.I.D. A number of donors are providing similar program assistance.

Beneficiaries: This project will benefit the private sector directly. Program beneficiaries would be identified in three categories. Initially, employees and entrepreneurs of the private sector, particularly those in agro-industrial activities, would benefit in Zaire while U.S. manufacturers, shippers, etc., would benefit in the U.S. Secondly, the GOZ (through enhanced tax receipts) and innumerable businesses and their employees, farmers, shippers, and consumers in Zaire would benefit from greater and more efficient production of goods for the domestic market. Finally, U.S. commercial interests should benefit in the long run from continued utilization of U.S. technology (embodied in products and processes) in the Zairian market.

FY 1984 Program: Letters of Credit will be opened under Bank Letters of Commitment to procure a wide range of U.S. commodities required by the agro-industrial and transport sectors that continue to suffer the effects of pervasive underinvestment and foreign exchange shortages that have existed over the past several years.

Major Outputs:

- Importation of goods and equipment necessary to keep productive processes in operation.
- Increased employment of industrial capacity.
- Increased employment opportunities.

A.I.D.-Financed Inputs (Grant):

	(\$000)	
	<u>Economic Support Fund</u>	
	<u>FY 84</u>	<u>All Years</u>
Commodities	15,000	15,000

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE V . FY 1984 PROPOSED PROGRAM RANKING		Country/Office ZAIRE				
RANK	PROGRAM ACTIVITY DESCRIPTION	ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)	
					INCR	CUM
1	New and Continuing Projects				980	980
2	660-0070 Agricultural Sector Studies	0	G	ARDN	2,286	3,266
3	660-0079 Area Nutrition Improvement	0	G	ARDN	1,819	5,085
4	660-0068 Development Manpower Training	0	G	EHR	(10,000)	5,085
5	PL-480 Title I				(2,100)	5,085
6	PL-480 Title II					
7	660-0091 Applied Agricultural Research and Extension	0	G	ARDN	2,305	7,390
8	660-0095 Rural Hydroelectric Development	0	G	ARDN	1,806	9,196
9	660-0094 Family Planning Services	0	G	POP	2,804	12,000
10	660-0098 Agricultural Marketing Development	N	G	ARDN	3,000	15,000
11	660-0100 Commodity Import Program PL-480 Title I	N	G	ESF	15,000	30,000
12	(Activities funded by PL-480 generated local currency; CY 1982; No. of projects - 33; \$ value - 33,000)				(10,000)	30,000

Table V Narrative

The Mission, in conformity with AID/W guidelines, has been concentrating its efforts in support of four major initiatives: (1) host country policy changes; (2) enhancing the contribution of the private sector to Zaire's development; (3) technology transfer; and (4) institution building, including training. Proposed Mission initiatives from FY 1983 onward will impact positively on these sectors.

With respect to policy changes, the Mission, both bilaterally and in concert with the other major donors, has been engaging the GOZ in a dialogue that attempts to show the linkage between the resolution of macro-economic and sector constraints on the one hand and economic development on the other. Although our discussions with the Department of Agriculture, for example, have centered on an integrated approach to agricultural research, education, and extension, we and the other donors also have induced the Department to develop a strategy for agriculture that refers to the macro-reforms that must be accomplished if the sectoral remedial measures are to have a chance of success (see Kinshasa 5712).

The Mission has long encouraged initiatives to promote private sector investment and expansion of productive activities. Through the provision of scarce foreign exchange for targetted imports, the proposed FY 1983-FY 1984 CIP programs, along with the FY 1984 Agricultural Marketing Development project, will impact positively on the growth of the private sector and assist the sector in playing a substantial role in the development process.

Ongoing Mission projects that impact positively on free market forces include, inter alia, Agricultural Marketing Support (660-K-025), providing imported commodities to private operators for marketing of food crops; Agricultural Marketing Development (660-T-026), supporting private sector operators, both by providing incentives for increased food crop production and by facilitating crop marketing; North Shaba Rural Development (660-0059), supporting small private farmers and merchants in production and marketing of corn and other crops in the project area. In addition, the North Shaba Project has established a road maintenance mechanism in which ESTAGRICO, a private sector agricultural firm, has responsibility for manual maintenance of 500 kilometers of roads. The Fish Culture Expansion (660-0080) project, in which the Peace Corps and USAID jointly cooperate with the GOZ, is based on small-scale fish farming by

independent small farmers. (For further details on Mission private sector development activities see Kinshasa 4883.)

Several ongoing Mission activities impact directly on technology transfer and institution building. The Agricultural Marketing Development Loan (660-T-0028) supports the establishment of the Lubumbashi Training Center, one of three centers forming the Office des Routes' national basic training system for road equipment operators, mechanics, and other technicians. The Agricultural Economic Development project (660-0052) and the Agricultural Sector Studies Project (660-0070) are designed to strengthen the GOZ's agricultural policy planning and institutional capabilities by enhancing the effectiveness of the Department of Agriculture. Under Project 660-0052, 51 participants are programmed to receive advance training in economics and statistics in the U.S. Of these, 30 already have returned to Zaire. In agricultural research, the Mission currently is supporting the INERA station at Mulungu and the PRONAM station at M'Vuazi. The INERA station is developing and testing production packages for food legumes. Seven participants are currently in the U.S. receiving advanced training. The PRONAM station is conducting adaptive and applied research on cassava using a farmer participatory approach. Nine participants are undergoing advanced training at the International Institute of Tropical Agriculture, Ibadan, Nigeria. The proposed, FY 1983, Applied Agricultural Research and Extension Project (660-0091) will draw and expand on results from INERA, PRONAM and other donor research activities and will institutionalize applied agricultural research, extension, and education in Zaire. Under the Nutrition Planning project (660-0055), the National Nutrition Planning Center (CEPLANUT) was established. The follow-on project, Area Nutrition Improvement (660-0079) will involve CEPLANUT in planning and implementing nutrition interventions in the Bandundu Region as a means of developing a replicable nutrition intervention process. New initiatives in these areas also include Rural Hydroelectric Development and Family Planning Services.

Eight projects, exclusive of P.L. 480, are proposed for funding in FY 1984. Of these, five projects are to be funded from the Agriculture, Rural Development and Nutrition appropriation account. This is in keeping with our developmental emphasis on food production and related nutrition. Funding in FY 1984 for Agricultural Sector Studies and Area Nutrition Improvement will provide final increments of life of project costs. Agricultural Sector Studies is providing invaluable technical assistance to the Government of Zaire's (GOZ) Department of Agriculture in its formulation of agricultural policies

and strategies and project analyses. As such, this project is impacting on all regions and at all levels of agriculture decision making. Area Nutrition Improvement involves the National Nutrition Planning Center, an entity established with A.I.D. funding, in implementing important nutrition interventions in Bandundu region near Kinshasa.

Development Manpower Training, a project that is improving substantially the quantity and quality of the GOZ's rural development programs through training of selected public and private entity participants in priority development sectors, is ranked third on our funding list. Funding in FY 1984 will provide the final increment of life of project costs. Thus, the top three priority ranked projects will receive final year funding in FY 1984.

A P.L. 480 Title I program of \$20 million is requested for FY 1984. This request assumes, of course, that various structural changes will be made by the GOZ in concert with the guidelines laid down by the International Monetary Fund. In the event that there are no significant policy changes that would be conducive to meaningful development activity, or GOZ budget allocations into priority sectors to ensure continuing development momentum, than a P.L. 480 Title I program of \$10 million will be requested. The P.L. 480 Title I and Title II programs are important elements of USAID's development strategy for Zaire. P.L. 480 Title I and Title II imports are fast-disbursing, meet a need for basic foods, while alleviating the strain on Zaire's balance of payments. These imports remain essential if shortages of basic foodstuffs in urban areas are to be alleviated and until such time as increased domestic agricultural production and improved distribution can meet local requirements.

The local currency (counterpart funds) generated from the sale of Title I commodities is an important funding source for priority USAID/GOZ development programs. During this period of GOZ budget austerity, the counterpart funds assume a disproportionate importance as a source of scarce investment funds. USAID has formulated procedures governing the programming and release of local currency funds generated from the Title I sales program. The procedures integrate the use of the funds within our development programs. Indeed, without the leverage provided by our Title I food aid program to influence the allocation of domestic resources, it is doubtful that we could carry on with our agricultural and rural development programs. In addition, we have been able to use the counterpart fund to assist private sector development activities.

The Title II program is directed at improving the nutritional and health status of the impoverished rural and urban populations. Malnutrition is perhaps the most serious health problem in Zaire and is most severe among children five years of age and under, as well as among pregnant and lactating mothers. Various factors have joined to elevate the cost of proper diets beyond the reach of low-income families. The Title II MCH program, targeted as it is on children and mothers, attempts to overcome nutrition problems directly. Under the Title II program, Catholic Relief Services is promoting nutrition education for, and increased food production by, those receiving food throughout Zaire.

The Mission next proposes funding for Applied Agricultural Research and Extension. Second year funding is required for field testing and refining technical packages developed at agricultural research stations to determine the most appropriate technical packages in basic food crops. This project has drawn upon the results obtained from other research programs, including INERA Support and Cassava Outreach, as well as other donor efforts.

Rural Hydroelectric Development will receive second year funding in FY 1984. This pilot effort is developing prototype facilities for rural hydroelectric generation and distribution. This project impacts positively on private sector entities, including missionary organizations, in the rural areas.

The only population funded activity, Family Planning Services, ranks next in priority. Final year funding for this project is requested in FY 1984.

A new project, Agricultural Marketing Development, designed to facilitate access of small cultivators to agricultural marketing systems, is next. This grant follows on the experiences and lessons learned from three previous agricultural marketing projects and will benefit the private sector, including small- and medium-size rural merchants and small farmers.

To recapitulate, of our seven Development Assistance funded projects, five are funded from the Agriculture, Rural Development and Nutrition appropriation category; one, from Education and Human Resources; and one, from Population funds. With respect to specific sectors of emphasis, the Mission views the agricultural and rural development sector as the primary focus of our assistance. The USAID agricultural

strategy in Zaire can be stated as follows: initially to increase small farmer income through overall production increases, particularly for basic foodstuffs, using traditional, but improved, farming methods; subsequently, to improve the overall quality of life of the small farmer by increasing his productivity substantially and helping him to move into commercial production.

With respect to project assistance, one key integrating concept applied by the Mission is to view, and measure the effect of, all of our initiatives within a food policy context. This is visualized as a chain that runs from the producer of basic foodstuffs to the consumer, a chain that encompasses all facets of the developmental spectrum. The intention is to make Zaire optimally self-sufficient in basic foodstuffs (recognizing that complete self-sufficiency may not be comparatively advantageous) and also to ensure that the level of nutrition of the population is improved.

One project is proposed in FY 1984 under the Economic Support Fund (ESF): a Commodity Import Program (CIP). Industrial capacity utilization would be increased under a CIP and the employment benefits could be substantial. A CIP also would provide to the USAID an opportunity for a heightened dialogue on industrial sector policies in Zaire and would enhance both the U.S. and Zairian private sector's contribution to Zaire's economic development. The CIP would be devoted to the needs of the private sector, and in particular to agro-industrial and transport enterprises producing for and supporting the domestic market.

Due to the nature of the ESF program, no restructuring of Mission staff would be required in the event that funding was not provided in FY 1984. In fact, an advantage of non-project assistance of this type is that it does not add to the project portfolio, hence USAID personnel and support requirements, but can be used to support existing activities.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

	FY 1982				FY 1983			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	1754.2	-----	1,197.9	25.6	2,036.9	-----	1,391.2	27
P.N. DIRECT HIRE	118.6			11	178.2		-----	14.8
CONTRACT PERSONNEL	304.5			XXXXX	443.1	83.1	-----	XXXXX
HOUSING EXPENSES	576.8	315.9		25.5	611.7	71.3		29
OFFICE OPERATIONS	2,225.4	259.1		XXXXX	2,393.7	482.0		XXXXX
TOTAL	4,979.5	575.0	1,197.9	XXXXX	5,663.6	636.4	1,391.2	XXXXX
Trust Funds	575.0				636.4			
AID/W	1,197.9				1,391.2			
RECONCILIATION FAAS	1,306.6			XXXXX	1,436.0			XXXXX
MISSION ALLOWANCE	1,900.0			XXXXX	2,200.0			XXXXX

Trust Funds Zaire 3,500,000
Exchange Rate US \$1.00 = 5.5

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

	FY 1984 MINIMUM				FY 1984 CURRENT			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	1,911.5		1,314.0	24.3	2,123.9		1,460.00	27
F.N. DIRECT HIRE	198.6			13.3	220.7			14.8
CONTRACT PERSONNEL	429.3			XXXXX	477.0			XXXXX
HOUSING EXPENSES	662.5	83.4		28	736.1	92.7		30
OFFICE OPERATIONS	2,383.7	543.2		XXXXX	2,648.6	603.6		XXXXX
TOTAL	5,585.6	626.6		XXXXX	6,206.3	696.3	1,460.0	XXXXX
Trust Funds	626.6				696.3			
AID/W	1,314.0				1,460.0			
RECONCILIATION FAAS	1,422.0			XXXXX	1,580.0			XXXXX
MISSION ALLOWANCE	2,223.0			XXXXX	2,470.0			XXXXX

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

FY 1984 PROPOSED				
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	2,123.9		1,460.0	27
F.N. DIRECT HIRE	220.7			10.8
CONTRACT PERSONNEL	477.0			XXXX
HOUSING EXPENSES	736.1	92.7		30
OFFICE OPERATIONS	2,648.6	603.6		XXXX
TOTAL	6,206.3	696.3	1,460.0	XXXX
Trust Fund	696.3			
AID/W	1,460.0			
RECONCILIATION FAAS	1,580.0	XXXX	XXXX	XXXX
MISSION ALLOWANCE	2,470.0	XXXX	XXXX	XXXX

Data on Acquisition, Operations and
Use of ADP and WP Equipment, Services
and Systems

Narrative Statement

USAID and USICA are scheduled to occupy a new building in Kinshasa during the final quarter of FY 82. At that time, USICA will install a WANG OIS 130 or 140. USAID plans to access this system with archiving stations and printers to improve AID's word processing.

Initial procurement by USAID will be for three WANG AWSs of which one is considered a spare, two printers with twin feeders, supplies as required, plus maintenance services. The initial purchase will be made in FY 82 with equipment on line by mid-September.

In FY 83, USAID plans to expand its capability to six workstations with the purchase of five AWSs with one as a spare and two printers. This additional equipment should be on line by February 1983. No additional purchases are planned for FY 84 at this time.

TABLE VIII (b)
Obligations for WP Systems
(\$000)

	<u>Fiscal Year</u>		
	<u>1982</u>	<u>1983</u>	<u>1984</u>
A. Capital Investments in WP equipment	36.3	57.5	0
B. W/P Supplies	2.2	6.6	6.6
C. Other W/P Costs (Maintenance)	4.3	11.0	11.0
TOTAL	42.8	75.1	17.6

PL-480 Narrative

PL-480 Title I and Title II programs are an integral part of the USAID's overall development strategy for Zaire. These programs are complementary to, and impact upon, our primary developmental goal.

The USAID program for the past several years has focused directly on Zaire's poor, while concurrently striving to effect constructive changes in the economic environment. Our assistance strategy primarily emphasizes agriculture and rural development, with a secondary emphasis on related nutrition, health, family planning, and human resources development activities. Complementing the policies of the GOZ, as well as programs of other donors, USAID strategy attempts to ensure that the key elements of the food chain from producer to consumer are in place to achieve the ultimate goal, that is, a nutritionally healthy population.

PL-480 Title I and Title II imports meet an important need for basic foods while alleviating the strain on Zaire's balance of payments. These imports remain essential if shortages of basic foodstuffs in urban areas are to be alleviated and until such time as increased domestic agricultural production and improved distribution can meet local requirements.

The local currency (counterpart funds) generated from the sale of Title I commodities is a critical funding source for USAID/GOZ joint development projects and activities (see Kinshasa 1874). As Zaire attempts to maintain its adherence to strict budget limits imposed by the IMF, the counterpart funds assume a disproportionate importance as a source of scarce operating and investment funds. USAID, in agreement with the Commissariat of Plan, has formulated procedures governing the programming and release of local currency funds generated from the Title I sales program. The procedures integrate the use of the counterpart funds within our development programs. Indeed, without the leverage provided by our Title I food aid program to influence the allocation of the counterpart funds, it is doubtful that we could carry on with our agricultural and rural development programs inasmuch as GOZ budgetary allocations do not suffice, even minimally.

The Title II program is directed at improving the nutritional and health status of impoverished segments of the rural and urban populations. Malnutrition is perhaps the most serious health problem in Zaire and is most severe among children five years of age and under, as well as among pregnant and lactating mothers. Various factors have joined to elevate the cost of proper diets beyond the reach of low-income families. The Title II Maternal and Child Health program, targeted as it is on children and mothers, attempts to overcome nutrition problems directly. Under the Title II program, CRS is promoting nutrition education for, and increased food production by, those receiving food throughout Zaire.

The size of the USAID's PL-480 program has been on a slow but steady decline for the past few years. Despite this fact, the PL-480 program has facilitated the Mission's policy dialogue with the GOZ. We also have been able to achieve considerable impact in the following areas: (1) providing needed balance of payments support, and (2) providing local currency (counterpart fund) in support of GOZ, PVO, and private sector efforts to increase local food production, thus enhancing the private sector's involvement in the development process. In addition, self-help measures negotiated with the GOZ in connection with Title I have provided a sound basis for long-term development.

Orientation of the GOZ toward policies and measures that will increase agricultural production will be a test of the GOZ's political will to meet the needs of the Zairian people. Although official GOZ statements rank food production as a "priority of priorities", the real test will be the actual allocation of a larger proportion of limited budgetary resources and foreign exchange availabilities to the promotion of agricultural development.

Food Production Situation and Trends

The basic food staples include cassava, corn, wheat, rice, peanuts and meat. The proportionate components vary by region according to local custom and availability. Wheat is becoming an increasingly important form of food. However, it is very unlikely that it could be produced in significant quantities in Zaire because of climatic conditions.

Zaire imports limited quantities of rice and more sizeable quantities of corn (100,000-200,000 MTs per year) on commercial terms. Meat is also imported from Southern Africa. In 1981 corn production was 524,000 tons an increase of 5.8% from the 1975 production figure of 495,400 tons. One hundred forty-one thousand tons of corn were imported in 1981 compared to 137,452 tons imported in 1975, or an increase of 2.6%. Local rice production in 1981 was 223,000 tons, an increase of 7.3% from the 1975 production figure of 207,800 tons. Rice imports totalled 15,000 tons in 1981 an increase of 48% from the 10,114 tons imported in 1975. Cassava production was 12,353,000 tons in 1981 or a 4.3% increase from the 1975 production figure of 11,844,100. Cassava is not imported. Meat production rose 1.9% from 84,000 tons in 1975 to 85,600 tons in 1981. Imports of meat have risen from 15,300 tons in 1975 to 23,000 tons in 1981 or, an increase of 50 percent. Rice, corn and meat could be increasingly produced in Zaire once adequate transport and marketing linkages have been reestablished. With the aid of donor countries, Zaire is attempting to eliminate these and other major constraints to agricultural production. Rural development projects emphasizing corn production now exist in all the regions on the Kinshasa-Lubumbashi axis. A cattle project in Haut Zaire, financed by the World Bank, probably will broaden its role to include production of food crops. According to GOZ officials, price liberalization of farm gate and processor prices is in effect in the main agricultural regions where adequate production is now occurring. The difference between the official and parallel rates of exchange still tips the scales in favor of food imports. This is particularly true for meat but it is also true for corn. Nevertheless, price controls continue in Shaba where the critical corn shortage exists.

PL-480 Distribution

PL-480 Title I commodities (wheat and wheat flour) move through commercial channels that are adequate to handle the amounts programmed. Commodity shipment arrivals are timed to accommodate consumption needs. The wheat imported under Title I, as is all other imported wheat received from aid donors or purchased commercially, is handled by MIDEMA (a subsidiary of Continental Grains) at Matadi, Bas Zaire. MIDEMA schedules wheat arrivals to meet storage and milling capacities. MIDEMA recently has increased its milling capacity from 450 MT/day to 600-650 MT/day.

The PL-480 Title II program, implemented by CRS, has been growing slowly but steadily after some initial difficulties. These difficulties have, for the most part, been eliminated. The program is considered desirable to help combat malnutrition in Kinshasa, Shaba and Bas Zaire.

The Title II program is being implemented through already established MCH centers run by various Church groups. The GOZ provides PL-480 Title I-generated counterpart funds support to defray local administrative and transportation costs.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE XI

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

COMMODITIES	FY 1982		FY 1983		Estimated FY 1983		Projected FY 1984		Carry into FY 1985 \$ MT
	Agreement \$ MT	Shipments \$ MT							
<u>Title I</u>									
Wheat	9.2	51.7	-	-	10.0	50.5	10.0	50.5	-
Wheat Flour	.8	3.0	-	-	-	-	-	-	-
Total	10.0	54.7	10.0	54.7	10.0	50.5	10.0	50.5	-
<u>Of which Title III</u>									
Total									

COMMENT:

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE III. Country ZaireSponsor's Name Catholic Relief ServicesA. Maternal and Child Health.....Total Recipients 93,500

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>93,500</u>	<u>Bulgar</u>	<u>2,244</u>	<u>587,928</u>
<u>93,500</u>	<u>NFDM</u>	<u>2,244</u>	<u>246,840</u>
<u>93,500</u>	<u>Vegoil</u>	<u>1,122</u>	<u>925,650</u>
Total MCH		5,610	1,760,418

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
<u>8,500</u>	<u>Bulgar</u>	<u>586.5</u>	<u>153,663</u>
<u>8,500</u>	<u>NFDM</u>	<u>204</u>	<u>22,440</u>
<u>8,500</u>	<u>Vegoil</u>	<u>102</u>	<u>84,150</u>
Total Food for Work		892.5	260,253

E. Other (Specify).....Total Recipients 5,500

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>5,500</u>	<u>Bulgar</u>	<u>132</u>	<u>34,584</u>
<u>5,500</u>	<u>NFDM</u>	<u>132</u>	<u>14,520</u>
<u>5,500</u>	<u>Vegoil</u>	<u>33</u>	<u>27,225</u>
Total Other		297	76,329

II. Sponsor's Name _____

ADDENDUM

COUNTRY: ZAIRE

A.I.D. Non-Bilateral Funded Activities:

PROJECT TITLE	NUMBER	DATE STARTED	TERMINAL DATE	AID/W OFFICE	AID LOPC (\$000)	PRIORITY
1. Project Design and Support	698-0134	10/1/81	9/30/82	AFR/DR	75.0	High
2. 4-H Program for Bas-Zaire and Bateke Plateau	698-0407.10	5/15/80	12/31/82	AFR/RA	17.5	High
3. Extension and Counselling in Appropriate Rural Technology	698-0407.15	9/26/80	12/31/82	AFR/RA	27.3	High
4. Small Agricultural Tool Production	698-0407.24	8/28/81	12/31/83	AFR/RA	55.0	High