

UNCLASSIFIED

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



ANNUAL BUDGET SUBMISSION

FY 82

MOROCCO

BEST AVAILABLE

JUNE 1980

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
WASHINGTON, D.C. 20523

USAID/Morocco
 FY 1982 ANNUAL BUDGET SUBMISSION
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FY 1982 ANNUAL BUDGET SUBMISSION

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

Development Assistance	FY 1980 EST.	FY 1981 EST.	Decision Unit		Morocco (608)			
			FY 1982 REQUEST		PLANNING PERIOD			
			MIN	/AAPI	1983	1984	1985	1986
Agriculture/Rural Development and Nutrition	2600	2600	3600		4200	5400	7000	9500
Grants	2600	2600	3600		4200	5400	7000	9500
Loans	-	-	-		-	-	-	-
Population	3020	2500	2500		3000	4000	4500	4500
Grants	3020	2500	2500		3000	4000	4500	4500
Loans	-	-	-		-	-	-	-
Health	-	-	-		2000	2000	1500	1500
Grants	-	-	-		2000	2000	1500	1500
Loans	-	-	-		-	-	-	-
Education	2122	3100	4600		4800	3000	3500	2500
Grants	2122	3100	4600		4800	3000	3500	2500
Loans	-	-	-		-	-	-	-
Selected Development Activities	1200	2000	1300		-	1600	1500	2000
Grants	1200	2000	1300		-	1600	1500	2000
Loans	-	-	-		-	-	-	-
Total DA Accounts	8942	10200	12000		14000	16000	18000	20000
Grants	8942	10200	12000		14000	16000	18000	20000
PL 480 (non add) (Title II (of which no Title III) Title III	6500 11000	7800 14000	10000 15000		10000 15000	10000 15000	10000 15000	10000 15000
Housing Guaranties (non add)	25000	25000	25000		-	25000	-	25000
TOTAL Personnel	37	38	40		40	42	42	42
USDH	17	17	18		18	19	19	19
FNDE	20	21	22		22	23	23	23

TABLE I NARRATIVE

Adherence to the FY 1981 CP level freezes the USAID/Morocco program and invalidates much of the USAID/AID/W effort of the last two years. Given the greatly increased interest of the GOM (compared to a few years ago) in undertaking joint technical assistance projects in various sectors, and our resultant growth posture reflected by numerous new activities being designed, the level of \$10.2 million is less than adequate to continue on-going projects much less allow start-up of new ones. The FY 1982 AAPL will prolong this problem.

Part I

At the "AAPL" level in FY 1982, we find the planned direct hire staffing level of 18 to be the minimum compatible with the size and nature of the program. Our size of program-to-person year ratio is already among the lowest in the world; the planned FY 1982 program growth is accompanied by only one additional staff member. The addition is a Deputy Health and Population Officer to help shoulder the growing burden of population activities.

Part II

In the out-years, while the program is projected to grow by \$2 million per year (a rate of growth considerably less than shown in our CDSS), the only addition planned for US direct hire staff is one agricultural technician in FY 1984. This addition is considered the minimum required to support the planned expansion in the agriculture sector which is now delayed until FY 1984 (forestry) and FY 1985 (a new dryland grain production project plus continuations) of the Range Management and Agronomic Institute projects). In order to allow for this expansion in the agriculture sector within the given funding limits for the total program, it will be necessary to sharply reduce earlier plans (cited in the CDSS) for out-year activity in energy (eliminating entirely funding for energy in FY 1983), and similar expansion plans in the health sector. There will thus be a distinct shift of focus in the program in the later out-years from education/human resources/health to agriculture.

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
 FY 1980 TO FY 1982
 (\$ thousands)

Decision Unit Morocco (608)

APPROPRIATION ACCOUNT	FY 1980	FY 1981	FISCAL YEAR 1982	
			MINIMUM/	AAPL
<u>Agriculture, Rural Development and Nutrition</u>				
0136 Dryland Agriculture Applied Research	—	200		800
0145 Range Management Improvement	800	1000		900
0160 Agronomic Institute	1800	1400		1900
0165 Integrated Forestry Development	—	—		—
<u>Population</u>				
0155 Family Planning Support II	3020	2500		2500
<u>Health</u>				
0151 Health Delivery Management	—	—		—
<u>Education</u>				
0139 Non-Formal Education for Women	—	600		1400
0147 Industrial & Commercial Job Training	—	500		1000
0149 Development Training and Management Improvement	422	1700		1000
0157 Social Services Training	1200	300		1200
0162 Statistical Services	500	—		—
0163 Agro-Mechanical Skills	—	—		—
0164 Vocational Training (OPG) New OPGs	—	—		—
<u>Selected Development Activities</u>				
0156 Low Cost Housing Improvement	600	—		300
0159 Renewable Energy Development	600	2000		1000
<u>TOTAL</u> DA Appropriation Accounts	8942	10200		12000

DECISION UNIT
MOROCCO (608)

TABLE IV PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	OIL	OBLIGATION DATE		DATE OF NEXT PLANNED WORK ROUTINE EVAL.	CUM. PIPELINE AS OF 9/30/79	FY 1980		FY 1981		BY 1982 CUM. OBLIG.	FORWARD FORWARDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS		
			INITIAL	FINAL			OBLIG.	EXPEND.	CUM. PIPELINE	EXPEND.				CUM. PIPELINE	
AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION															
0136	Dryland Agriculture Applied Res	0	78	84*	10/81	2370	-	544	1826	200	200	1200	800	3/83	2600
0145	Range Management Improvement	0	80	84	6/81	-	800	200	600	1000	900	1200	900	12/82	2375
0160	Agronomic Institute	0	80	84	4/81	-	1800	800	1000	1400	1900	1400	1900	9/83	3700
0165	Integrated Forestry Dev.	0	82	86	-	-	-	-	-	-	-	-	-	-	-
0155	Family Planning Support II	0	78	82	11/81	2321	3020	3200	2141	2500	2500	3680	961	6/83	-
HEALTH															
0151	Health Delivery Management	0	-	-	-	-	-	-	-	-	-	-	-	-	-
EDUCATION															
0139	Non-Formal Education for Women	0	78	82	5/81	2291	-	1000	1291	600	1400	1200	691	3/83	-
0147	Industrial/Commercial Job Trg	0	78	82	1/81	2400	-	1000	1400	500	1000	1200	700	12/82	-
0149	Development Tr'ng & Mgmt Impr.	0	78	83*	-	2078	422	1778	722	3700	1000	2000	422	1/83	4778
0157	Social Services Training	0	80	83	6/82	-	1200	300	900	300	1000	1000	200	12/82	865
0162	Statistical Services	0	80	80	-	-	500	325	175	-	-	175	-	-	-
0163	Agro-Mechanical Skills	0	-	-	-	-	-	-	-	-	-	-	-	-	-
0164	Vocational Training (OTG) New OTGs	0	-	-	-	-	-	-	-	-	-	-	-	-	-
SELECTED DEVELOPMENT ACTIVITIES															
0156	Low Cost Housing Improvement	0	80*	-	-	-	600	200	400	-	300	300	100	-	-
0159	Renewable Energy Development	0	80	82	5/83	-	600	500	100	2000	1000	1900	200	12/82	1400
Unliquidated Balances as of Sept 30, 1980							8942	-	-	10200	-	-	-	-	-
Grant							1535	-	-	-	-	-	-	-	-
Loan							7986	-	-	-	-	-	-	-	-

* Changed since submitted to FY 1981 CP

Decision Unit: USAID/Morocco

Decision Package: AAPL

DECISION PACKAGE NARRATIVE

The FY 1982 country development strategy statement submitted in January 1980 and reviewed in February recommended a program for FY 1982-1986 of substantially increasing assistance. The CDSS program, reflecting a FY 1982 level of \$14 million growing to \$31 million in FY 1986, would be a natural out-growth and continuation of initiatives taken earlier to encourage greater GOM commitment to the high priority basic human needs areas of dryland agricultural production, population/rural health, vocational and other training oriented toward disadvantaged groups, renewable energy and low-cost housing. In this earlier period, USAID was, as noted in the decision package narrative (minimum/current level in last year's ABS, P-7), "encouraged to develop additional projects for FY 1981 funding consistent with current CDSS guidance". Last year's AAPL thus represented "only a portion of the activities which we propose to submit for FY 1981 approval".

The CP level for FY 1981 was in fact artificially low given the number of new projects in the process of development (i.e. statistical services; agro-mechanical skills; vocational training OPG; and health delivery management) but not included in the CP because the timing of start-up or incremental nature of funding had not been determined. These activities have been scheduled for start-up in FY 1981, with the exception of statistical services which was to have received 2nd-year funding in FY 1981, but the level of \$10.2 million will mean that none of these activities can get underway. Moreover, our priority efforts in family planning and development training will be sharply cut back to accommodate overall funding constraint.

With the above in mind, the AAPL level of \$12 million for FY 1982 implies the following: no new starts in health, agriculture (forestry), or human resources (agro-mechanical skills); and sharp cutbacks in family planning, development training and energy.

The program ranking at this level is similar to last year, emphasizing stipulated continuation of our most important on-going projects. Required staffing is 18 US direct hire and 22 foreign nationals (of whom 3 are part-time).

Bureau Code: MOROCCO (608) Decision Code:

TABLE V - FY 1982 PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY	PIPELINE/ Ongoing/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORK FORCE (Number of Positions)	
					INCR	CUM	INCR	CUM
	DECISION PACKAGE MINIMUM/AAPL							
	PIPELINE PROJECTS							
	0154 Social & Economic Research	P	G	EH	(150)	(150)		
	0156 Low Cost Housing Improvement	P	G	SD	(100)	(250)		
	0162 Statistical Services	P	G	EH	(705)	(955)		
	0164 Vocational Training	P	G	EH	(300)	(1255)		
	Sub total (Non add)					(1255)		
	CONTINUING PROJECTS							
1	0155 Family Planning Support II	0	G	PN	2500	2500		
2	PL 480 Title II	0			(15000)	2500		
3	0160 Agronomic Institute	0	G	FN	1900	4400		
4	0139 Non-Formal Education for Women	0	G	EH	1400	5800		
5	0147 Industrial/Commercial Job Training	0	G	EH	1000	6800		
6	0145 Range Management Improvement	0	G	FN	900	7700		
7	0136 Dryland Agriculture Applied Research	0	G	FN	800	8500		
8	0157 Social Services Training	0	G	EH	1200	9700		
9	0149 Development Training and Management Improvement	0	G	EH	1000	10700		
10	PL 480 Title I							
11	0159 Renewable Energy	0	G	SD	(10000)	11700		
12	0156 Low Cost Housing Improvement Basic Workforce	0	G	SD	1000	12000		
	Total Minimum Package and Related Workforce						18	22
							18	22

**TABLE VI
PROJECT SUMMARY**

NUMBER OF PROJECTS

	FY 79	FY 80	FY 81	FY 82 MIN	FY 82 CURR	FY 82 AAPL
IMPLEMENTATION AT BEGINNING OF YEAR.....	11	10	13	-	-	11
MOVING FROM DESIGN TO IMPLEMENTATION DURING YEAR.....	2	6	1	-	-	-
DESIGN FOR FUTURE YEAR IMPLEMENTATION.....	4	3	1	-	-	1
SUBTOTAL.....	17	19	15	-	-	12
NUMBER OF NON-PROJECT ACTIVITIES.....	2	3	2	-	-	2
TOTAL.....	19	22	17	-	-	14

IMPLEMENTATION AT BEGINNING OF YEAR.....
 MOVING FROM DESIGN TO IMPLEMENTATION DURING YEAR.....
 DESIGN FOR FUTURE YEAR IMPLEMENTATION.....
SUBTOTAL.....
 NUMBER OF NON-PROJECT ACTIVITIES.....
TOTAL.....

NUMBER OF PROJECTS MOVING FROM DESIGN TO IMPLEMENTATION BY PROJECT SIZE

AID'S CONTRIBUTION TO LIFE OF PROJECT COST

	FY 79	FY 80	FY 81	FY 82 MIN	FY 82 CURR	FY 82 AAPL
LESS THAN \$1 MILLION.....	2	1				
\$1 TO \$5 MILLION.....		3	1			
\$5 TO \$15 MILLION.....		2				
\$15 TO \$25 MILLION.....						
MORE THAN \$25 MILLION.....						

LESS THAN \$1 MILLION.....
 \$1 TO \$5 MILLION.....
 \$5 TO \$15 MILLION.....
 \$15 TO \$25 MILLION.....
 MORE THAN \$25 MILLION.....

**TABLE VII
OPERATING EXPENSE FUNDED PERSONNEL
YEAR END POSITIONS**

FUNCTIONS	FY 79			FY 80			FY 81					
	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT
Executive Direction	3	1			3	1			3	1		
Program Planning	4	2			4	1			4	1		
Project Design	3				3				3			
Project Implementation	6	10			6	11			6	12		
Financial Management	1	5			1	5			1	5		
Mission Support	1	1				2				2		
Non Mission Specific												
TOTAL.....	18	19 *			17	20 *			17	21 **		
PLUS: PASAs (OE & Program)												
LESS: JAO Details		IDIs				IDIs				IDIs		
MODE Required	18				17				17			

* of whom two are part time

** of whom three are part time

TABLE VII

FUNCTIONS	FY 82 MINIMUM				FY 82 CURRENT				FY 82 AAPL			
	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT
Executive Direction	3	1			3	1			3	1		
Program Planning	4	1			4	1			4	1		
Project Design	3				3				3			
Project Implementation	7	13			7	13			7	13		
Financial Management	1	5			1	5			1	5		
Mission Support		2				2				2		
Non Mission Specific												
TOTAL.....	18	22 *			18	22 *			18	22 *		
PLUS: PASAs (OE & Program)												
LESS: JAO Details		IDIs				IDIs				IDIs		
MODE Required	18				18				18			

* of whom 3 are part time

TABLE VIII

OPERATING EXPENSE SUMMARY

COST SUMMARIES	FY 1979			FY 1980			FY 1981		
	(\$000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost
US Direct Hire	708.0	18	39.3	758.0	17	44.6	851.5	17	50.0
FN Direct Hire	238.0	19	12.5	251.2	20	12.6	293.3	21	14.0
US Contract Pers.									
FN Contract Pers.									
Housing Expense	183.5	18	10.2	241.5	17	14.2	386.2	17	22.7
Office Operations	474.0	xx	xx	473.5	xx	xx	589.3	xx	xx
Total Budget	1,607.8	xxx	xxx	1,724.2	xx	xx	2,120.3	xx	xx
Mission Allotment	649.5	xxx	xxx	815.0	xx	xx	1,214.1	xx	xx
FAAS	248.5	xxx	xxx	209.1	xx	xx	212.2	xx	xx
Trust Fund	139.0	xxx	xxx	75.0	xx	xx	25.0	xx	xx

TABLE VIII

	FY 1982 MINIMUM		FY 1982 CURRENT		FY 1982 AAFL		
	(\$000's)	Related Workyear	(000's)	Related Workyear	(\$000's)	Related Workyear	Unit Cost
US Direct Hire	890.2	18	890.2	18	890.2	18	49.4
FN Direct Hire	337.9	22	337.9	22	337.9	22	15.4
US Contract Pers.							
FN Contract Pers.							
Housing Expense	452.8	18	452.8	18	452.8	18	25.1
Office Operations	625.5	xx	625.5	xx	625.5	xx	xx
Total Budget	2,306.4	xx	2,306.4	xx	2,306.4	xx	xx
Mission Allotment	1,268.2	xx	1,268.2	xx	1,268.2	xx	xx
FAAS	244.0	xx	244.0	xx	244.0	xx	xx
Trust Fund	25.0	xx	25.0	xx	25.0	xx	xx

AGENCY FOR INTERNATIONAL DEVELOPMENT

TABLE VIII (A)

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MISSION

MOROCCO

OPERATING EXPENSE BUDGET DETAIL

Expense Category	Line No.	Object Class	Expenses Related To	FY 80 BUDGET		FY 81 BUDGET (AAPL Level)	
				Units	Amount	Units	Amount
J.S. DIRECT HIRE	01	XXX			851.5		
U.S. Citizens Basic Pay	02	110	USDII Workyears	17	615.0		
Part-time, Temp. U.S. Basic Pay	03	112	USDII Workyears				
Differential Pay	04	116					
Living Allowances	05	128					
All Other CODE 11	06	119	USDII Workyears	17	27.0		
Education Allowances	07	126	No. of Dependents	12	36.0		
Retirement - U.S.	08	120			42.0		
All Other CODE 12 - U.S.	09	129			12.0		
Post Assignment - Travel	10	212	No. of Assignments	5	10.0		
Post Assignment - Freight	11	22	No. of Assignments	5	30.0		
Home Leave - Travel	12	212	No. of Assignments	13	36.0		
Home Leave - Freight	13	22	No. of Assignments	13	31.3		
Education Travel	14	215	No. of Movements	6	7.2		
R & R Travel	15	215	No. of Movements	1			
All Other CODE 215 Travel	16	215			5.0		
FOREIGN NATIONAL DIRECT HIRE	17	XXX			293.3		
Basic Pay	18	114	FNIII Workyears	21	250.5		
Overtime, Holiday Pay	19	115			3.0		
All Other CODE 11 - FN	20	119			19.0		
All Code 12 - FN	21	129			20.8		
Benefits for Former Personnel	22	13					
J.S. CONTRACT PERSONNEL	23	XXX					
PASA Technicians	24	258	Workyears				
U.S. Personal Serv. Cont. - Salary & Benefits	25	113	Workyears				
All Other U.S. PSC Costs	26	255					
F.N. CONTRACT PERSONNEL	27	XXX					
F.N. Personal Serv. Cont. - Salary & Benefits	28	113	Workyears				
All Other F.N. PSC Costs	29	255					

OPERATING EXPENSE BUDGET DETAIL

Expense Category	Line No.	Object Class	Expenses Related To	FY 80 BUDGET		FY 81 BUDGET (AAPL Level)	
				Units	Amount	Units	Amount
HOUSING	30	XXX			386.2		
Rent	31	235	No. of Res. Years	16	170.0		
Utilities	32	235	No. of Res. Years	16	64.0		
Innovation & Maintenance	33	259	No. of Res. Units	16	9.5		
Quarters Allowance	34	127	No. of Allowances				
Purchases - Res. Furnishings & Equipment	35	311	No. of Sets	10	93.0		
Transportation (Freight) for Code 311	36	22			35.0		
Mission Director	XXX	XXX			14.7		
Rent	37	235					
Utilities	38	235			7.0		
Renovation & Maintenance of Residence	39	259			4.0		
Official Residence Allowance	40	254			2.2		
Representation Allowance	41	252			1.5		
OFFICE OPERATIONS	42	XXX			589.3		
Rent	43	234			35.0		
Utilities	44	234			14.0		
Building Maintenance & Renovations	45	259			5.5		
Office Furniture & Equipment	46	310			12.1		
Other Equipment	47	319					
Transportation (Freight)	48	22			5.6		
Communications	49	230			17.0		
Security Guard Services (NON PSCs)	50	259			25.0		
Printing	51	24					
International - Operational Travel	52	210	No. of Trips	53	110.4		
Domestic - Operational Travel	53	210			12.0		
Charter/Contract Transportation	54	259					
Vehicles	55	312	No. of Vehicles	3	40.5		
Transportation (Freight) for CODE 312	56	22	No. of Vehicles	3	21.0		
Supplies & Materials	57	26			51.0		
FMS	58	257			212.2		
All other CODE 25	59	259			28.0		

OPERATING EXPENSE BUDGET DETAIL

Expense Category	Line No.	Object Class	Expenses Related To	FY 80 BUDGET		FY 81 BUDGET (AMPL Level)	
				Units	Amount	Units	Amount
TOTAL OPERATING EXPENSE BUDGET	60				2,120.3		
RECONCILE by deducting from line 60 amounts not funded from Mission Allotment (line 65)	XX	XXX					
Object Class 11	61				615.0		
Object Class 12	62				54.0		
Net FMS (from line 58)	63				212.2		
Other Deductions Trust Fund	64				25.0		
NET ALLOTMENT REQUIREMENTS	65				1,214.1		
AID/N APPROVED BUDGET INCREASE (DECREASE)	XX	XXX					
	66						
	67						
	68						
	69						
	70						
OTHER INFORMATION	XX	XXX					
636(c) Requirements	71	32					
Administrative Reservations	72	XXX					
Trust funded PSC's included in lines 23 & 27	73	XXX	Workyears				
Program funded PSC's	74	XXX	Workyears				
P.D. & S.Project: Obligations for Project Design	75	XXX					

Notes to Table VIII (A)

Reference: State 112340

Mission allotment requirements for FY 1981 are now projected at \$ 1,206,000 compared to \$ 848,200 in the FY 1981 ABS. This increase of 42% is distributed approximately as follows:

USDH	85,000
FNDH	10,000
Housing	145,000
Office Operations	120,000

The increase in USDH costs results principally from an increase in the projected number of home leaves and post assignments over what was originally envisioned coupled with sharply increasing air fares and freight rates as well as institution of Cost-of-Living Allowance in Morocco.

The modest increase in FNDH costs are attributable completely to inflation at greater than anticipated rates.

The substantial increases in Housing and Office operations are due in large part to deferral of procurement from FY 1980 to FY 1981 but also to long-delayed recognition that USAID/Rabat will not be phasing out in the proximate future. \$ 114,000 of the increase in Housing is accounted for by procurement of household furnishings and associated freight. Furniture was last purchased in 1971 and is rapidly wearing out; we plan to replace ten sets in FY 1981 and ten sets in FY 1982.

Operational Travel, increased \$ 26,000 over previous estimates (for the same number of trips), and Vehicle procurement, increased \$ 52,000 due to deferrals and sharp price increases, account for

the bulk of the jump in cost of Office Operations. Additional heavy replacement costs must be budgeted for FY 1982 and some thought may have to be given to increasing fleet size.

We have used a 15% inflation rate on all USAID funded costs but it must be noted that in certain areas these are now projected from a larger base because we have had much higher increases during the past twelve months, notably in fuel, utility and travel costs.

An exchange rate of 3.90 Dirhams to the dollar is used throughout.

USAID MOROCCO

TABLE VIII(B)

FY 80 Non-Expendable Property Procurement Plan
O/C 310, 311, 312 & 319

Item	DESCRIPTION	NUMBER OF AVAILABLE UNITS				Units* to be Purchased		COST		DISPOSALS
		Warehouse	Issued	On Order	Total	C	NR	Item	Freight	
1	Office Desk & Chair, swivel	5	44		49	10		6,000	3,600	15 set
2	Photocopier	1	3		4	1		7,000	2,500	1 ea
3	Dictaphone	2			2	2		1,000	200	2 ea
4	Electric Calculators	13	10		23	3		1,500	300	13 ea
								15,500	6,600	
5	Bedrm, Dining Rm & Living Rm set	7	17		24	10		68,110	25,000	12 set
6	Refrigerator	4	32		36	6		2,730		10 ea
7	Washing machine	6	17		23	10		3,980		10 ea
8	Stove gas operated	8	19		27	6		1,416		10 ea
9	Water heater solar type						1	3,500		
10	Lamp, floor	4	20		24	30		3,150	10,000	24 ea
11	Lamp, table	86	112		198	100		6,200		86 ea
12	Rug 12 ft x 15 ft	1	28		29	20		3,940		18 ea
								93,026	35,000	
13	Truck stake body					1		27,500	15,000	50,000 miles, 71 model
14	SEDAN					2		13,000	6,000	50,000 miles, 71 model
	TOTALS							149,026	62,600	

* = Replacement based on condition of item.

NR = Replacement based on age.

C = Replacement due to staffing increases

TABLE VIII (C)

AGENCY FOR INTERNATIONAL DEVELOPMENT

MISSION MOROCCO

International Operational Travel
(Line No. 52 of OE Budget - O/C.210)
FY 1984 - Mission Requested Travel

PURPOSE OF TRAVEL AND BUDGET

TRAVELER	DESIGN		IMPLEMENTATION		EVALUATION		PROJECT RELATED		OTHER ADMINISTRATIVE	
	Number of Trips	Amount	Number of Trips	Amount						
1. USAID										
Director										
To U. S.										
To Other Points										
All Other Staff										
To U. S.	3	6,000	2	4,000					1	2,000
To Other Points			1	1,500					1	1,500
Training										
Invitational										
Regional Offices										
AAG/HS										
Other (Specify)										
RLA									7	4,900
RE									5	4,000
3. AID/W Staff										
NE/Tech	3	9,000								
NE/PD	2	6,000								
NE/Other	1	2,000							1	3,000
DSB	2	4,000								
Other AID/W										
TOTAL OE FUNDED	11	27,000	7	17,500	8	21,000	20	25,400	7	19,500

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 19 80- 1982
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	FY 1980		FY 1981		FY 1982				DECISION UNIT MOROCCO minimum/current:high	
	NUMBER OF POSITIONS		NUMBER OF POSITIONS		Minimum		Current			
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH		
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH		
<u>EXECUTIVE DIRECTION</u>										
Director's Office										
Director	1		1							
Assistant Director	1		1							
All Other (non-professional)	1	1	1	1		1				
Subtotal Exec. Direction	3	1	3	1		3				
<u>PROGRAM PLANNING</u>										
Program Office										
Program Officer	1		1							
Assistant Program Officer	1		1							
Program Economist	1		1							
All Other (non-professional)	1	1	1	1		1				
Subtotal Program Planning	4	1	4	1		4				
<u>PROJECT DESIGN & IMPLEMENTATION</u>										
Program Office										
Program Specialist		1		1						
Training Officer		1		1						
Training Assistant		1		1						
Program Assistant		1		1						
Translator		1		1						

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 1980-1982
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	DECISION UNIT											
	MOROCCO											
	minimum/current/high											
	NUMBER OF POSITIONS											
FY 1980	FY 1981			FY 1982			Minimum			Current		
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
<u>Food and Nutrition Office</u>												
	1		1		1		1		1		1	
F&N Officer - Agronomist												
Agr. Economist	1		1		1		1		1		1	
Agriculture Specialist		1		1		1		1		1		1
All Other (non-professional)		1		1		1		1		1		1
<u>Health and Population Office</u>												
Public Health Officer												
Health Office (Division)												
Health Officer	1		1		1		1		1		1	
Assistant Health Officer - IDI	1		1		1		1		1		1	
<u>Population Office</u>												
POP Officer - Family Planning												
Deputy Health & POP Officer	1		1		1		1		1		1	
Assistant POP Officer	1		1		1		1		1		1	
All Other (non-professional)		1		2		2		2		2		2
<u>Human Resources Office</u>												
Human Resources Officer	1		1		1		1		1		1	
Education Advisor - Int	1		1		1		1		1		1	
Education Specialist												
All Other (non-professional)		2		2		2		2		2		2
<u>Food For Peace Office</u>												
Food for Peace Officer	1		1		1		1		1		1	
Food Admin. Specialist		1		1		1		1		1		1
Subtotal - Proj. Design & Impl.	9	11	9	12	10	13						

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 1980-1982
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	FY 1980		FY 1981		FY 1982				DECISION UNIT MOROCCO	
	NUMBER OF POSITIONS		NUMBER OF POSITIONS		Minimum		Current			HIGH
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH		
FINANCIAL MANAGEMENT										
<u>Controller's Office</u>										
Controller	1		1		1					
Financial Specialist		1		1		1				
Senior Accountant		1		1		1				
All Other (non professional)		3		3		3				
Subtotal Financial Management)	1	5	1	5	1	5				
MISSION SUPPORT										
<u>C & R Office</u>										
C & R Supervisor		1		1		1				
All other (non professional)		1		1		1				
Subtotal Mission Support		2		2		2				
Total Increment	17	20	17	21	18	22				
Cumulative Total	17	20	17	21	18	22	18	22	18	22

TABLE X SPECIAL CONCERNS
ADDITIONAL PROJECTS

PROJECT NUMBER AND TITLE	APPROP	CONCERN CODE		FUNDING FOR SPECIAL CONCERN (\$000)				TOTAL XXXX
		PRIME	SUB 1/ SUB 2	FY 1980	FY 1981	MINIMUM	FY 1982 CURRENT	
FY 1980								
0159 Social Services Training	EHI	WID		1200	300	1200	-	
FY 1981								
FY 1982								

Use only for Environment Activities

USAID/MOROCCO EVALUATION SCHEDULE FOR FY 1981

(Including Actual Evaluations Submitted in FY 1980)

USAID/Morocco

(1) Project Title and Number	(2) No. of Last Evaluation Submitted/Date Submitted	(3) Proposed Date Next Evaluation and Period to be covered	(4) Purpose/Nature of Special Evaluation	(5) Staffing & Requirement
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A. Project Evaluation

1. <u>Food and Nutrition</u>				
(0122) <u>Agricultural Research & Training</u>	-	6/80 <u>a/</u>	-	-
(0134) <u>Higher Agricultural Education</u>	12/78 (s)	<u>b/</u>	-	-
(0136) <u>Dryland Agriculture Applied Research</u>	-	<u>c/</u>	-	-
(0145) <u>Range Management Improvement</u>	-	<u>d/</u>	-	-
(0158) <u>CIDERA School (CPC)</u>	-	6/80 (8/79-3/80)	-	-
(0160) <u>Agronomic Institute</u>	-	4/81 (1972-1981)	Outside Experts <u>e/</u>	<u>f/</u>
(T-043) <u>Triffa High Service Irrigation Loan</u>	<u>g/</u>	-	-	-
(T-044) <u>Doukkala-Zemamra Irrigation Loan</u>	-	6/80 (6/76-1/80)	-	-

(s) = special

(5)

(4)

(3)

(2)

(1)

2. Population

(0155) Family Planning Support II

7/80

2/78^{h/}

-

3. Health

(0151) Health Delivery Management

i/

-

4. Education

(0139) Non Formal Education For Women

5/81

-

(0147) Industrial/Vocational Job Training for Women

1/81

-

(0149) Development Training & Management Improvement

10/80

-

(0154) Social & Economic Research

4/81

-

(0157) Social Services Training

j/

-

(0162) Statistical Services

k/

-

(0163) Agro-Mechanical Skills

l/

-

(0164) Vocational Training (OPG)

m/

-

5. Special Development Activities

(0153) Urban Slum Improvement (HIG)

n/

-

(0156) Low Cost Housing Improvement

o/

-

(0159) Renewable Energy Development

p/

-

6. PL 480

Title II

1/79 (s)

-

B. Other Evaluations

Moulouya

9/80 (s)

-

Outside Experts r/

(s) = Special

- a/ Interim Report
- b/ This project terminates in FY 1980, though continuing assistance will be provided through the Agronomic Institute project (0160).
- c/ First regular evaluation scheduled for FY 1982.
- d/ First regular evaluation scheduled for FY 1982.
- e/ This is a planned "Tracer Study" of graduates since very early in the project's history
- f/ Funds are included in the contract budget.
- g/ Subsumed under the Moulouya evaluation.
- h/ The Multi-Year Population Strategy Paper.
- i/ First regular evaluation scheduled for FY 1982
- j/ First regular evaluation scheduled for FY 1982
- k/ First regular evaluation scheduled for FY 1982
- l/ First regular evaluation scheduled for FY 1982
- m/ First regular evaluation scheduled for FY 1982
- n/ First regular evaluation scheduled for FY 1982
- o/ First regular evaluation scheduled for FY 1982
- p/ First regular evaluation scheduled for FY 1982
- q/ Next regular evaluation scheduled for FY 1982
- r/ Field work on the socio-economic impact of irrigation activity in the Lower Moulouya was completed in the Spring of 1979. We estimate the final report will be submitted in September, 1980.

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XI

Country: *Togo* C.C.O

P.L. 480 TITLE I/III REQUIREMENTS

(Dollars in Millions, Tonnage in Thousands)

COMMODITIES	FY 1980			Estimated FY 1981			Projected FY 1982			Carry into FY 1983 \$ MT
	Agreement \$ MT	Shipments \$ MT	Carry into FY 1981 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1982 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1983 \$ MT	
<u>Title I</u>										
Wheat	6.5 40	6.5 40	- -	7.8 50	7.8 50	- -	10.0 65	10.0 65	- -	- -
Total	6.5 40	6.5 40	- -	7.8 50	7.8 50	- -	10.0 65	10.0 65	- -	- -
Of which <u>Title III</u>										
Not eligible										
Total										

COMMENT:

TITLE I

Morocco is a food grain deficit country to the tune of over two million metric tons per year. Production of food grains has, taking a several year view, plateaued. Population continues to increase at more than 3 percent per annum. The steps that the Government of Morocco is taking to increase domestic food grain production are not likely to lead to substantial increases of such production for at least several years, though long term prospects are by no means bleak and though the GOM accords food production an appropriately high developmental priority (Equitable distribution is more usefully dealt with under Title II). Given the production/consumption shortfall, almost any plausible U.S. Title I program is but a drop in the bucket. Even though Morocco is currently undergoing a foreign exchange crunch, in alleviation of which even a small amount of concessionally imported food grains is useful, our proposed PL 480 Title I program cannot be said to have a major effect on the economic status of the country. The program, accordingly, is defensible only in two ways: does it contribute toward increased production or, at the very least, does it, while not serving as a disincentive, provide a time/cushion during which production increases can take effect? Or, second, are self-help measures associated with the program helpful in achieving development purposes.

We believe that the self-help features incorporated into our agreements do provide some additional developmental incentive to the GOM and that the quantities of PL 480 involved are not a disincentive to production and do provide the already spoken of cushion to permit GOM plans for increased production to come to fruition.

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XII

COUNTRY: MOROCCO

PL 480 TITLE I/III

Supply and Distribution
(000 Metric Ton)

<u>STOCK SITUATION</u>	<u>FY 1980</u>	<u>Estimated FY 1981</u>
<u>Commodity - Wheat</u>		
Beginning Stocks	400	400
Production	1,797	1,700
Imports	1,700	1,800
Concessional ^{1/}	90	90
Non-Concessional	1,610	1,710
Consumption	3,500	3,500
Ending Stocks	400	400
<hr/>		
<u>Commodity - Corn</u>		
Beginning Stocks	30	30
Production	312	300
Imports	140	180
Concessional	0	0
Non-Concessional	140	180
Consumption	452	470
Ending Stocks	30	40
<hr/>		
<u>Commodity - Barley</u>		
Beginning Stocks	240	200
Production	1,886	1,650
Imports	10	10
Concessional	0	0
Non-Concessional	10	10
Consumption	1,936	1,760
Ending Stocks	200	100

Comment:

^{1/} Consists of WFP and Title II flour, 50,000 and Title I wheat, 40,000 in 1980; 1981 projects same.

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country Morocco

Sponsor's Name American Joint Distribution Committee (AJDC)

A. Maternal and Child Health.....Total Recipients 0.2 (thousands)

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
0.2	Flour	8	2.2
0.2	VegOil	1	1.0
0.2	NFDM	2.4	1.0
0.2	Rice	2.4	0.9
Total MCH		13.8	5.1

B. School Feeding.....Total Recipients 2.3 (thousands)

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
2.3	Flour	83	22.5
2.3	VegOil	7	7.0
2.3	NFDM	23	9.6
2.3	Rice	23	8.6
Total School Feeding		136	47.7

C. Other Child Feeding.....Total Recipients 0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
Total Other Child Feeding			

D. Food for Work.....Total Recipients 0

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars

Total Food for Work

H. Other (Specify) Adult Health Cases.....Total Recipients 1.5 (thousands)

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
1.5	Flour	108	29.3
1.5	VegOil	8.1	8.0
1.5	Rice	18	6.8
Total Other		134.1	44.1

II. Sponsor's Name American Joint Distribution Committee (AJDC)

TABLE XIII (AJDC) - NARRATIVE

The Operational Plan submitted as part of the FY 1981 ARS is still valid for the FY 1982 Program.

The AJDC program in Morocco provides humanitarian assistance and social services for a minority group of Moroccans who are outside the mainstream of public services and who are in need of external assistance. Title II support is an important part of this overall program, being linked particularly to the health and education status of poorer groups. The AJDC feeding program as proposed for FY 1982 is consistent with AID/W guidelines. The Operational Plan has been signed by USAID and forwarded by AJDC/Morocco to its New York headquarters.

AJDC is requesting Title II commodity support for 4,000 recipients in FY 1982. The commodity requirements are modest: 199 tons of flour, 25.4 tons of non-fat dried milk (NFDM), 43.4 tons of rice, and 16.1 tons of vegetable oil. These foods will be used to supplement the meals provided by the Jewish community for children at day care centers and at school canteens. There is in addition an MCH program for mothers and infants. Food assistance is also provided to a small number of elderly Jews who have migrated from the rural areas in the recent years and who have not the wherewithal to support themselves. These feeding programs are located in Rabat, Casablanca, Marrakech, Tangiers, Fes, Agadir, Beni-Mellal and Safi.

The USDA/CCC dollar values of the commodities required for this program are as follows:

A.P. flour	\$ 53,929
Vegetable Oil	16,019
NFDM	10,642
Rice	16,318
	<hr/>
	\$ 96,908

Adequate storage facilities exist for these commodities, and distribution will not result in a substantial disincentive to domestic production.

TABLE XIII (CRS) - Narrative

The Operational Plan submitted as part of the FY 1981 ABS is still valid for the FY 1982 Program.

The priority feeding program for CRS continues to be the MCH program for 300,000 pre-school age children and 150,000 mothers from indigent families. The per capita monthly rations are 2,300 gr. of flour, 1,000 gr. of WSB, 1,000 gr. of NFD, and 450 gr. of vegetable oil. The food is distributed in bulk form. This feeding program is administered through a network of social education centers under the management of the GOM Ministry of Social Affairs. These centers are located in all provinces and prefectures, and number 300.

The operational plan for the FY 1982 CRS Title II food assistance program has been signed by USAID and forwarded by CRS/Morocco to its New York headquarters. USAID believes the program is well conceived, manageable, and responsive to AID/W guidelines and to instructions contained in AID Handbook No. 9.

In FY 1982, CRS proposes a program of 614,700 beneficiaries or the same recipient level envisaged for FY 1981. This involves 450,000 maternal/child health recipients, 130,000 Food-for-Work recipients, and 34,700 children in the Other-Child-Feeding category, which embraces orphanages and day-care centers.

The Title II commodity import requirements for FY 1982 are 43,463 M/T. The commodities consist of flour, vegetable oil, NFD, and WSB. No commercial processing of the commodities is involved except in the case of bread baked for the SMB orphanages.

The recipient/commodity requirements for the FY 1982 program are summarized as follows:

<u>Category</u>	<u>Recipients</u>	<u>Flour (MT)</u>	<u>VegOil (MT)</u>	<u>Milk (MT)</u>	<u>WSB (MT)</u>
MCH	450,000	12,420	2,430	5,400	5,400
OCF	34,000	2,077	187	417	
FFW	130,000	14,040	1,092		
Totals	614,700	28,537	3,709	5,817	5,400

The USDA/CCC dollar values of the commodities required for this new program are as follows:

Nonfat dried milk	5,817 MT	\$ 2,437,323
Flour	28,537	7,733,527
Vegetable Oil	3,709	3,690,455
Wheat Soya Blend	5,400	2,089,800
Totals	43,463 MT	\$15,951,105

Adequate storage facilities are available in Morocco, and distribution of the above commodities will not result in a substantial disincentive to domestic production.

ANNEX

USAID Views on the World Bank Program in Morocco

According to World Bank figures as of 31 January 1980, total Bank lending from the beginning of their program to the present has reached \$1,325,900,000,^{1/} net of cancellations, covering 39 Bank project loans and five IDA project credits. In addition, there have been five IFC investments in development activities totaling \$42,900,000. Fourteen bank loans and four IDA credits are now fully dispersed, and about \$145,000,000 has been repaid. About 64% of this loan activity has taken place since FY 1975. At least eight other projects are in some phase of study or preparation.

In USAID's view, the most important policy issue for the World Bank's program in Morocco is the question of whether the Bank, since it is by far the largest aid donor in Morocco and since it has an international image, is doing enough to assess Morocco's development priority needs in relation to each other and to advise the Government of Morocco on what to stress and what not to. The Bank is well positioned in Morocco to participate more actively and insistently in a development policy dialogue with the GOM than it is now doing, and it should be encouraged to do so.

Our impression of the Bank program is that it suffers from the same problem as AID's worldwide: i.e., that each discipline and specialization pushes its own particular favorite activity without any regard to the whole composition of the pie. This relates to the IBRD's failure to focus on problems where there is no direct Bank activity: to wit, population.

It is linked also to two other policy issues:

1. Are the absorptive and repayment capacities of Morocco being overly strained;
2. To what extent does the Bank program as a whole (not necessarily individual projects) reflect AID basic human needs priorities, understanding that these are not necessarily congruent in all details with bank priorities.

With regard to issue 1, a responsible Moroccan observed that the pace of Bank lending suggests quotas and deadlines as well as careful project analysis and the setting of priorities. Loan officers are seemingly being urged to "push projects". That statement does not imply that shoddy work or marginal projects are being advocated but simply that the Bank appears to be in a fairly expansive mood as far as lending to Morocco is concerned. The Bank response to this issue might be paraphrased as:

- Morocco's record of project implementation, while not free of problems and sometimes behind schedule, is better than most borrowers; and

^{1/} These figures exclude the two newest loans for petroleum exploration (\$50,000,000 over 10 years) and road maintenance and upgrading (\$62,000,000 over 19 years) both at 8.25%.

- the debt burden of non-oil producing LDC's is a world-wide problem but Morocco seems better able than most to meet its commitments.

In short, the Bank evidently feels that Morocco is a relatively good risk as far as bankable projects are concerned, and that there is scope for further project lending. It is noteworthy that:

- the Bank considers its share of total development assistance not to be unduly high;
- about half of the Bank-IDA total commitments have been disbursed;
- of the 26 active projects, the older ones are almost totally disbursed and nine have closing dates of June 1980;
- after the collapse of the short phosphate boom in the mid-70s and in the face of the world energy crisis, Morocco's financial management and handling of inflation has been better than that in most countries.

Over the long run, attempts to end the Saharan War, curb population growth rates, exploit agricultural potential and expand returns on the phosphate resource combined with relatively new social development policies offer reasonable enough promise of success to support continued Bank involvement in Morocco's development. We are inclined in general to support that position.

With regard to issue 2, it is important to note a slow but steady change in Bank lending patterns which reflect a basic human needs orientation. There is now relatively less emphasis on industry, tourism and large scale irrigation projects and more emphasis on education, low-cost housing and dryland agriculture. The Bank categorizes its past lending in the following sectors:

Agriculture	58%
Industry	27%
Utilities and Services	13%
Education	12%
Tourism	5%
Roads	5%
Urban (Housing)	1%

The shift in priorities is not seen solely in the sectoral allocation but in the way individual projects within sectors have been structured recently. Agricultural projects, including credit, are increasingly targeted at small farmers whether they live in dryland or irrigated zones. Industry projects have substantial small scale industry components. Services and education are aimed more directly at the needs of the rural and urban poor.

There are specific aspects of the Bank program which, from the comfortable position of the sideline, we might like to see changed, particularly the continued emphasis on the familiar French way of doing things. But, overall, the Bank program has both the size and direction to achieve development ends which are remarkably close to AID's. We look forward to an expanded collaborative relationship in reaching them.

Agriculture

In agriculture, past lending has primarily been in support of irrigation and related infrastructure development in the Gharb, Doukkala and Souss regions. In 1975 the Bank program began to shift emphasis in its lending activities to projects which would have a more direct impact on small farmers and herders outside irrigated areas. However, the proportion of loan activity in irrigated agriculture remains high and is now about 50 per cent. While there have also been certain policy shifts within the GOM towards the rainfed agricultural sector, priority is still given to irrigation projects because of the tight public finance situation and the need to complete on-going projects with considerable sunk costs. In view of the fact that the IBRD is above all a lending institution, its still considerable loan activity in this high-return sector is perfectly logical.

Project implementation problems of the IBRD-funded irrigation projects have been the same as for AID-funded irrigation projects in the past; slow progress of coordination between and within GOM ministries; slow progress in construction and acquisition of irrigation equipment; slowness of land distribution by the GOM; and frequent changes in leading GOM personnel.

The other half of IBRD investments outside the irrigated sector has been concentrated primarily in farmer credit programs with the Caisse Nationale de Credit Agricole (CNCA). This has been an extremely important program, effectively lending to a large number of farmers of whom an increasing percentage are small farmers from rainfed farms. It is a relatively efficient and well-managed program. As with other credit programs worldwide, current implementation problems are a shortage of qualified staff and difficulty of designing mechanisms to get credit to smaller farmers. However, this credit program is only a drop in the bucket. It is estimated that less than 10 per cent of farmers from rainfed areas annually receive any kind of institutional credit. This activity should be encouraged, as lack of credit is a primary constraint to increased production in the poor rainfed areas of the country.

Finally, the Bank has two integrated development projects in important rainfed areas near Fes and Meknes. These also include small farmer credit, as well as extension, input supply, soil and forest conservation, rural feeder road repair, etc. Slowness of implementation has been due primarily to project start-up delays and a poorly defined division of responsibility within and between the implementation agency and various divisions within the Ministry of Agriculture.

Other recent activities are: integrated vegetable production and marketing along the Atlantic coast (\$58 million); integrated livestock and forestry in the Khenifra region (about \$40 million); and coastal fisheries and port facilities development. Several other dryland activities including forestry are in the pipeline.

We are not in a position to assess overall impact of Bank lending on Moroccan agriculture. However, we expect that, given the amount of money involved, the Bank has had a fairly strong influence on Agriculture Ministry priorities. This is important, and we hope that the Bank will continue to place greater emphasis on rainfed area development. This would endorse and strengthen the GOM's stated resolve to modernize the traditional sector.

From a "field" perspective, it is rather easy to get the feeling that the Bank considers itself just that -- a Bank, a lending institution. We feel that more emphasis should be paid to implementation of the program for which the loan has been granted. Making money available for specific objectives is only the beginning of the developmental process. It has been our general observation that monitoring and regular evaluations of projects have been either inadequate or non-existent. Perhaps the Bank should consider developing a monitoring system and in general stay in closer contact with host country institutions during the implementation phase of projects in order to insure that their programs are being successfully carried out and are in keeping with the loan objectives.

Education

The Bank currently is in the process of implementing its fourth education project in Morocco, a large-scale (\$130 million) loan to the Ministry of Education. This loan, like the three previous (somewhat smaller) ones, is intended to assist the Ministry in its efforts to expand the system, to reduce the disparity between rural and urban access to education, particularly at primary levels, and, most significantly, gradually to direct the Moroccan education system much more toward practical, technical education and away from traditional, classic emphasis. For example, one of the major components of the Bank's fourth education loan is the establishment of a series of technical lycees, which are designed to provide an alternative to preparation for the traditional baccalaureate, and provision of a normal school to train technical teachers.

There is little question that the country requires far more technically trained people, in contrast to the classical "scholars" favored under the traditional system. However, the change process within the education system is an extremely slow one. Ministry of Education planners (as well as Bank personnel) readily attest to this.

The Bank's lending in the education sector has not been particularly progressive. It has tended, for example, too much toward the financing of

physical facilities, and has not pushed as hard as it might have for educational reform and for a better adaptation of the heavily French-influenced educational system to the socio and economic needs of Morocco. Even the new education loan will finance some 1,500 French academic teachers who will presumably contribute to a continuation of the same conservative, academically-oriented orientation.

Nevertheless a certain amount of progress has been made. For instance, as Ministry evaluators are quick to point out, manual arts and training are now a required part of the curriculum in primary schools, a distinct departure from the situation a few years ago. The impetus for this was part of an earlier effort by the Bank and its success is an encouraging sign. The Ministry and the Bank have moved forward also with a number of significant studies. The most important one -- concerning the relation between education and employment in Morocco -- is about to get underway.

To date the Bank has not become involved with any other Ministry concerned with technical training. This may soon change. A Bank appraisal team to help design a fifth education project is scheduled to visit Morocco shortly. As part of its task the team will examine the possibility of providing support to the Ministry of Labor for establishing several Institutes of Applied Technology (Institute de Technologie Appliquee). These form part of the Ministry of Labor's upcoming five year plan. The Bank has been asked to help finance their creation. Bank personnel are aware that USAID currently is working closely with the Ministry of Labor and other Ministries on various aspects of vocational training and that we may become still more involved, especially through the potential Agro-Mechanical Skills project. Bank representatives have already approached us concerning the possibility of collaboration in whatever effort they undertake with Labor. We are well acquainted with members of the appraisal team and will be consulting with them during their visit, to at least review possibilities of cooperation in future plans, one dimension of which might be a sub-sector assessment of the country's skills-training programs.

Urban Development

Bank lending in Morocco in the urban and housing sector commenced in 1978 with approval of the Rabat Urban Development Project. The Bank has had, and continues to have, activities in other sectors which directly affect urban areas including loans for the expansion of water, electricity and sewerage utility networks and for industrial development including small scale enterprises.

In general World Bank and AID policy objectives in the urban sector are similar. In Morocco there is a substantial history of AID-World Bank cooperation dating back to the mid-1970s on urban policy matters and project development. While a jointly financed project in Casablanca proposed in 1976 did not materialize, both the Bank and AID continued the dialogue with the GCM. In 1978 the Bank's Rabat project was approved while AID's Casablanca project (the Ben M'Sik Housing Investment Guaranty) was approved in 1979.

Both projects are slum upgrading and employment generation efforts in support of the government's new policies on dealing with the bidonville problem. A second Bank project involving upgrading, sites and services and employment generation in Meknes and Kenitra is well along in preparation and is expected to be approved later this year. We also understand that a third project has been programmed but has not yet been defined.

The World Bank response, like AID's, is grounded in the fact that the phenomenon of the Moroccan bidonvilles pose the most serious and immediate problem in the urban shelter sector. This is also an area in which the GOM has been receptive to a change in its own past policies. AID has indicated that if the Government requests additional assistance regarding bidonvilles we are willing to make further Housing Guaranty funds available.

With regard to Rabat project implementation, we understand that the Bank has experienced certain problems in connection with the community development and beneficiary lending aspects of the project to which a lack of continuous technical assistance contact may have contributed. Apart from improvements needed for specific implementation problems our feeling is that both the Rabat project and the follow-on project have focussed on the right things and support needed policies in the shelter sector.

We foresee a need to broaden our goals in the shelter sector beyond what we have been able to achieve through our work with the government on bidonville projects. Of necessity this broadening is likely to be a long term effort to build the major institutions required to address comprehensively Morocco's shelter problems, beginning perhaps with the soon to be established housing bank. A closer working relationship with the Bank than in the immediate past when both AID and the Bank largely concentrated on their own individual projects is now desirable in order to insure that complementary policies are developed.

Population and Health

There are as yet no projects aimed specifically at population/family planning, although the Bank has been negotiating with the Ministry of Health for almost two years on a basic health services project which would prominently feature family planning. The most recent of a series of Bank missions left Morocco in April 1980 discouraged as to the prospects for developing a viable project. The reasons:

- it is still not clear that the GOM is really willing to borrow for social infrastructure projects, even at highly concessional rates;
- as yet, the precise limits and content of a family health project have not been clearly defined;
- from the Bank's point of view, the MOH has not come through in developing the promised project proposal for a pilot effort involving four southern provinces;

-- from the Ministry of Health's point of view, the Bank has not come forward with the necessary technical assistance to help develop a fully viable proposal. It's all very vague, and seems likely to remain so for the near future.

The question of what the Bank could be doing in population in Morocco should be viewed at two levels: macro-economic planning and specific project development.

In the first category, there would seem to be an important role for the Bank in helping convince Morocco's senior economic planners not only of the implications of Morocco's rapid population growth (of which most are already aware), but of the urgent need to do something to put on the brakes. This "something" should involve concerted action across the board to promote population education in the schools; to see that the Ministry of Health is adequately funded and, most importantly, staffed; to integrate population planning into the daily work of principal ministries such as Agriculture, Education, Information, Defense, Interior and Islamic Affairs.

On the project level, it appears unlikely that the Bank will get very far with its traditional approach to project development: talking over project ideas in the context of a series of team visits, then sitting back to await a full-blown proposal. Project development in this area will require greater technical assistance efforts in the project planning stage, particularly in defining project goals and purposes, project inputs and outputs, and assisting with the development of a detailed implementation plan. At the project level, the Bank either needs to find a way to meet these conditions, or to accept the likelihood that there will be no bankable project proposals forthcoming from the GOM in the population field.

Summary

We fully support continued substantial Bank involvement in Moroccan economic development but believe that the Bank should make greater use of its position as the largest single donor to push harder for more enlightened social and economic development policies and programs. It should place this goal ahead of simply maintaining a high investment level. Until the mid-1970s, the Bank led a consortium of aid donors to Morocco which provided a forum for a development dialogue now lacking. This could well be reinstated. Even in its absence, the Bank should press for a stronger basic human needs emphasis in its overall program and should participate more actively, despite Moroccan reticence, in advising the Government on development priorities.

In Agriculture, the Bank should continue to place greater emphasis on rainfed area development, endorsing and strengthening the GOM's stated resolve to modernize the traditional sector.

Monitoring and regular evaluations of projects can and should be improved to encourage more effective implementation.

In education, the Bank should restrain its tendency to finance physical facilities and should press for a better adaptation of the educational system to Morocco's social and economic development needs.

In urban development, the Bank should continue its slum upgrading and employment-generation efforts in support of the Government's new policies to deal with the bidonvilles, and should press for expanding this approach on a broader front. Here, too, proper monitoring and technical assistance can help make projects more effective in implementation. Beyond individual projects, a long term effort is in order to build the major institutions required to address comprehensively Morocco's shelter problems, beginning perhaps with the soon to be established housing Bank.

In population, the Bank should participate more actively with the Government to develop ways to do something about the population problem, particularly in population education, insuring adequate funding and staffing for Ministry of Health population activities, and providing technical assistance where needed to develop viable project activities.

In all of the sectors mentioned, both Bank and AID financed activities will benefit from closer coordination, particularly in the analysis of development problems and planning of programs to deal with them.