PD-AAS-632

AGENCY FOR
INTERNATIONAL
DEVELOPMENT

ANNUAL BUDGET SUBMISSION

FY 82

PAKISTAN
VOLUME 2

DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUND

JUNE 1980

BEST AVAILABLE

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

PAKISTAN

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 FY 1982 REQUEST MIN	CURR	AAEL	PLANNING PERIOD 1983	1984	1985	1986
Agriculture Rural Dev. & Nutrition									
Loans					10	20	30	50	55
Grants					5	10	15	25	25
Population									
Loans					10	15	20	25	30
Grants									
Health									
Loans					7	7	10	16	19
Grants					3	3	5	9	11
Education									
Loans									
Grants									
Selected Dev. Activities									
Loans					10	13	13	16	23
Grants					5	7	7	9	12
SUBTOTAL FUNC ACCOUNTS									
Loans					37	55	73	107	127
Grants					13	20	27	43	48
Other DA Accts. (specify)									
Loans									
Grants									
TOTAL DA ACCTS									
Loans					37	55	73	107	127
Grants					13	20	27	43	48
Economic Support Fund									
Loans					100	75	50	-	-
Grants									
TOTAL DA AND ESF					150	150	150	150	175
PL 480 (non-add)	50	80			80	100	100	100	100
Title I									
(of which Title III)									
Title II									
Housing Guaranties (non-add)									
TOTAL PERSONNEL									
USDH	16	16			20	20	20	20	20
FNDH	37	37			40	40	40	40	40

NARRATIVE TABLE I

PAKISTAN
FY 1982 ABS
LONG RANGE NARRATIVE

PART I: FY82 PROGRAM AND STAFFING REQUIREMENTS

Pakistan had been a major aid recipient for many years before we were obliged to invoke Section 669 of the Foreign Assistance Act and suspend our aid program a year ago. The one exception to this suspension was PL 480 which continued at the $40 million level plus a $10 million supplemental in FY80. $40 million is projected in FY81. Both years would be all in vegetable oil. The Soviet invation of Afghanistan in December of 1979 has given renewed exphasis to our political and security interests in South Asia, and has led to a situation in which the decision has been made to seek a waiver of FAA Section 669 with regards to Pakistan and resume our assistance relationship with Pakistan. This budget submission which include ESF, Development Assistance and PL 480 is prepared with the assumption that the Legal issues will be favorably resolved before the next Congressional Presentation goes forward.

The proposed program for FY82, represents a balance between three major objectives: the requirement to provide a relatively quick signal to the GOP of our strong political support; our desire to resume a long-term economic development relationship, and the need for quick disbursing assistance which will help alleviate the balance-of-payments and debt service burden problem. The first element of this program is $80 million in PL 480 Title I assistance to finance concessional vegetable oil imports. The second element is $100 million in ESF assistance to provide for essential fertilizer imports. The third element is $50 million in

Development Assistance support to finance development projects in four key areas: (1) Population Family Planning, (2) Primary Health Care, (3) Agriculture/Research Production, and (4) Renewable Energy/ Reforestation. Thus for FY82 the total proposal is for $230 million.

In addition to these bilateral efforts we expect to continue a significant level of assistance via multilateral institutions to help the GOP deal with the humanitarian and relief problems associated with the growing numbers of Afghanistan refugees in Pakistan. The estimate is now over 700,000 and rapidly approaching 1 million. As a matter of policy our assistance for the Afghanistan Refugees in Pakistan is being coordinate through the inter-national effort coordinated by the U.N. High Commission for Refugees (UNHCR). We have channeled resources through the WFP and the UNHCR which amount to $22.8 million in Foreign exchange and $5 million equivalent in U.S. owned Pakistan Rupees. The U.S. contribution to this effort represents over half of the $45.5 million contributed by all donors. Given the volatile nature of the situation in Afghanistan it is not possible to contemplate the level of assistance that will be required for refugees in FY82 but we are prepared to continue an appropriate level of assistance in conjunction with coordinated international efforts.

The resumtion of our bilateral assistance effort for Pakistan is directly linked to our political interests in helping maintain both the political and economic security stability of Pakistan. The rationale behind the proposed program however, is consistent with the short and long term economic and developmental needs of Pakistan.

The most serious and immediate problem facing the GOP is the balance of payments deficit. Currently, (FY80) imports are running at twice the level of export earnings, resulting in over a $2 billion gap. There are three major factors which are exacerbating the balance-of-payments situation. First, the sharp increase in their petroleum import bill. The recently announced OPEC price wise further exacerbates this problem. Secondly, the sharp increase in debt service payments following the termination of the 1974-78 debt rescheduling which have been instrumental in helping to cover the growing deficits. The GOP should be able to cover the FY 1980 financing gap with assistance from consortium group members, IMF, and special assistance deposits from OPEC countries. The World Bank has projected a net financing gap of about $700 million for FY81 on the assumption that aid programs remain at approximately present levels. During the recently concluded donor consortium meeting, we stated a willingness to consider debt rescheduling for FY81 in conjunction with the other consortium donors, provided the GOP undertakes a program of intermediate economic reforms in conjunction with an IMF upper tranche agreement. Such an arrangement would probably provide sufficient additional resources for the GOP to deal with the FY81 financing gap and to establish a policy environment that is more consistent with the longer term development needs of the country.

The proposed U.S. assistance program for FY82 includes two major elements with will help the GOP deal with its most immeidate economic security stability problems. The $100 million ESF will finance essential fertilizer imports, a direct form of balance-of-payments support which will also help increase agricultural production. Fertilizer imports are

projected to reach about $250 million in FY82, a moderate decline from the projected $300 million level for FY81 as domestic production expands. The PL 480 Title I program will provide $80 million for vegetable oil imports; this will provide substantial balance-of-payment relief from the growing burden of vegetable oil imports which are expected to amount to some $300 million in 1982.

In order to lay the groundwork for a renewed long term U.S. development assistance program in Pakistan a $50 million bilateral development assistance program is also proposed for FY82. In the initial year of this renewed development effort, four major projects are proposed which are expected to form the basis for a renewed long term development program which addresses major constraints in a limited number of key sectors:

--Agriculture Research/Production

--Population/Family Planning

--Primary Health Care

--Renewable Energy/Reforestation.

(See new project description sheets for details on each project).

The resumption of a U.S. development assistance program in FY82, with only two remaining dollar funded projects in the pipeline, represents a unique opportunity to restructure the program that will take advantage of potential staff efficiencies without compromising the ability to achieve the program objectives. By focusing on four program areas where AID has comparative advantage and avoiding project proliferation, by introducing only one project each sector, it is

is anticipated that U.S. assistance will be able to make a major contribution with a relatively small staff. The requested minimal staffing level is 20 USDH and 40 FNDH for a total of 60 direct hire personnel to manage a major and rapidly expanding development assistance effort.

PART II

Out-Years and Staffing Requirements

Table I issustrates the plan for the program to undergo a relatively rapid transformation with the focus shifting from economic and political security considerations, in the early years to long term economic development by the endo of the out-year planning period. T The growth in the development assistance program is planned to offset the phase out of the ESF program; thus DA is expected to grow incrementally from $50 million in FY82 to $175 million in FY86. The combined value of DA and ESF will remain at $150 million from FY82 to FY85 and increase moderately to $175 million in FY86. The PL 480 Title I vegetable oil import program is projected to expand to $100 million in FY83 and remain constant in current dollar terms until the end of the planning period; This PL 480 assistance will provide a minimal of needed balance=of-payments support throughout the planning period. This orderly expansion of the DA program, while the ESF program is phased out, is expected to facilitate the development of a major long term U.S. assistance program that will focus on four important sectors without excessivly taxing the absorptive capacity of these sectors. This will also result in an orderly phase out of the quick

disbrasing balance-of-payments support under ESF.

The planning period functional account breakdowns are largely illustrative and can be expected to change as plans change during the initial development and emplementation period of the program. The budget breadowns are intended to issustrate the development of a program that will focus on a relatively small number of projects in four key sectors. This sectoral emphasis is consistent with the sectors of concentration identified to AID by I.D.C.A. and with the long term development needs of Pakistan.

The proposed staffing levels for the out-year planning period are 20 USDH and 40 FNDH for a total of 60 DH. This obviously represents a very staff efficient mode of operation. In order to maintain an effective and expanding DA program at the proposed staff levels it will be necessary to explore all possible methods of maximizing staff efficiencies. Some of the efficiencies that will be built in from the start are to limit the number of pergram sector emphases, keep the number of project management units down by developing larger projects, develope follow on projects which build on the most effective elements of earlier projects, and emphasizing contract management of projects to the maximum feasible extent. Other possible avenues for more efficient management will be considered as the Pakistan program is developed but at this time it would be misleading to identify tactics which have not been specifically considered. The skill mix for the direct hire staff will be determined as the specific program mix is developed.

TABLE IV PROJECT BUDGET DATA

DECISION UNIT

PROJECT NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE INITIAL	OBLIGATION DATE FINAL	DATE OF NEXT PLANNED NON-ROUTINE EVAL.	ESTIMATED U.S. DOLLAR COST ($000) CUM PIPELINE AS OF 9/30/79	FY 1980 OBLIG.	FY 1980 EXPEND.	FY 1980 CUM. PIPELINE	FY 1981 OBLIG.	FY 1981 EXPEND.	FY 1981 CUM. PIPELINE	FY 1982 APL. OBLIG.	FORWARD FUNDED TO (MO/YR)	FUTURE OBLIGATI
	Agricultural Research	G	10/81	10/81									10,000	9/84	-
	Agricultural Research	L	10/81	10/81									5,000	9/84	-
	Population Activities	G	10/81	10/81									10,000	9/84	-
	Energy/Reforestation	G	10/81	10/81									10,000	9/84	-
	Energy/Reforestation	L	10/81	10/81									5,000	9/84	-
	Basic Health Services	G	10/81	10/81									7,000	9/84	-
	Basic Health Services	L	10/81	10/81									3,000	9/84	-
	ESF-Fertilizer (non-add)	G	10/81	10/81									(100,000)		

AID 1330-8 (4-80)

Agricultural Research

FY 82 $15M

Functional Acct. FN

Purpose: The long term objective of the project is to increase foo production and employment in the agriculture sector. The immediate purpose is to strengthen the capability of the provincial agricultu research institutions to identify and prioritize researchable probl of the poor farmer. It will also coordinate research with the Pak Agricultural Research Council to solve these problems.

Description of Problem: The problems relating to agriculture stem the practical necessity of producing sufficient food and fiber to ever increasing local demands at acceptable price levels and stim earning from foreign exchange to offset import requirements. Per within the agricultural sector has varied widely among crops and geographical areas. For example, a great effort has gone into ce production in irrigated areas. Whereas, pulses, livestock, and c which are basically raised on rainfed areas have received little This general lack of attention includes research at both the nat and provincial level.

USAID and other donors have recognized this imbalance in t effort and have supported research at the national level. Thes are increasing their capability to identify problems and genera technology. A developing bottleneck is the limited capability provincial cooperating institutions to test this technology in under farm conditions.

Description of Project: While Pakistan's national institution capability continues to increase, the research linkage with pr institutions to refine and apply this research under actual fa becomes more critical.

This linkage is being handled through the development of efficient and effective commodity research programs coordinated by the Pakistan Agricultural Research Council (PARC). This project will be used to upgrade the capabilities of the provincial research institutions and colleges working on priority research problems and to provide the inputs necessary for applied research in specific problem areas. The additional resources will be used to train staff, finance equipment and commodities, and provide technical assistance. The assistance provided will focus on improving the effectiveness of the commodity research projects coordinated by the Pakistan Agricultural Research Council.

The proposed project is a three year program of financial assistance, academic and practical training for both professionals and sub-professionals, financing needed equipment and commodities, and technical assistance. The primary beneficiaries would be the poor farmers with small holdings in rainfed areas. This project will also form the basis for an expanded involvement in the agricultural sector.

GOP Entities Involved: The implementing agencies would be the Provincial Ministries of Agriculture of the Sind, Punjab, North West Frontier, and Baluchistan, along with the provincial agricultural research institutions and universities. At the national level, the Pakistan Agricultural Research Council and the Ministry of Food and Agriculture would assume a coordinating role.

Major Issues: Design and implementation procedures would need to be worked out in order to coordinate activities between PARC and the provincial institutions. The ongoing USAID research project and the proposed World Bank development loan to support and expand the capability of PARC would need to be considered to avoid duplication and to insure that the provincial priorities being developed were in linw with national priorities.

ABS-PAKISTAN

Population/Family Planning I Project

Project Funding: Grant; Population Account

FY 1982 $10,000,000 (Full funding of project)

The purpose of this project is to develop a strong foundation for a major U.S. assisted population/family planning program which addresses the objectives of lowering the crude birth rate and overall rate of population growth in Pakistan.

Description of the Problems: With a population growth rate of 3.0 percent per year and a crude birth rate in the mid-40's, Pakistan has a population problem of immense proportions. Perhaps no country faces a bleaker demographic future than Pakistan because no country has failed in family planning program efforts in the past as repeatedly and dramatically as Pakistan. The country desperately needs a population program success of whatever magnitude in order to reestablish self-confidence among its managers and fieldworkers and to provide a better prognosis for the future development of the population.

Proposed Means of Dealing with the Problems: A strategy which counsels patience and selective support for the incremental replication of successful small-scale innovations appears to be the most sensible approach to take in Pakistan, a country where demographic miracles have not happened. The proposed strategy that emerges from this situation is a multi-pronged one: (1) support for small-scale research and development to discover innovations which show promise for replication on a broader scale; (2) support for research on fertility determinants in order to identify interventions for broader development policy which would be supportive of a lower population growth rate; (3) experiementation

with renewed family planning program activities in management information systems, and training; (4) funding for oral contraceptives and other commodities to support the initial development of the program; and (5) support for in-country training of physicians and para-medics in contraceptive use and sterilization techniques (with possible inclusion of subsidy premiums for surgical teams) in order to get basic family planning services reestablished.

Major Issues Involved: The Pakistan Family Planning program collapsed completely in 1976 and 1977 as a result of poor planning maladministration and political interference.

Recently there have been important policy developments which greatly improve the prospects for mounting an effective family planning program. One development is that the Population/Family Planning function has been removed from the Health Ministry and attached to the Planning and Development Division of the Ministry of Finance. This gives the program more status within the Federal and Provincial bureaucracies. Second, Dr. Attiya Inayatullah has been appointed as Special Advisor to the President and Minister of State for Population/Family Planning matters. She is considered one of the most knowledgeable and dynamic people in family planning in Pakistan. This augurs well for the future prospects of this crucial program. Third, there have been steps taken to reduce the corruption and inefficiency within the family planning program.

While there have been favorable developments, in the long run it will be necessary for the Government of Pakistan to demonstrate renewed commitment by appointing highly motivated competent managers to the population program, allocating internal resources to the program, and enunciating population policies which signal a clear commitment to fertility control.

Target Population: The target group for this project is all eligible couples within the child bearing age years.

Renewable Energy/Reforestation

Project Funding: Grant/Selected Development Activities

FY 1982: Grant $5,000,000; Loan $10,000,000 (full funding of project)

Purpose: To expand the reforestation efforts in Pakistan. This will increase the supply of a renewable rural energy source, provide greater availability of wood for building and manufacturing and reduce the environmental degradation that is being caused by deforestation.

Description of the Problem: Pakistan's dependence on imported petroleum products for energy needs is taking on increasing importance as international petroleum prices continue to rise. The cost of petroleum imports has increased from $400 million in 1976/77 to $1.1 billion in 1979/80 and is now expected to reach $1.5 billion in 1980/81; this is the single largest item in the Government of Pakistan import bill. These increasing oil prices have forced ever increasing numbers of people, especially the poor to encroach upon the forests for less expensive sources of fuel for cooking and heating. An IBRD study in 1978 found that firewood accounted for some 90% of the wood consumed in Pakistan. Currently, wood accounts for 50% of non-commercial energy sources which represents about 49% of total energy consumption. It is also important to note that consumption of industrial forest products (sawn wood, wood panels, pulp and paper products) is significantly lower than in other Asian countries, and yet even at these depressed consumption levels, only 65% of demand is supplied from domestic forests. The additional imported balance is a continuing burden on foreign exchange resources.

This pattern is expected to continue for several decades. Furthermore, the acute shortage of firewood, which in many parts of the country is

traditionally a free good obtained by local collection, is inducing an expanding rate of encroachment in the woodlands and forests. This pressure, and that caused by the quest for grazing fodder, are the combined principal cause of environmental degradation threatening the country in terms of soil erosion, siltation of dams (Tarbela Dam for example) and waterways, and flash flooding.

Because of the severe population pressure on the forestry resources, there is an immediate need to identify and undertake solutions to the problems of arresting the degradation of the forests and expanding the forest resource base. The IBRD has identified reforestation needs on the order of 140,000 h.a. for industrial wood and 700,000 h.a. for fuelwood. A successful program of this type could have a significant impact on the balance-of-payments by reducing import requirements on the margin.

Description of the Project: The project proposal is still in the formation stages of development and therefore the following points are tentative. The focus of the project will be divided between two main objectives: applied research and dissemination of more economical methods of using wood-fuel and other renewable energy sources, and an action oriented program to increase reforestation, forest management and watershed management schemes in selected project areas. The project details will be finalized over the coming months with the specific purpose of carefully developing an initial intervention that will form the basis for a long term major program in this sector.

Target Population: The main target group is the rural poor population which depends on wood for cooking fuel and other heating needs.

Primary Health Care

FY 82 $10 M

Functional Account HE

Purpose: To assist the Government of Pakistan in providing primary health services to the rural areas. It will also assist in developing a system of integrated rural health complexes.

Description of Problem: The present Pakistan health delivery system is characterized by wide regional variation in the quality and quantity of services in both urban and rural areas. Historically, t health system has served urban over rural needs; placed more emphasis on the training doctors than auxiliary manpower; skimped on operating budgets for public health; and neglected preventative and community health in favor of curative services.

The lack of a systematized rural health delivery system has been one of the major problems. Combined with the over emphasis placed upon graduate doctors as medical personnel the rural areas have lagged substantially behind in medical care. Doctors are not committed to working in the extreme rural area of Pakistan and the GOP has no mechanisms presently to induce them to serve in these areas.

With roughly 43,000 villages containing 75% of the population rural health care delivery systems assume an even greater importance than here-to-fore addressed. Since the present medical emphasis is skewed toward the minority urban population, steps must be taken to begin the process of bringing about more equity between the health services available in rural and urban areas.

Description of Project: This project is designed to help the GOP achieve its off stated health sector goal of improved basic health services for the under served rural population. During the course of this project non-physician health care providers, mid-level workers, will be trained and deployed into an improved rural health care delivery system. They will coordinate an expanded and integrated referral system, maintain medications, supplies, and records at levels which would ensure effective performance. The Para-Medic personnel will be stationed and work out of the basic health unit which is the LCD of the R.H.C.D.S. They will be responsible for approximately 5-10,000 persons in an area of 25 swuare miles. One male and female mid-level worker will be assigned to a BHU. This project would be directly involved in the identification and training of mid-level workers.

The ultimate goal of this project is the training of village level health workers or a community health worker who would be responsible for delivery of health services directly to the village level. The CHW would be responsible for a population of 1,000 persons or hrs. These personnel would be identified by the trained mid-level worker and nominated for CHW training to be attached to a BHU working in the villages around that BHU. The CHW would receive training in disease identification, referral methodology, basic health care, and some nutrition education. The ultimate beneficiary of this expanded RHCDS would be the population of the rural areas.

GOP Entities Involved: The provincial Ministries of Health of the Sind, Punjab, Baluchistan and NWFP would be the implementing agency. At the national level the MOH would act as the overall coordinating body. The district and local level health care personnel would have supervisory and additional coordinating responsibilities.

Major Issues: One issue which will have to be addressed is the availability of CHW. Mid-level workders will have to identify those persons they feel are committed and motivated enough to undertake the training and provide the on-going service once they are in place. The emphasis placed on MBBS graduates as the only HC provider must also be examined and ways found to enhance the respectability/capabilities of CHW. The project must continually monitor in the intial stages, the ability of the referal system to hadle the patients sent to the BHU or higher facility. If the referral system does not work smothly, the credability of the CHW will be severly impaired.

Agricultural Inputs

FY 82 $100 M

Functional Acct. FN (ESF)

Purpose: Increase food production through increased and better balanced use of fertilizer and other production inputs by all farmers, especially low-income farmers.

Description of Problem: A major constraint to increased staple food production has been inadequate supplies of fertilizer. Despite steadily increasing supplies of fertilizer through imports and increased domestic production farmer demand continue to consistently outpace supplies. AID has been associated with programs designed to increase fertilizer supplies both by loans for plant construction and assistance with import requirements for many years. Fertilizer use has increased dramatically from less than 400,000 nutrient tons in 1974/75 to over 1 million nutrient tons in 1980. Food production, while fluctuating from year to year has increased markedly during this period. In spite of the progress in increasing domestic production it is likely that production will meet domestic needs for nitrogen before 1985. Imports of phosphorous will continue to be needed unless local deposits of new minerals can be found.

Description of the Project: AID has been supporting Pakistan's fertilizer program since 1973 and has provided $90 million for imports and $40 million for plant construction. During this period AID and the Government of Pakistan have conducted careful studies of fertilizer use, pricing, and subsidy issues, and the effect of the program on food production. In the beginning years when supplies were very limited, larger farmers benefitted and used more fertilizer. In recent years, i.e. 1977 onwards due to increased supplies and a much improved distribution system, small farmers

are participating on an equal basis - possibly for the first time using more than larger farmers.

This project will assist the Government of Pakistan in providing adequate supplies of fertilizer to insure that supply keeps pace with increasing demand. Total fertilizer demand is expected to reach 2.5 to 2.8 million M.T. in 1982. This project will supply between 360-380,000 M.T. of DAP depending on existing prices in late 1981. Total Government of Pakistan fertilizer imports are expected to be slightly less than 1 million tons. Depending on progress in plant construction/completion domestic production could be 1.5 to 1.8 million tons.

Government of Pakistan Entities Involved: Imports are handled by the Directorate of Fertilizer Imports. Distribution is through private and government agencies. Studies, policy analysis and guidance is coordinated and in most cases implemented by the UNDP supported National Fertilizer Development Center.

Bureau Code: Decision Code:

TABLE V - FY 1982 PROPOSED PROGRAM RANKING

DECISION UNIT

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	PIPELINE/ ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING ($000) INCR	PROGRAM FUNDING ($000) CUM	WORKFORCE (Number of Positions) USDH INCR	USDH CUM	FNDH INCR	FNDH CUM
	Decision Package AAPL (one level only)									
	Pipeline Projects									
	Ag. Research	P	G/L	FN	(4,939)	(4,939)				
	On-Farm Water Management	P	G/L	FN	(5,839)	(10,778)				
	Technical Services	P	L	SD	(262)	(11,040)				
	Basic Health	P	G/L	HE	(5,309)	(16,349)				
	Village Level Food Processing	P	G	FN	(161)	(16,410)				
	Malaria Control	P	L	HE	(2,280)	(18,690)				
	Fauji	P	L	FN	(31,943)	(50,633)				
	Sub-Total (non-add)					(50,633)	16	16	37	37
	New and Continuing Projects									
1.	Ag. Research	N	L	FN	10,000	10,000	-	16	1	38
	Ag. Research	N	G	FN	5,000	15,000				
2.	Population Activities	N	G	PN	10,000	25,000	1	17	1	39
3.	Energy/Reforestation	N	L	SD	10,000	35,000	2	19	1	40
	Energy/Reforestation	N	G	SD	5,000	40,000				
4.	Basic Health Services	N	L	HE	7,000	47,000	1	20	-	40
	Basic Health Services	N	G	HE	3,000	50,000				
5.	ESF-Fertilizer (non-add)	N	G	FN	(100,000)		-	-	-	-
6.	PL 480 (non-add)	-	L	FN	(80,000)					
	TOTAL AAPL Package and Related Work Force				150,000		4	20	3	40

AID 1330-9 (4-80)

TABLE V NARRATIVE

Decision Unit: Pakistan

Decision Package: Supporting Narrative

I. The Approved Assistance Planning Level:

To achieve the economic development, economic security and political goals in Pakistan one level of decision package is proposed for FY 1982. The specific level and composition is considered the minimum that would be sufficient to support the combined U.S. foreign policy and developmental objectives in Pakistan. These major objectives are:

Establish the basis for the resumption of a long term development relationship based on sound basic human needs programs;

Provide a relatively quick signal to the GOP of our continuing strong political support of Pakistan;

Provide quick disbursing assistance which will help alleviate the problems associated with the persistent and growing balance-of-payments deficit and debt service burden.

The total A.A.P.L. package is designed to be consistent with these three objectives and with the long range development needs of Pakistan:

Increase agricultural production with a major emphasis on food production (other than wheat and rice which have to date received the major attention) and other commercially viable crops.

Reduce fertility and overall population growth so that the potential for per capita improvements are not completely eroded by population growth which is currently among the highest in Asia at about 3% p.a.

Reverse the trend in deforestation which is rapidly depleating a major renewable resource and creating the related problems of siltation and erosion. A reversal of this trend would reduce the drain on foreign exchange created by meeting the domestic deficit through imports and could also expand the supply of a major renewable fuel supply for the rural populace.

Improve the delivery of basic health services in the rural areas where health related problems are the greatest. The need for improved health services delivery is illustrated by the high level of infant mortality (105 per 1,000 live births) and low level of life expectancy (53 years from birth).

Table V provides the required rank order of the four projects making up the DA program, the ESF fertilizer import program and PL 480 vegetable oil import program which make up the total proposed assistances program for FY 1982. The indicated rankings is somewhat artificial because it is not realistic in the case of Pakistan to consider the individual project or program elements as seperable. The three major funding sources are integrated to form a complete package which will address both the political and developmental objectives.

In constructing this table the four DA projects were ranked first because the long term development of Pakistan is the first priority of AID. This does not mean that we are overlooking the immediate balance-of-payments problems, but that it's stated the long term development of Pakistan is a more important issue. Within the proposed DA funding level the Agriculture Research project was ranked first because of the primacy of the agriculture sector in Pakistan, in terms of food production,

rural employment needs and target population objectives. The Population/ Family Planning project was ranked second because the existing high rate of population growth is compounding all of the other development problems; in the absence of progress in reducing fertility rates all other development progress will be compromised. Given the growing importance of energy imports in Pakistan, balance-of-payments and the increasing erosion/siltation problems caused by deforestation, the Renewable Energy/ Reforestation project was ranked third. The Basic Health Services project was ranked fourth because the other three projects were believed to be somewhat higher on the list of priorities. Each of these four projects is expected to form the basis for an expanding U.S. assistance effort in each of these sectors. The proposed staffing level is considered the minimal level required to carry out the proposed program and also develop the out-year projects required for an orderly expansion of the program.

The $100 million ESF fertilizer import program is ranked after the DA projects as number 5. This reflects the AID priority for the long term development needs rather than the short term political and stabilization objectives which are served by the ESP program. The fertilizer imports financed under this program will probably not add much to fertilizer import levels but are more likely expected to replace imports that would have been supplied from other sources. Thus the most important impact of this program is that it will improve the balance-of-payments by reducing the foreign exchange burden by a commensurate amount. To the extent that ESF contributes to increased fertilizer imports it would also be reflected in increased agriculture production.

The $80 million PL 480 Title I vegetable oil import program will provide concessional financing for imports which are becoming an increasing foreign exchange burden. While there will be self help efforts associated with this program the primary benefit of this program is that it will provide quick disbursing assistance which will help reduce the balance-of-payments deficit financing burden.

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.....	21	21	11			12
MOVING FROM DESIGN TO IMPLEMENTATION DURING YEAR.....	2	4	5			7
DESIGN FOR FUTURE YEAR IMPLEMENTATION.....	15	5	3			8
SUBTOTAL.....	38	30	19			27
NUMBER OF NON-PROJECT ACTIVITIES.....	4	5	4			4
TOTAL.....	42	35	23			31

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.....	1	-	-			-
$1 TO $5 MILLION.....	1	3	-			1
$5 TO $15 MILLION.....	-	1	5			6
$15 TO $25 MILLION.....	-	-	-			-
MORE THAN $25 MILLION.....	-	-	-			1

NOTE: Numbers of Projects include rupee-funded projects
(PL-480 Title II Section 204 and Mondale Rupees Section 104)

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	4	8		1	3	2			3	2		
Program Planning	3	5			3	2			3	2		
Project Design	3	1			3	2			3	2		
Project Implementation	10	13		3	5	7		4	5	7		4
Financial Management	1	9		2	1	7		1	1	7		1
Mission Support	2	25		25	1	17		11	1	17		11
Non Mission Specific	21	3			11	3			20	3		
TOTAL.....	44	64		31	27	40		16	36*	40*		16
PLUS: PASAs (OE & Program)	7				2				-			
LESS: JAO Details		IDIs				IDIs				IDIs		
MODE Required	51				29				36			

*Please reflect the changes in dollar & personnel levels for FY 81 and FY 82 above in revising Table 8.

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									4	2		
Program Planning									3	3		
Project Design									3	2		
Project Implementation									6	9		4
Financial Management									2	7		1
Mission Support									2	17		11
Non Mission Specific									19	3		
TOTAL.....									39*	43*		16
PLUS: PASAs (OE & Program)												
LESS: JAO Details		IDIs				IDIs				IDIs		
MODE Required									39			

*Please reflect the changes in dollar & personnel levels for FY 81 and FY 82 above in revising Table 8.

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

DECISION UNIT

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS									
	FY 1980		FY 1981		FY 1982					
					Minimum		Current		AAPL	
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
EXECUTIVE DIRECTION										
Office of the Director										
Mission Director	1		1						1	
Deputy Mission Director	1		1						1	
Program Specialists		2		2						2
All Other (Non-Profrssional)	1		1						2	
Sub-Total Executive Direction	3	2	3	2					4	2
PROGRAM PLANNING										
Office of Program & Project Monitoring										
Program Officer	1		1						1	
Program Operations Officer	1		1						1	
Assistant Program Officer	1		1						1	
Program Specialist		1		1						1
All Other (Non-Professional)		1		1						2
Sun-Total Program Planning	3	2	3	2					3	3
PROJECT DESIGN & IMPLEMENTATION										
Office of Program & Project Monitoring										
Capital Project Development Officer	2		2						2	
General Engineering Advisor	1		1						2	
Program Specialist		1		1						2
Training Specialist		1		1						1
All Other (Non-Professional)		2		2						2

AID 1330-18 (4-80)

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

DECISION UNIT

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS									
	FY 1980		FY 1981		FY 1982					
					Minimum		Current		AAPL	
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
Office of Food & Economic Analysis										
Agricultural Economist	2		2						2	
Proj. Officer - Irrigation Farming Advisor	1		1						1	
Proj. Officer - Agr. Advisor Research	1		1						1	
Economic Specialist		1		1					1	2
All Other (Non-Professional)		1		1					1	1
Office of Health & Population										
Public Health Officer	1		1							
All Other (Non-Professional)		3		3						3
Sub-Total Project Design & Implementation	8	9	8	9					10	11
FINANCIAL MANAGEMENT										
Controller	1		1						1	
Budget Analyst		2		2						2
Financial Analyst		1		1						1
Supervisor Voucher Examiner		1		1						1
Voucher Examiner		1		1						1
All Other (Non-Professional)		2		2						2
Sub-Total Financial Management	1	7	1	7					1	7

PL 480 ASSISTANCE

I. GENERAL

During much of the decade of the 1970's, Pakistan's agricultural production has lagged far behind potential, with growth in production less than growth in population. The result has been a high level of necessary food imports. The Government of Pakistan (GOP), increasingly recognizing the seriousness of this situation, has begun in recent years to give higher priority to becoming more self-sufficient in food and to take a number of initiatives to improve agricultural production. Support prices for many crops have been raised, thus bringing prices up to more realistic levels. The supply and distribution of fertilizer and water has been improved. Improved seeds have also been procured by the GOP and distributed to farmers.

As a result of these efforts, and with significant assistance from highly favorable weather, production of many major crops has recently improved. Last year's wheat crop was a record 9.9 million metric tons, while production this year could well exceed the GOP's production goal of 10.46 million metric tons. The cotton crop for this year, estimated at over 4.0 million bales, is expected to set a production record. An overall growth rate of close to 7 percent in agricultural output seems very likely, a level of performance well above that in past years.

The GOP has initiated additional measures to further improve production, including preliminary efforts to improve agricultural extension and reforms in agricultural research. These and other Government efforts, though not yet having significant impact on agricultural production, are encouraging.

Despite these improvements, however, Pakistan still has serious agricultural problems and must continue major imports of foodstuffs. Sugarcane production has been low, resulting in a new requirement for the import of refined sugar. Production of most types of oilseeds has remained stagnant; combined with increasing demand, the result has been a rapid increase in edible oil imports and a consequent serious impact upon Pakistan's balance of payments. Even imports of wheat, despite record crops, are projected to continue.

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

DECISION UNIT

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS									
	FY 1980		FY 1981		FY 1982					
					Minimum		Current		AAPL	
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
MISSION SUPPORT										
Executive Officer	1		1						1	
Administrative Specialist		2		2					1	2
Housing Specialist		1		1						1
Procurement Specialist		1		1						1
Personnel Specialist		2		2						2
All Other (Non-Professional)		11		11						11
Sub-Total Mission Support	1	17	1	17					2	17
NON-MISSION SPECIFIC										
Regional Legal Advisor	1		1							
Area Auditor General	1		1						1	
Deputy Area Auditor General			1						1	
Audit Managers	3		3						3	
Auditors	6		9						9	
Foreign Assistance Inspectors			4						4	
All Other (Non-Professional)		3	1	3					1	3
Sub-Total Non-Mission Specific	11	3	20	3					19	3
TOTAL	27	40	36	40					39	43

Given these import requirements, combined with what the Mission views as good potential for significant improvements in agricultural production, the Mission believes there is a requirement for and desirability of continuing the PL 480 program in Pakistan.

We stress, though, the importance in our PL 480 program of keeping the focus on developmental policy reforms. The Mission in recent years has increasingly used the PL 480 Title I program as a developmental tool. We view the Title I programs for FY 1981 and FY 1982 as continuing this focus on development and continuing the same basic policy thrusts in agriculture that we have jointly pursued in Title I agreements in the last several years.

The recent (April 1980) World Bank report on Pakistan notes the importance of the type of concessional assistance represented by PL 480 loans. We also note that this type of concessional assistance, next to debt rescheduling, is most preferred by the GOP.

Title I programs in Pakistan in recent years have had a clear orientation toward policy changes which impact on the "small farmer," improving both his agricultural productivity and his income. As discussed in the following sections on wheat and edible oil, a number of the self-help measures in PL 480 agreements have focused directly on assisting the "small farmer" with price supports, improved access to more and better types and quality of inputs, and better assurance of favorable marketing arrangements for his output. This focus on growth with equity will, of course, continue in the future.

II. WHEAT

Background

Pakistan's wheat production during the 1970's, though sometimes erratic, has expanded at an average annual rate of 5.4%. Production in the last two years, particularly, has increased sharply. Though wheat consumption has continued to gradually increase, due primarily to population growth,

required wheat imports have decreased, reflecting the increased production. Wheat imports in 1979 (data relate to the Pakistan Wheat Crop Year, May 1, 1978 through April 30, 1979), reflecting the seriously rust affected crop that year, were at a high level of 2.3 million metric tons. As shown in Table XII, imports in 1980 declined to a level of 0.7 million metric tons. Imports in FY 1981 are projected to further decline to a level of 0.5 million metric tons, though this level could be higher if the GOP follows through on its desire to build wheat stocks to higher levels (from the projected level of 500,000 metric tons at the end of FY 1981 to levels of 1 to 2 million metric tons).

PL 480 Strategy

The Mission's PL 480 strategy in wheat in recent years has been to focus on the inadequacy and shortcomings of the GOP's ad hoc approach to wheat policy. The failures of the GOP to adequately examine farmer incentives, interrelationships of input and output prices, and availability of various types of inputs severely restricted the potential for growth in wheat production.

Intensive discussion of these issues with the GOP, both within the context of PL 480 discussions and in other fora, helped to reinforce the GOP's growing awareness of the necessity for corrective measures and willingness to take corrective measures. As indicated in the earlier discussion above, the GOP has initiated a number of corrective actions in the last several years that have impacted significantly on wheat production.

FY 1980 PL 480 Agreement

The Title I Agreement signed in March 1980 has continued the same basic thrust of encouraging and supporting GOP measures to further increase production. The main self-help measures of the March 1980 Agreement affecting wheat production are:

1. Agreement to further raise wheat procurement prices to assure sufficient financial returns to producers. This measure should especially help those working smaller units of land, since larger producers generally have ready access to the highest prices for their output.

The GOP raised the wheat procurement price in April 1980 from 45 rupees per maund to 46.65 rupees per maund, and reportedly will be raising it further prior to September 1980. (The GOP, in order to control the subsidy for ration shop offtake, has also agreed in the PL 480 Agreement to raise the ration shop wheat flour price.)

2. Agreement to continue to limit ration shop offtake to below agreed levels.

3. Agreement to maintain free and unrestricted movement, buying, selling and storage of wheat, except under carefully defined emergency conditions. (We have had continued difficulties in obtaining full compliance in all parts of Pakistan with the spirit of this provision; we are presently discussing it with GOP officials.)

4. Agreement to make adequate supplies of fertilizer available and reduce the heavy subsidy on fertilizer. Offtake of fertilizer has increased at an average annual rate of 19% during the last 5 years (Pakistan fiscal years 1974/75-1978/79); fertilizer subsidies, in March 1980, were sharply reduced by the GOP. Increased availability of fertilizer -- and liberalized credit arrangements -- has been especially beneficial to smaller producers.

5. Agreement to establish a continuing capacity to collect and analyze data on wheat production and distribution as a basis for more effective decision making.

FY 1981 and FY 1982 PL 480 Agreements

As indicated in Table XII, requirements for wheat imports have declined sharply in the last two years. Barring any serious setback in the wheat harvest in April-May 1981, GOP import requirements in both FY 1981 and FY 1982 will remain at fairly low levels (unless the GOP imports large amounts of wheat for purposes of building stocks). In this context, we believe there is no requirement for concessional imports of wheat under PL 480 during either year.

However, the Mission does believe there is a necessity to continue wheat self-help measures in the upcoming PL 480

agreements. These self-help measures will continue our support and encouragement of the GOP's wheat production efforts and help to maintain the momentum developed in the last two or three years. Thus, in both the FY 1981 and FY 1982 agreements, though we propose no PL 480 imports of wheat, we do anticipate self-help measures for further increasing wheat production.

III. EDIBLE OIL

Background

The principle elements of Pakistan's serious edible oil problem can be readily described. Total production of edible vegetable oil has been largely stagnant. In fact, during the first six of the last nine years (PFYs 1971/72-1979/80) the production trend was clearly downward, falling at an average annual rate of 8%. Hopefully this trend began a reversal in 1977/78 and production in 1979/80 is expected to be the highest on record due to a record cotton crop. During this same nine year period, consumption* (primarily in the form of vegetable ghee) has been increasing at an average annual rate of 10%. The shortfall has been filled by imports, with imports rising sharply from 69,000 metric tons in PFY 1971/72 to 420,000 metric tons in PFY 1978/79. Imports for 1979/80 are expected to fall slightly to 400,000 metric tons. Nevertheless, imports will continue to grow over the next five years, possibly reaching a level above 600,000 metric tons in PFY 1984/85. The average deficit over the next five years will be at least 500,000 metric tons annually. Foreign exchange costs for edible oil imports, projected at approximately $270 million for PFY 1979/80, are now one of Pakistan's largest import costs. The table on the next page shows the sharp differences between domestic consumption and production and the levels of imports.

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* Consumption is primarily a function of rising incomes, population increases, and limited availability of animal fat. Per capita consumption of fats is still sharply lower than in many more developed countries.

STOCKS, PRODUCTION, IMPORTS AND CONSUMPTION OF VEGETABLE OIL
(000's MT)

Year	Opening Stock	Domestic Production from: Cotton Seed	Rape Seed	Other	Total	Imports[a]	Ind.[b] Use	Closing Stock	Consumption c/
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1972/73	15	141	96	11	248	87	26	24	300
1973/74	24	140	92	11	243	176	55	24	364
1974/75	24	127	83	10	220	217	32	44	385
1975/76	44	75	90	11	176	271	15	65	411
1976/77	65	76	90	12	178	289	32	61	439
1977/78	61	97	100[d]	13	210	304	34	61	480
1978/79	61[e]	85[e]	94[e/d]	13[e]	192[e]	420[a]	56[e]	70[e]	547[e]
1979/80	70[e]	140[e]	101[e/d]	14[e]	255[f]	400[f]	45[e]	80[e]	600[f]

Source: 1972/73-1977/78, FY 1981 ABS. See below for other sources

a/ Includes small amounts of vegetable ghee and butter oil.

b/ Used for soap stock, etc.

c/ (1) + (5) + (6) - (7) - (8)

d/ The U.S. Embassy's Agricultural Attache's Office uses the following estimates for 1977/78, 1978/79 and 1979/80 respectively: 63, 65, and 80. These are substantially lower than the figures appearing in the GOP's Aide Memoires. By whomever made, these estimates are quite unreliable.

e/ USAID estimates.

f/ GOP estimates.

g/ World Bank estimate.

The solutions to this problem, unfortunately, are far more difficult to describe than the problem. Due to the extreme complexity of problems associated with the production, processing and marketing of edible oil, Pakistan understandably has difficulties resolving the problems associated with edible oil. The wide variety of organizations dealing with vegetable oil and the diffusion of authority and responsibility have seriously limited the GOP's ability to effectively address this problem. The problem is further exacerbated by the fact that the GOP does not have sufficient information on which to base a major national effort to reduce or close the gap between domestic production and consumption.

The GOP has been placing increasing emphasis upon cotton and cottonseed oil production. This in itself is desirable; unfortunately the emphasis has been only on cottonseed, while rapeseed and other types of oilseeds have been given far too little attention.

The GOP has increasingly recognized the seriousness of this problem. Beginning in 1975, a number of steps -- initiation of studies, establishment of semi-autonomous government agencies -- were taken to address the problem. The GOP also agreed, in a FY 1976 Title I Agreement, to prepare a five year edible oil program. The problem was further addressed in subsequent PL 480 Title I Agreements and Minutes to those Agreements. The Mission also has two dollar-funded projects, the Village Level Food Processing Project and the Agricultural Research Project, which address aspects of the edible oil problem.

The success of GOP, U.S., and other donor efforts in this area has been limited to date. Efforts have not been properly coordinated and managed. Institutional arrangements and support from GOP officials at high levels have not been adequate. Sufficient information still is not available on pricing and marketing, input and output relationships, and a host of other technical problems relating to oilseeds production, processing, pricing, marketing and non-traditional oilseed crops. The ever more urgent nature of this problem, however, as evidenced by the serious foreign exchange drain on an increasingly strained balance of payments, provides hope that the government will accord the edible oil problem the level of resources necessary to begin to rationally and effectively address the problem.

FY 1980 PL 480 Agreement

The Title I Agreement signed in March 1980 continued that aspect of the edible oil strategy contained in earlier PL 480 Agreements which required the GOP to carry out research, demonstration and marketing projects on expanding oilseeds production. The GOP, under this self-help measure, is also to initiate studies for developing appropriate high-yielding varieties of cotton, rape, mustard, groundnut, sunflower, safflower and soybeans. These studies will provide details on the necessary linkages between research (under the direction and coordination of the Agriculture Research Council), seed propagation, extension to farmers and nutrition. A study is also to be made on oilseed pricing policy.

Recognizing the severe problems resulting from the diffusion of authority and responsibility due to the broad spectrum of organizations dealing with edible oil, the FY 1980 Title I Agreement also addressed this problem for the first time. The GOP agreed to establish a responsible authority for encouraging the expansion of vegetable oil production in Pakistan with a role comparable to that of the National Fertilizer Development Center. (A similar situation of diffusion of authority and responsibility existed within the fertilizer sub-sector. The establishment of the National Fertilizer Development Center helped significantly to focus authority and responsibility and provide the GOP with professional expertise in approaching and dealing with the fertilizer problem.) The GOP and the Mission agreed that establishment of a responsible, effective and influential organization as the primary organization dealing with oilseed and vegetable oil production, processing and marketing would focus responsibility and provide the GOP with an improved means of approaching and dealing with the problems of increasing production.

FY 1981 and FY 1982 PL 480 Agreements

As indicated in Table XI, the Mission is requesting $80 million for edible oil under Title I for both FY 1981 and FY 1982. Quantities to be provided (computed on the basis of USDA price estimates) are 140,000 metric tons and 134,000 metric tons for FY 1981 and FY 1982 respectively.

The Mission believes this level of assistance (as opposed to that shown in Attachment A of the FY 1982 ABS guidance)

is justified by several factors. First, Pakistan's development potential, and the role PL 480 assistance can provide in influencing policy reforms to help achieve that potential, warrants a sizable level of U.S. assistance; second, crucial regional considerations dictate as high a level of support as possible under PL 480,

.third, the Mission believes the PL 480 self-help measures agreed to in our PL 480 programs can provide significant support and direction in Pakistan's efforts to achieve more equitable growth; and fourth, the PL 480 assistance can significantly assist Pakistan with its current serious balance of payments problems.

The Mission's assessment of Pakistan's storage, transportation and distribution capabilities indicates there should be no problems in FY 1981 or FY 1982 with the amounts of edible oil requested under PL 480. Fixed storage capacity for vegetable oil totals 119,000 metric tons -- 65,000 metric tons at Karachi port and 54,000 metric tons at the ghee plants located in various parts of the country. This capacity is adequate to handle the country's imports of vegetable oil plus domestic production. The same is true for transportation. Neither will there be any substantive marketing problems associated with the U.S. imports.

Obviously, Title I imports in FY 1981 and FY 1982 must be provided within the context of continuing long term Mission and GOP efforts to reduce the import gap. We envision in both FY 1981 and FY 1982 continuation and reinforcement of the self-help measures included in the FY 1980 Agreement.

We will develop and attempt to negotiate further self-help measures addressing problems in the edible oil sub-sector. These PL 480 efforts will be supplemented by the Mission's continuing work with the Pakistan Agricultural Research Council (PARC) and the National Agricultural Research Center (NARC) under the Agriculture Research Project. (PARC has given the highest priority to oilseeds research.) The Mission believes that these combined efforts can assist the GOP in formulating and implementing an effective strategy to begin reducing the edible oil gap.

TABLE XI
Country: PAKISTAN
P.L. 480 TITLE I/III REQUIREMENTS
(Dollars in Millions, Tonnage in Thousands)

COMMODITIES	FY 1980 a/						Estimated FY 1981 b/						Projected FY 1982 b/					
	Agreement		Shipments		Carry into FY 1981		Agreement		Shipments		Carry into FY 1982		Agreement		Shipments		Carry into FY 1983	
	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT
Title I																		
Wheat	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Edible Oil	50	82	50	82	0	0	80	140	80	140	0	0	80	134	80	134	0	0
Total	50	82	50	82	0	0	80	140	80	140	0	0	80	134	80	134	0	0
Total																		
Of which Title III																		
Wheat	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Edible Oil	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total																		

COMMENT:

a/ Includes $10 million presently under negotiation with GOP.

b/ Computed on the basis of USDA price estimates.

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XII

COUNTRY: PAKISTAN

PL 480 TITLE I/III

Supply and Distribution
(000 Metric Ton)

STOCK SITUATION	FY 1980	Estimated FY 1981
Commodity - Wheat		
Beginning Stocks	391	350
Production	8,946 b/	9,700 b/
Imports	668	500
Concessional	225	100
Non-Concessional	443	400
Consumption	9,655 c/d/	10,050 d/
Ending Stocks	350 c/	500
Commodity - Edible Oil		
Beginning Stocks	70	80
Production	255	290
Imports	400	410
Concessional	82	140
Non-Concessional	318	270
Consumption	645 c/e/	700 e/
Ending Stocks	80 c/	80
Commodity -		
Beginning Stocks		
Production		
Imports		
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		

Comment:

a/ Data relates to Pakistan wheat crop year (beginning May 1) for wheat and Pakistan fiscal year (beginning July 1) for edible oil. Stocks relate only to Government held stocks.

b/ Preceding year crop. Figures adjusted for feed, seed and wastage at 10%.

c/ Estimate.

d/ Does not take into consideration consumption by Afghan refugees.

e/ Includes industrial use.