

UNCLASSIFIED

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



ANNUAL BUDGET SUBMISSION

FY 83

TUNISIA

BEST AVAILABLE

JUNE 1981

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

UNCLASSIFIED

TUNISIA

FY 1983 ANNUAL BUDGET SUBMISSION

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Table I - Narrative

FY 1981 is the last year of significant new program or project obligations for USAID/Tunisia. Although there will be some new obligations incurred as a result of Government of Tunisia-U.S.G. agreements in 1982 and subsequent years, these will involve few if any development assistance appropriated funds. Instead these agreements will involve housing investment guaranties (HIGs) the implementation of a strongly development oriented Title I program, and the completion of a progressive assumption by the Tunisian Government of full responsibility for the infant, maternal, preschool, and school feeding programs currently being largely supported by PL 480 Title II funding.

The workforce (U.S. direct hire and FSN) levels in this submission have been determined on the basis of the pipeline estimates for individual projects. Most personnel will be expected to deal with several projects so that maximum efficiency of implementation is obtained. Procurement of commodities and services will be done by Tunisia (either directly or with the assistance of a contractor) or by a cooperating voluntary agency helping reduce direct hire US and FSN work force requirements. As projects are completed, the workload and the workforce will be correspondingly reduced.

Close collaboration with the Peace Corps, and continued working visits by Washington based Project Support Officers and technical experts also will help make significant savings in the last years of the program. We anticipate that there will be a declining centrally funded effort to assist the Tunisian Office of Population to strengthen its services in the rural areas. This effort will utilize such private organizations as the Population Council and require minimal USAID staff input. In the completion of evaluations and necessary in-course project adjustments. USAID Tunis will be looking increasingly to the Near East and Technical Bureaus to furnish expertise. We expect the lessons to be learned from these evaluations will have wide application in A.I.D., and will be widely disseminated.

Finally, we wish to point out certain anomalies in our presentation of Table I and III, caused by the need to conform the presentation rigidly to the FY 1981 OYB controls in effect April 30, 1981. Prior to that date, (Tunis 3178, April 27, 1981) USAID/Tunis sought a shift of \$1 million from ARDN loan account to the Health Loan account. These requested functional account shifts and certain other programming adjustments are reflected in the footnotes, and by the numbers in parantheses, which are non additive but reflect the numbers as actually planned now.

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

DEVELOPMENT ASSISTANCE	FY 1981 EST	FY 1982 EST	FY 1983 REQUEST			PLANNING PERIOD			
			MIN	CURR	AAPL	1984	1985	1986	1987
Country/Office <u>664-TUNISIA</u>									
<u>Economic Support Fund</u>	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
TOTAL DA AND ESF	25,110	-	-	-	-	-	-	-	-
PL 480 (non-add)									
Title I	10,000	10,000	10,000	10,000	10,000	10,000	-	-	-
(of which Title III)									
Title II	3,300	3,000 ^{b/}	2,250	2,250	2,250 ^{b/}	1,505 ^{b/}	750 ^{b/}	-	-
Housing Guaranties (non-add)	-	-	-	-	-	25,000	-	25,000	-
TOTAL PERSONNEL ^{d/}	48.4	44.7	41	41	41	35.2	27.4	n.a.	n.a.
USDH (workyears)	20	18.5	16	16	16	14	11.6		
FNDH (workyears)	28.4	26.2	25	25	25	21.2	15.8		

^{a/} \$3.0 million non-add from DSP/Pop is not included.

^{b/} Phase over Plan as proposed by Mission and approved by AID/W but with revised costs.

^{c/} A \$1 million switch from ARDN funds to Health, both loans was requested April 27, 1981 (Tunis 3178).

^{d/} Inclusive of regional offices located in Tunis

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
 FY 1981 to FY 1983
 (\$ thousands)

Country/Office 664-TUNISIA

APPROPRIATION ACCOUNT	FY 1981	FY 1982	FISCAL YEAR 1983		
			MINIMUM	CURRENT	AAPL
<u>Agriculture, Rural Development and Nutrition</u>					
0302 Supervised Ag Credit (L)	11,300	-	-	-	-
0304 Ag Technology Transfer(G)	2,230	-	-	-	-
0312 Central Tunisia Rural Development (G/L)	4,400 (3,400)	-	-	-	-
0312.2 CTRD - Dryland (G)	500	-	-	-	-
0312.8 CTRD - Range Dev (G)	300	-	-	-	-
0312.8 CTRD - Range Dev (L)	2,300	-	-	-	-
0312.10 CTRD (G)	300 ^{a/}	-	-	-	-
0312.10 CTRD (L)	1,000 ^{f/}	-	-	-	-
0307 CDF/SCF Community	(300)	-	-	-	-
0000 ARDN PD&S (G)	105 ^{b/}	-	-	-	-
Sub-total ARDN	17,930 (16,930)	-	-	-	-
	(G)	3,330	-	-	-
	(L)	14,600 (13,600)	-	-	-
<u>Population</u>					
0295 Family Planning Serv (G)	1,800	- e/	- e/	- e/	- e/
<u>Health</u>					
0296 R.C.H. Extension (G)	1,240	-	-	-	-
0296 R.C.H. Extension (L)	1,390 (2,390)	-	-	-	-
0000 Health - PD&S (G)	30 ^{b/}	-	-	-	-
Sub-total HE	2,630 (3,630)	-	-	-	-
	(G)	1,240	-	-	-
	(L)	1,390 (2,390)	-	-	-
<u>Education</u>					
0000 - Ed - PD&S (G)	30 ^{b/}	-	-	-	-

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TABLE V . FY 1983 PROPOSED PROGRAM RANKING		Country/Office 664-TUNISIA							
RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Workmonths)		
					INCR	CUM	INCR	CUM	INCR
1	<u>Decision Package AAPL</u> Pipeline Projects Total of which Mission (22,942) Central Funding(285)				(23,227)	69	69	201	201
2	PL 480 Title I Multityear				(10,000)	3	72	3	204
3	PL 480 Title II				(2,200)				
4	HIG Pipeline (20,000)								
5	Basic Workforce					54	126	72	276

Table V: Program and Project Ranking Narrative.

USAID/Tunis will have no new direct obligations of development assistance appropriation funds in 1983 so discussion of decision packages cannot proceed in the traditional way. However some discussion of the workforce requirements, which in this case is crucial, is appropriate.

The USAID/Tunis pipeline in FYs 82 and 83 will be large. This is the result of a deliberate decision to fully fund a final series of activities centered on a) Central Tunisia (Central Tunisia is a particularly disadvantaged region, particularly vulnerable to political instability as a result.); b) Agriculture (Agriculture, although a major employment sector in Tunisia has had low productivity, far below its potential, and is the principal activity in Central Tunisia.); and c) technology transfer especially with respect to energy.

The reduction of this pipeline by project implementation as rapid as prudent management permits with a parallel reduction of the U.S.A.I.D. workforce and presence in Tunisia is the mission objective through 1986. Workforce requirements have been carefully fitted to project needs. Because of their long association with USAID programs, their extensive experience with project implementation in the Tunisian context, and their superior ability to communicate in the Tunisian culture, we have chosen Tunisian FNDH employees over to USDH employees to complete this work wherever possible.

As a result (after taking into account the needs of the regional offices --Legal and Housing located in Tunis) we have been able to trade-off U.S.D.H. work years for FNDH work years. Our decision package is well within the ABS manpower planning levels for FY 82 and FY 83. But we have succeeded in this programming by using several man years of the U.S. allocation for foreign nationals.

It should be noted as well that part of the workyear requirement stems from the need to monitor and assist Tunisian programs which are benefitting from U.S. actions not fully mission activities (e.g. Washington funded energy studies, HIGs,) as well as a particularly innovative use of PL 480 Title I assistance. Overall, we believe this combination minimum and AAFL package to be as tight as we can make it.

TABLE VIII
OPERATING EXPENSE SUMMARY

	FY 1980			FY 1981			FY 1982		
	(\$000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost
<u>COST SUMMARIES</u>									
US Direct Hire	753.5	26	47.2	500.5	16	50.4	780.9	15	52.1
FN Direct Hire	303.4	26	11.7	395.0	25	15.9	353.5	28	12.6
US Contract Pers.	-	-	-	-	-	-	-	-	-
FN Contract Pers.	-	-	-	-	-	-	-	-	-
Housing Expense	220.1	14	23.3	227.2	15	15.1	211.8	14	15.1
Office Operations	513.7	xx	xx	639.6	xx	xx	480.2	xx	xx
Total Budget	1,896.7	xxx	xxx	2,061.3	xx	xx	1,826.4	xx	xx
Mission Allotment	960.0	xxx	xxx	1,095.8	xx	xx	1,050.2	xx	xx
FAAS	261.6	xxx	xxx	275.4	xx	xx	78.5	xx	xx
Trust Fund		xxx	xxx		xx	xx		xx	xx

COST SUMMARIES

US Direct Hire
 FN Direct Hire
 US Contract Pers.
 FN Contract Pers.
 Housing Expense
 Office Operations
 Total Budget
 Mission Allotment
 FAAS
 Trust Fund

TABLE VIII

	FY 1983			FY 1983			FY 1983		
	(\$000's)	Related Workyear	Unit Cost	(000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost
<u>COST SUMMARIES</u>									
US Direct Hire	670.4	13	51.6						
FN Direct Hire	331.9	24	13.8						
US Contract Pers.	-	-	-						
FN Contract Pers.	-	-	-						
Housing Expense	193.1	12	16.0						
Office Operations	459.7	xx	xx		xx	xx		xx	xx
Total Budget	1,655.1	xx	xx		xx	xx		xx	xx
Mission Allotment	960.8	xx	xx		xx	xx		xx	xx
FAAS	65.0	xx	xx		xx	xx		xx	xx
Trust Fund		xx	xx		xx	xx		xx	xx

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OVERSEAS WORKFORCE REQUIREMENTS
IN WORKMONTHS

12a

BUREAU: BUREAU FOR NEAR EAST

TABLE IX

DECISION UNIT: TUNISIA

ITEM	US/ FN	FUNC TION	SKILL	POSITION NUMBER AND TITLE	PERS CAT	WORK SHC	FY 81	FY 82	AT MIN	-----FY 1983-----			ABOVE PLAN LEVEL	FY 84	FY 85
										AT CURR	AT AAPL	AT PLAN			
✓ 838	U	10	011	41006 DIRECTOR	S	40	12	12	12	12	12	-	12	12	
✓ 839	U	10	073	41019 EXECUTIVE ASSISTANT	E	40	12	12	12	12	12	-	12	12	
✓ 1533	F	40	050	SECRETARY	NE	40	12	12	12	12	12	-	12	12	
✓ 3930	F	40	050	SECRETARY PERSONNEL ASST	PE	40	12	12	12	12	12	-	12	12	
✓ 849	U	20	023	44008 PROGRAM OFFICER	M	40	12	12	12	12	12	-	12	12	
✓ 889	U	20	023	44015 ASSISTANT PROGRAM OFFICER	M	40	12	12	12	12	12	-	12	12	
✓ 892	U	40	150	46006 FOOD FOR PEACE OFFICER	M	40	12	12	12	12	12	-	12	12	
✓ 1534	F	20	024	PROFESSIONAL ASSISTANT-PROGRAM	P	40	12	12	12	12	12	-	12	12	
✓ 1536	F	20	050	SECRETARY	NR	40	12	12	12	12	12	-	12	12	
✓ 1535	F	40	150	PROF ASSISTANT FFP		40	12	12	12	12	12	-	12	12	
✓ 928	U	40	091	49004 GENERAL DEVELOPMENT OFFICER	M	40	12	12	12	12	12	-	12	12	
✓ 1301	U	40	091	49018 ASSIST GENERAL DEV OFFICER	M	40	12	12	12	12	12	-	12	12	
✓ 908	U	40	101	45040 AGRICULTURAL ECONOMIST	M	40	12	12	12	12	12	-	12	12	
✓ 900	U	40	103	45004 AGRICULTURAL DEVELOPMENT OFFICER	M	40	12	12	12	12	12	-	12	12	
✓ 3946	U	40	233	62012 PHY SCIENCE RES ADVISOR	M	40	12	12	12	12	12	-	12	12	
✓ 3936	U	34	500	48010 HEALTH AND FAMILY PLANNING OFFICER	M	40	12	12	12	12	12	-	12	12	
✓ 915	U	40	588	44007 HEALTH AND FAMILY PLANNING DEV OFFICER	M	40	12	12	12	12	12	-	12	12	
✓ 955	U	40	940	44025 CAPITAL DEV OFFICER	M	40	12	12	12	12	12	-	12	12	
✓ 3937	F	40	502	PROFESSIONAL ASSISTANT	P	40	12	12	12	12	12	-	12	12	
✓ 40				Program Economist	M	40	12	12	12	12	12	-	12	12	

Annotation Table IX

Position Ranking

U S

FNDH

1,	Controller	Assistant Controller Accounting Assistant Secretary
5	Aid Representative Program Officer	Professional Assistant 074 Secretary Secretary Professional Assistant 103
18	Agricultural Development Officer Executive Assistant	Accounting Technician Personnel Assistant C&R Assistant
16	Health Family Planning Dev. Off.	Professional Assistant 150 Professional Assistant 502 Secretary Professional Assistant 091 Professional Assistant 091 Secretary
23	Agricultural Economist General Development Officer Program Economist Physical Science Res. Advisor	
27		Translator Chauffeur Accounting Asst. Scientific Affairs Specialist Secretary Adm. Asst. C&R
33	Family Planning Officer Assistant Program Officer Capital Development Officer	Voucher Examiner
38	Food For Peace Officer	Secretary Procurement Asst. Training Asst. Duplicating Machine Operator
43	Assistant General Development Officer	

PL 480 Narrative

Although Agriculture is one of the major sectors of employment in Tunisia, the country has been a net foodgrain importer in most recent years and will be one in the foreseeable future. Currently it receives food assistance under PL 480 Title II in support of preschool and school feeding programs, as well as maternal and child health programs, all administered under the sponsorship of the private voluntary agencies CARE and CRS. The voluntary agencies and the Government of Tunisia, in cooperation with A.I.D., have developed a schedule by which U.S. PL 480 Title II support for these programs will be progressively replaced by Government of Tunisia provided resources. (In a separate development CARE has arranged for CRS to take over its program while CARE terminates operations in Tunisia). By FY 1986 the program, essentially unchanged in size although sharpened in focus, will be supported entirely by Government of Tunisia (and possibly voluntary agency) resources. Tunisia also receives some food imports financed by Title II and administered by the World Food Program. These are principally in support of Food for Work activities in reforestation, soil conservation, and small farm improvement.

Title I assistance has been provided in most recent years, with the level subject to the availability of funds and commodities as well as the urgency of the need. Tunisia is not only a food grain importer, but a net importer of agricultural products. One of its developmental objectives is to increase production and productivity in the agricultural sector sufficiently to achieve net balance of payments self sufficiency in food. Such increased productivity would also increase incomes in the rural areas, where the greatest poverty now exists. The assistance has been provided because Tunisia's foreign exchange reserves have hovered at a level equal to about two and a half months' total import requirements for years. Tunisia has only been able to maintain even this narrow margin by dint of a very tight import regime, which has restricted the country's development. One way this restriction has worked has been by holding down imports of nitrogen fertilizer, and this in turn has reduced agricultural productivity and income.

Title I resources are to be used in response to this complex of problems through implementation of a proposal that U.S. Title I financing be provided for wheat in each of three years while Tunisia sharply increases its imports of nitrogenous fertilizer. It would also take parallel steps to increase farmer access to that fertilizer (e.g. a liberalized distribution system, better extension of the technology of fertilizer application, improved agricultural credit). The proposal would be implemented (subject

to funding and commodity availability) by a three year agreement, with PL 480 Title I financing for each year after the first contingent upon demonstrated improvements in the rate of fertilizer use by farmers. (Fuller details are available in the Tunisia: PL 480 Title I Multiyear Proposal Program Paper, submitted AID/W/NE March 25, 1981).

(Fuller details on the Title II requirements, including specification of the objectives and the target groups, are available in Multiyear Plan for Title II Food Assistance: Tunisia, submitted to AID/W FFP March 12, 1981).

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TABLE XI

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

COMMODITIES	Estimated FY 1982				Projected FY 1983				
	Agreement \$ MT	Shipments \$ MT	Carry into FY 1982 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1983 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1984 \$ MT
Title I	10	53	10	53	10	53	10	53	
Wheat	10	53	10	53	10	53	10	53	
Corn	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barley	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

Comments: FY 1982 and FY 1983 are part of three year multiyear PL 480 Title I Food for Development program (terminating in FY 1984, if funds and commodities are available, otherwise in FY 1985). The program is in support of a major Tunisian Agricultural Development program, involving particularly the importation and commercial distribution of increased quantities of nitrogenous fertilizer, especially by small farmers.

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TABLE XIII

PL 480 TITLE II

I. Country: Tunisia

Sponsor's Name: Catholic Relief Services (CRS) ^{1/}

A. Maternal and Child Health Total Recipients: 30.0

<u>No. of Recipients</u> <u>by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>(Thousands)</u> <u>Dollars</u>
6.0 Mothers	NFD Milk	54	22
24.0 children	NFD Milk	<u>211</u>	<u>88</u>
Total MCH Feeding.....		265 ^{2/}	110

B. School Feeding Total Recipients: 256.4

<u>No. of Recipients</u> <u>by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>(Thousands)</u> <u>Dollars</u>
256.4	Wheat Flour	2,000	676
123.2	Rice ^{3/}	155	79
123.2	SFBulgur	125	42
256.4	Veg. Oil	200	220
256.4	NFD Milk	<u>555</u>	<u>233</u>
Total School Feeding.....		3,035 ^{2/}	1,250

C. Other Child Feeding (Pre-School) Total Recipients: 106.2

<u>No. of Recipients</u> <u>by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>(Thousands)</u> <u>Dollars</u>
106.2	Wheat Flour	1,300	440
106.2	WPC-Soy	<u>700</u>	<u>450</u>
Total Other Child Feeding.....		2,000 ^{2/}	890
TOTAL CRS - <u>392.6</u>		<u>5,300</u>	<u>2,250</u>

^{1/} Because of CARE departure by end/1982, CRS will presumably cover all Title II programs/Tunisia for FY-83 and beyond.

^{2/} These quantities represent 60% /Program - Remaining 40 % are GOT contribution, as per Phase-Over Plan.

^{3/} Second choice after Rice is SFBulgur.

