

# Annual Budget Submission

**FY 1986**

**Morocco**



**MAY 1984**

Agency for International Development  
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BEST AVAILABLE

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M O R O C C O

FY-1986 ANNUAL BUDGET SUBMISSION

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USAID/MOROCCO ACTION PLAN FOR FY 1985 & FY 1986

A. STRATEGY SUMMARY

The USAID/Morocco Action Plan in the FY 1985 ABS described an operational program strategy for concentration of development resources into two primary sectors in which the Mission was already active --Agriculture and Population/Health-- and for an assessment of the utility of expanded Mission involvement in the energy sector. This assessment, founded on a strongly felt need for assistance expressed by the Government of Morocco (GOM) and a successful set of activities carried out through S&T/EY centrally-funded projects/contracts, provided the basis for a rapid expansion of USAID involvement in the energy sector. By the time this document is reviewed one new major energy project will have already been fully obligated (Conventional Energy Management, 608-0176), and another will be in the final stages of authorization and negotiation (Energy Planning Assistance, 608-0180). Thus, in the course of the past year, energy projects have evolved into the third major component of this Mission's program.

Concurrently the Mission undertook efforts to reduce involvement in other sectors, a process which often proved more difficult than undertaking a new sectoral program. The Education/Human Resources Division of the Mission was phased out, and four projects were closed out, deactivated pending completion of implementation commitments, or transferred to GOM or Peace Corps sponsorship. The Mission has retained limited involvement in two other areas of importance to the GOM and AID: General Participant Training and Shelter Sector Programs.

The Mission's FY 1986 CDSS (January 1984) proposed an augmentation of this highly focused strategy. This proposal was motivated principally by the severe and rapid deterioration of the Moroccan economy characterized by balance-of-payments (BOP) and budget deficits and a heavy debt service burden. A second "assistance track" of transitional BOP support through short-term resource transfer initiatives was proposed, to be financed by increased ESF and P.L. 480 Title I levels. Further, the CDSS proposed that the longer-term DA program focus be enlarged to encompass selected areas of natural resource development and management. The Washington review of these proposals concluded that a substantial AID-financed BOP support program for Morocco was unlikely and therefore the Mission should focus its resources on specific development constraints. The review further concluded that the DA program's concentration in Agriculture, Population/Health and Energy was sound, but that an analytical base for new project initiatives in natural resources was not yet adequately established and such initiatives should therefore await more extensive analysis. It further concluded that, where possible, efforts should be made to support the IBRD-sponsored structural adjustment program with initiatives emphasizing productive investment and export promotion.

The present ABS reflects an operational DA program focus characterized by consolidation in the three key sectors, plus analytical studies for possible future involvement in the urban development area (beyond Housing Guaranty Programs). It also reflects the adoption by the Mission of a more in-depth approach toward implementing, on several levels, the private sector development focus of the Agency. The possibility for assistance to small

enterprises through a non-governmental agency will be considered in the near future, and a major effort will be made to develop an effective ESF-financed private sector support program for FY 1986, targeted principally toward increased export production.

Finally, the FY 1985 ABS Action Plan described initiation of an active policy dialogue with the GOM, particularly in those sectors where AID involvement is substantial. It is important to note here that this dialogue has progressed rapidly over the past year, particularly in the agriculture sector, but also on a broader scale. The Mission believes this dialogue will be even further advanced through active AID participation in the donors' consultative process being developed under IBRD leadership.

## B. OBJECTIVE ACHIEVEMENTS/SELF-APPRAISAL

Operational objectives described in the FY 1985 ABS Action Plan are listed below, followed by a summarization of the level of the achievement (fully, substantially, partially, very partially, etc.) of that objective, and a brief explanatory statement:

### 1. GENERAL:

- Objective: Concentration of operational program into three key sectors of Agriculture, Population/Health, and Energy.

- Status: Fully achieved, though pressures for expansion into new areas are substantial and emanate from both the GOM and within the USG.

- Objective: Initiation of in-depth policy dialogue with GOM.

- Status: Substantially achieved (ongoing) in three key sectors through project interventions at Ministry policy and planning levels and/or through negotiation of the Title I program; progressively being achieved at a higher, "cross-sectoral" level with the Prime Minister's Office (Economic Affairs) and in the context of a new donor consultative group (first meeting in Fall 1984).

### 2. AGRICULTURE:

- Objective: Improve farming systems research for the rainfed agriculture subsector and extend appropriate technologies to farmers.

- Status: Partially achieved (ongoing); Rainfed agriculture research is being substantially advanced through the Dryland Agriculture Applied Research Project (608-0136), the scale of which has just been expanded through a five-year extension, and a \$21.8 million increase in AID funding. The Aridoculture Center is now in operation, major equipment procurement is now underway, and 10 new technical advisers are being recruited and trained. However, the development of new technologies capable of being extended to farmers through our project assistance are still several years away. The Mission's operational strategy for conducting extension activities in rainfed areas has been substantially revised (see FY 1986 CDSS). Some initial extension steps to accelerate the development and introduction of new technologies are included in the expanded implementation plan for Project

608-0136, and the Mission intends to study and try others through the Agricultural Management and Productivity Project (608-0185) proposed for FY 1986.

- Objective: Develop an effective means for the coordination of agricultural research and extension.

- Status: Very partially achieved; Although the project originally designed to achieve this objective (608-0170) has been indefinitely delayed pending further results from Project 608-0136, the latter has been expanded to address this specific objective. It is also being addressed through a self-help measure taken by the GOM pursuant to the FY 1984 P.L. 480 Title I Agreement.

- Objective: Augment the capacity of the GOM in agriculture sector data gathering, analysis and project monitoring and evaluation:

- Status: Very partially achieved; The project specifically designed to address this need (608-0182) has been obligated and the implementation phase started. However, delays in implementation have resulted from challenges to USAID's decision to implement the project through a PASA with USDA. Nevertheless, a major study of agricultural pricing policy and marketing incentives/disincentives has gotten underway through the project, in conjunction with IBRD efforts in the sector.

- Objective: Strengthen the capacity of the National Agronomic and Veterinary Institute (IAV) to train manpower for the agriculture sector.

- Status: Substantially achieved (ongoing); The 10-year effort to achieve this objective through the Agronomic Institute Project (608-0160) is running ahead of schedule and specific outputs have been revised upward in the process of amending the original PP to finance the final five-year phase. Several new elements have been added to the original design to further strengthen the development of this key institution.

- Objective: Strengthen GOM capability to carry out its Range Management Program.

- Status: Very partially achieved; Progress in this area has been slow, due primarily to design flaws in the project (608-0145) and weak contractor performance. An extensive evaluation carried out in early 1984 concluded that this objective might still be achieved through a major redesign of project activities combined with changes in contractor team membership and modus operandi. These recommendations are now being reviewed, and some have been implemented. Partial achievement of objective stems from a successful participant training component; recent work by new contract team members and Peace Corps Volunteers; and successful implementation of the seed farm/multiplication component of the project.

### 3. POPULATION/HEALTH

- Objective: Increase levels of contraceptive practice (prevalence) by expanding access to family planning and health services.

- Status: Substantially achieved (ongoing); The Population/Family Planning (Phase II) project (608-0155) has led to the establishment of a household delivery system (VDMS) for family planning information/services and other basic MCH interventions (e.g., oral rehydration therapy) in the 13 most populous provinces of Morocco. National contraceptive prevalence has increased from 12% (1978) to 27% (1983) of married women of reproductive age, and now averages 40%-50% in VDMS provinces. The follow-on Population/Family Planning (Phase III) project will further extend VDMS to 5 more large provinces and the major urban areas in an effort to reach coverage of 70% of the total population and achieve a national prevalence rate of 35%-40% by 1988.

- Objective: Increase availability of clinic/hospital-based family planning services.

- Status: Substantially achieved; In 1978, 300 GOM health facilities made FP services available. Today, all 1200 facilities are providers. Moreover, services are now provided by the paramedics rather than doctors, and over half of the facilities provide IUD insertions by trained nurses.

- Objective: Encourage the "commercialization" of contraceptive services delivery.

- Status: Very partially achieved (ongoing); The existing FP project (608-0155) has not achieved extensive private sector involvement in the area of FP services, although the need for such has been discussed frequently with the GOM. Some training visits have been made by relevant MOPH officials. The follow-on Phase III project (608-0171) will address this objective through several pilot efforts to determine the most effective channels in this sensitive area. Work with the local IPPF affiliate (AMPF) will be expanded in the area of public media campaigns and in three experimental private sales activities in the souks, urban neighborhoods and rural villages.

- Objective: Improve the Ministry of Public Health's (MOPH) planning, management and logistic support capabilities.

- Status: Partially achieved (ongoing); The Health Management Improvement Project (608-0151) has resulted in strengthening of the MOPH support systems in the areas of human resource management/personnel, pharmaceutical logistics; information processing/micro-computerization; financial management, and vehicle management. It appears that this objective will be largely achieved at the central MOPH level, though it may require a short extension of the PACD. The potential for decentralization of management system improvements will be explored through a project evaluation.

#### 4. ENERGY:

- Objective: Advise the GOM on the rationalization of its budgetary and investment priorities in the Energy Sector, and help it to adapt policy analyses based on market principles.

- Status: Partially achieved (ongoing); The centrally-funded Energy Management and Conservation Project (936-5728) has provided the GOM Ministry of Energy and Mines (MEM) with high quality assistance in policy analysis, pricing issues and energy investment planning. An interactive national energy model has been established and specific energy issues analyzed with the

assistance of new microcomputers. One major output to date has been to establish the lack of economic viability of several energy projects otherwise being seriously considered by the GOM. The follow-on, Mission-funded project (608-0180) will strengthen this effort and institutionalize it in the MEM Energy Planning and Evaluation Service now being created as a result of A.I.D.'s initiatives in this area.

- Objective: Test the economic, technical social and commercial feasibility of renewable energy technologies in Morocco.

- Status: Very partially achieved (ongoing); The Renewable Energy Development Project (608-0159) has proceeded slowly and has been affected more than other projects by the GOM austerity budget. However, the preparation of technical plans (dossiers) for the wind and solar pilot projects have been completed, and the establishment of a small projects fund is underway. Though progress has been slow, TA team work has been highly regarded and a full-scale project evaluation in late 1983 concluded that this institution-building project was now moving well and deserved full Mission support.

- Objective: Strengthen the management abilities of Morocco's Hydrocarbon Agency to appraise, explore for and develop Morocco's oil and gas resources.

- Status: Partially achieved (ongoing): ONAREP has received the technical assistance of an international petroleum consulting firm under the centrally-funded Conventional Energy Management and Training Project (936-5724). Steps have been taken to stimulate interest of foreign oil companies to enter exploration contracts. Measures have also been taken to introduce more cost effective private sector management principles and methods, and this is the primary focus of the follow-on, Mission-funded Conventional Energy Management Project (608-0176). A major constraint has been a failure thus far to discover larger exploitable hydrocarbon reserves.

##### 5. OTHER PROGRAM OBJECTIVES

- Objective: Establish the conditions for more effective phase-over of P.L. 480 Title II commodities.

- Status: Very partially achieved; A full phase-over is still planned and USAID intentions in this regard have been reinforced at every appropriate opportunity. They are now well understood. However, actual reductions in volume of commodities provided will not occur until 1986-88, and it is too soon to tell whether the planned phase-over to GOM support for these programs will actually occur, especially given competing needs for limited GOM resources in a period of increasing budget austerity.

- Objective: Upgrade the managerial, analytical and technological expertise of Moroccans in the public and private sectors.

- Status: Partially achieved (ongoing); The new Sector Support Training Project (608-0178) has gotten underway, with an initial group of candidates selected and processed. Though still in its early stages the project is working well procedurally and receiving a high level of interest from GOM ministries and agencies. The Statistical Services Project (608-0162) has contributed importantly to the execution of the 1982 census, and has

further upgraded the capability of Ministry of Plan personnel to design and conduct special surveys, analyze census and survey data, and incorporate this analysis into the planning process.

- Objective: Strengthen the capability of the Ministry of Social Affairs and Handicrafts (MAAS) to train in-service personnel.

- Status: Partially achieved (phasing-out); Although the U.S. contractor in this project (608-0157) went out of business and the majority of team members were lost to the project, most of the project's activities have been continued through the use of personal service contracts and greater reliance on Ministry personnel and Moroccan contractors. The Social Services Training Institute of Tangier, established through the project, continues to function and train social service professionals. Job placement has been a problem, but most graduates to date have found appropriate employment.

- Objective: Increase the access of poor youth to the job market.

- Status: Partially achieved (phased out); The vocational training component of the Social Services Training Project (608-0157) has proven to be the project's most successful element, due in large part to the effective participation of Peace Corps Volunteers in establishing the training programs. Thirteen training centers were established and continue in operation.

- Objective: Assist the GOM's Ministry of Housing (MHAT) to effectively implement slum upgrading programs, and to accept new policy initiatives.

- Status: Very partially achieved (ongoing); Progress has been slow under HG-002 and the accompanying OPG for technical assistance. Nevertheless, over the past year the first set of conditions precedent to borrowing have been met, and the GOM appears almost ready to seek guaranteed loan funds. Perhaps more importantly, effective cost-recovery and "affordability" for HG-002 and other GOM-financed projects have now been accepted by decision-makers in the Ministry of Housing as critical elements of shelter sector investments.

#### C. FORWARD PLAN (FYs 1985-86)

With respect to the above list of objectives, most have been only partially achieved and will remain operational objectives of the Mission through the FY 1985-86 period. There are several exceptions and modifications which should be noted. On an overall plane, the objective of program concentration into three key sectors has been fully achieved and thus no longer remains "operational."

In Agriculture, the Mission has revised its objectives to take into account the series of constraints which inhibited the attempt to design a major agricultural extension undertaking. Direct, project-level AID involvement in Ministry-sponsored agricultural extension is no longer foreseen through FY 1985, and possibly longer. The prerequisite conditions to make such involvement possible are described in more detail in the FY 1986 CDSS. In the meantime, the Mission intends to direct efforts and resources toward increasing agricultural production through other channels in this sector (see new objectives described below).

In the Population/Health and Energy areas, the statement of objectives remains substantially unchanged, with current project efforts directed at fuller achievement of the objectives stated in the FY 1985 ABS. In "Other Program Objectives", the two objectives relating to project efforts with the Ministry of Social Affairs should be deleted from the list as of FY 1986. The Social Services Training Project (608-0157) has been significantly scaled down as the result of implementation problems. Project activities will be continued to the project's current PACD (October 1985) although LOP funding has been reduced to 70 % of the authorized amount and no further obligations are foreseen. This reduced level of activity is considered the most practical approach to maximizing the extent to which project objectives may be achieved without incurring additional costs.

With these modifications, the above list of operational objectives remains essentially intact. The Mission has decided, however, to make several additions to it, based primarily on new opportunities and challenges presented by the program of austerity and structural reform now being undertaken by the GOM, and the availability of additional resources to USAID/Morocco over the FY 1984-86 period, neither of which was apparent a year ago.

#### 1. CROSS-SECTORAL OBJECTIVES

##### A. Private Sector Development:

- Objective: Assist in the development of a policy and institutional framework in Morocco which will stimulate new investment and increased production, particularly on the part of private enterprises and in sectors of the economy with the greatest potential for expanded exports.

- Rationale/Approach: Increases in Morocco's private sector investment, production, and exports are critical to renewed economic growth, political/social stability, and an improvement of increasingly serious BOP and debt situations. The economy is going through a difficult adjustment process while moving toward a greater orientation to exports and self-reliance on the basis of comparative economic advantage. With the significant reduction of public investment and spending, unemployment has grown significantly. The private sector must take up much of the slack. \$37 million of ESF funding in FY 1986 will be utilized to work toward the achievement of this program objective, with top priority accorded to the provision of assistance to export-oriented private enterprises. A new project narrative on the "Private Sector Support and Export Promotion" Project (608-0189) is included in the ABS.

##### B. Urban Development:

- Objective: To analyze the phenomenon of increasing rural-to-urban migration and rapid urban growth in Morocco in order to determine the feasibility and desirability of selected project-level interventions.

- Rationale/Approach: This objective is not yet truly "operational" in character, but is stated to indicate the Mission's intention to move forward in FY 1984 with an "Urban Development Assessment" (UDA), which will identify promising targets of opportunity for interventions in non-infrastructure areas such as municipal finance, urban planning and employment-generation. This intention is also reflected in the inclusion in this ABS of a tentative new project narrative for FY 1986 DA financing of an

"Urban Development Management and Finance" Project (608-0188). Without prejudice to the conclusions of the UDA, current expectations are that a new urban development project would focus on the municipal management and finance problems of rapidly growing secondary cities and market towns, with special attention given to their functions vis-a-vis the surrounding agricultural economy.

## 2. AGRICULTURE

- Objective: Assist the Government of Morocco to make agricultural credit more readily available to small farmers affected by drought and rising input prices.

- Rationale/Approach: ESF Funds available in FY 1985 will be used to increase lending capital available for production credits to small farmers to mitigate the effects of another poor crop year caused by drought and rising input prices caused by the reduction of government subsidies under the austerity program. The project will be rapid-disbursing, and therefore also generate foreign exchange in the relative near-term. A portion of project funds will be utilized for appropriate TA, training and limited equipment to strengthen the implementing institution, the National Agricultural Credit Bank (CNCA). The project will reinforce the efforts of the IBRD to improve the coverage and effectiveness of this institution in increasing agricultural production. A new project narrative on the "Small Farm Credit" Project (608-0184) is included in this ABS.

- Objective: Promotion of increased agricultural production and export through assistance to regional agricultural organizations and other semi-public or private entities.

- Rationale/Approach: The Mission's current view is that under present circumstances, described in detail in the FY 86 CDSS, the absorptive capacity of the GOM Ministry of Agriculture for additional assistance in dryland agriculture is very limited. The Mission is therefore actively discussing the possibilities for possible project-level interventions both with regional agricultural parastatals (ORMVAs) and non-governmental entities interested in agribusiness investment. A development assistance financed project will provide appropriate technical assistance, training and equipment to assist such organizations in efforts oriented toward increased production, commodity processing and export. This assistance would be complemented by production credit made available through intermediary financial institutions which receive ESF funding during project years. A new project narrative is included on the "Agricultural Management and Productivity" Project (608-0185).

## APPENDIX A

### Local Currency Use Plan

The PL 480 Title I program is funded at \$45 million in FY 1984 and is projected to be \$40 million per year in FYs 1985 and 1986. Local currency generations in past years have been used to support (1) USAID projects in the agriculture sector and (2) mutually agreed-upon priority activities within the development budget of the Ministry of Agriculture and Agrarian Reform (MARA) which might otherwise not receive funding. This pattern is likely to be continued in the future. Most of the MARA activities supported are related to the development of rainfed agriculture and contribute to increasing the incomes of small farmers. The specific uses of local currency under the 1984 Title I agreement are summarized here as an example of the kind of activities for which USAID has programmed (and plans to continue programming) PL 480 local currencies.

#### A. USAID-ASSISTED PROJECTS

1. Range Management Improvement (608-0145).
2. Hassan II Agronomic and Veterinary Institute (608-0160).
3. Planning, Economics and Statistics for Agriculture (608-0182).

#### B. OTHER AGRICULTURAL PROJECTS

1. Cereals Production Program
  - 1.1 Promotion of Cereals Production:
    - Assistance in the production and use of selected seeds
    - Purchase of tractors with related equipment
    - Control of Wild Oats
  - 1.2 Agricultural Extension
    - Training activities
    - Purchase of equipment for cooperatives
    - Regional demonstration and agricultural center for farm children
  - 1.3 Construction and Equipping of Seed Storage Warehouses
  - 1.4 Seed quality control
  - 1.5 Cereals research
2. Forestry Development:
  - 2.1 Reforestation and related works
  - 2.2 Soil Conservation and Reclamation
  - 2.3 Sand Dune control
3. Integrated Development Projects (IBRD):
  - El Hajeb
  - Karia Tissa
  - Oulmes Rommani
  - New Project Studies

4. Small & Medium Sized Water Works:  
- New small and medium sized projects  
- Various Improvement Activities

The FY 1984 Title I Agreement also marks a new phase in this area with respect to the monitoring and reporting on local currency generated under it and subsequent agreements. In effect, the functional equivalent of a "Special Account" is being established through an agreement between USAID, the Ministry of Finance and the National Cereals Office (ONICL) under which the latter two entities will report in detail every 6 months on the generation, allocation and budgetary disposition of the currency generated. These semi-annual financial reports are in addition to the annual reports provided by the MARA on the actual uses of Title I local currency, and the physical achievements of MARA objectives as stated in the Title I Agreement. USAID relies upon these MARA reports for its information on local currency use, except in the case of direct support to USAID-financed projects where more direct sources of information are readily available to project officers.

The proposed commodity import component of the ESF-financed Private Sector Support and Export Development project scheduled to begin in FY 1986 may also generate several million dollars in local currency in FY's 1986 and 1987. Plans for programming this currency are not yet well formulated and will require discussions with the GOM. Specific uses will be set forth in project design documents. A portion of these funds could be programmed to support local currency costs of programs to assist private export activities through information, marketing and other activities designed to reduce the administrative and handling costs of exporting. Local currencies would thus be utilized to promote an increased role for the private sector in export marketing and distribution.

The use of local currencies generated through a C.I.P. would be negotiated with the GOM in much the same manner as the use of PL 480 generations have been to date. It should be noted that the GOM takes a firm position that it owns the P.L. 480 local currencies (since it must eventually repay the USG in dollars), but it presently agrees to negotiate their use as part of a broad agreement on the need to develop rainfed agriculture. Accordingly the GOM has resisted the use of local currencies outside of its budget framework, with the notable exception of emergency expenditures to address the effects of drought. As similar loan terms will probably apply to an ESF/C.I.P. loan, the attitude of the GOM toward the use of these local currencies will probably be similar. Therefore, we realistically expect to achieve only a limited amount of additionality through local currency resources by obtaining some reallocation of actual expenditures within the GOM investment budget. However, we expect to obtain additional economic leverage by relating ESF funding to the promotion of the private sector's role in exporting.

Local currency programming in the future will thus support the Mission's strategy in two areas: (1) the development of rainfed agriculture to increase Morocco's food production and (2) support for structural economic changes which will redress the current imbalance in external trade and payments. These are critical areas of Morocco's development and they are mutually reinforcing, as increased agricultural output will increase Morocco's ability to pay for food imports (or reduce its import requirements) and an increase in exports (net of additional imported inputs) will increase Morocco's ability to import food and other goods.

## APPENDIX B

### Evaluation Narrative

This FY 1986 evaluation narrative reaffirms the Mission's commitment to the use of evaluation as a tool for effective project management. But even more important, the Mission considers evaluation to be the basis for (a) making decisions on and improving project design and implementation by follow-up on the "lessons learned"; (b) expanding our knowledge base in the key strategy areas of population, agriculture, and energy; and (c) assuring that our projects reflect the Agency's developmental priorities and effectively pursue the program objectives of the approved Mission CDSS.

Last year's ABS cited several cross-cutting "lessons learned" to date from our evaluation process. This self-appraisal resulted in a review of areas such as GOM project contributions, host country contracts, adequacy of project reporting documentation, improved participant training practices, etc. The Mission will continue its efforts to glean from the evaluation process cross-cutting "lessons learned" and to make use of these to improve project design and implementation procedures as well as the Mission's evaluation process itself. A recent example of the utility of project evaluation is found in the Range Management Improvement Project (608-0145). That evaluation concluded that the project, as originally designed, was not able to achieve appropriate sectoral objectives and recommended a substantial redesign with a shift of focus on both the input and output sides.

On a broader, procedural scale, a specific lesson learned from past evaluations was the need for tighter Mission management controls over projects. The Mission has now put into effect a project monitoring system (Mission Portfolio Review) that very effectively complements the evaluation process. Conducted semi-annually (or more often if necessary for specific projects) in each of the sectors, the project status reports required for the MPR provide in-depth analysis of the status of each project output, examines all problems impeding inputs and the achievement of objectives, and recommends (and follows-up on) actions to be taken to resolve issues and problems. With an effective monitoring system in place, annual evaluations per se, focusing solely on implementation issues, would add very little to what we already know. Instead, the project evaluations during this planning period will draw from the detailed information base provided by the monitoring system; will address, as appropriate, issues that go beyond specific project implementation concerns; and will assess output to purpose linkages, underlying assumptions, and validity of project purpose and overall design.

Project Evaluations from each of the key strategic sectors are included in this planning period, and each of these is described in Table VII. These evaluations will focus on the extent to which the operational objectives, described in the Action Plan, are being met.

In addition to the project evaluations described in Table VII, the Mission is considering a possible impact evaluation during the planning period of the Doukala Irrigation Project (608-0127), for which USAID provided \$13.0 million in loan for commodities and civil works. Such an evaluation would be conducted in conjunction with the World Bank, the major donor to this integrated project. The Mission intends to pursue discussions with the Bank on the timing and exact nature of the evaluation.

FY 1986 ANNUAL BUDGET SUBMISSION  
TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$'000)

COUNTRY/OFFICE: MOROCCO

		FY 1983	FY 1984	FY 1985		FY 1986	PLANNING PERIOD			
		ACTUAL	ESTIMATE	CP	ESTIMATE	AAPL	1987	1988	1989	1990
AGRICULTURE, RURAL DEVELOPMENT										
& NUTRITION	TOTAL	6857	10990	10000	10700	14500	15000	17000	19000	21000
	GRANTS	6857	10990	10000	10700	14500	15000	17000	19000	21000
	LOANS	---	---	---	---	---	---	---	---	---
POPULATION	TOTAL	---	4970	3700	3000	3600	4000	4200	4500	4800
	GRANTS	---	4970	3700	3000	3600	4000	4200	4500	4800
	LOANS	---	---	---	---	---	---	---	---	---
(CENT.PROC.COMMOD)			(1655)	(---	(1000)	(1000)				
HEALTH	TOTAL	1000	---	---	---	---	---	---	---	---
	GRANTS	1000	---	---	---	---	---	---	---	---
	LOANS	---	---	---	---	---	---	---	---	---
EDUCATION	TOTAL	2220	3410	1800	1800	1596	2500	2800	3000	3300
	GRANTS	2220	3410	1800	1800	1596	2500	2800	3000	3300
	LOANS	---	---	---	---	---	---	---	---	---
SEL.DEV.ACT.	TOTAL	---	1170	3500	3500	3304	3500	4000	4300	4700
	GRANTS	---	1170	3500	3500	3304	3500	4000	4300	4700
	LOANS	---	---	---	---	---	---	---	---	---
FUNCTIONAL	SUBTOTAL	10077	20540	19000	19000	23000	25000	28000	30800	33800
	GRANTS	10077	20540	19000	19000	23000	25000	28000	30800	33800
	LOANS	---	---	---	---	---	---	---	---	---
(DISASTER)	TOTAL	---	---	---	---	---	---	---	---	---
	GRANTS	---	---	---	---	---	---	---	---	---
	LOANS	---	---	---	---	---	---	---	---	---
DA ACCOUNTS	TOTAL	10077	20540	19000	19000	23000	25000	28000	30800	33800
	GRANTS	10077	20540	19000	19000	23000	25000	28000	30800	33800
	LOANS	---	---	---	---	---	---	---	---	---
(OF WHICH PVO'S)		---	(770)	(---	(837)	(1161)	(542)	(430)	(500)	(500)
ESF	TOTAL	---	8000	15000	15000	40000	40000	40000	40000	40000
	GRANTS	---	8000	15000	15000	5000	5000	5000	5000	5000
	LOANS	---	---	---	---	35000	35000	35000	35000	35000
DA & ESF	TOTAL	10077	28540	34000	34000	63000	65000	68000	70800	73800
	GRANTS	10077	28540	34000	34000	28000	30000	33000	35800	38800
	LOANS	---	---	---	---	35000	35000	35000	35000	35000
PL 480 TITLE I			(45000)	(40000)	(40000)	(40000)	(35000)	(40000)	(40000)	(40000)
(TITLE III)			(---	(---	(---	(---	(---	(---	(---	(---
PL 480 TITLE II			(14500)	(12500)	(9700)	(5600)	(4000)	(2000)	(---	(---
HOUSING GUARANTIES			(---	(---	(25000)	(---	(25000)	(---	(---	(---
TOTAL PERSONNEL										
	USDH WORKYEARS*				22(26)	22(26)	22(26)	22(26)		
	FNDH WORKYEARS				20	20	20	20		

\*Parentheses represent adjusted levels. See Table VIII Narrative, Section B - Justification.

TABLE I NARRATIVE

Approved development assistance planning levels established for Morocco for FY 1986 and the outyears are considered by the Mission to be adequate to support the project portfolio envisioned in the Mission's approved Country Development Strategy. If these resources are made available as planned, we do not envision significant funding difficulties for existing or new projects during this period. FY 1985 DA levels, however, are lower than those anticipated in the FY 1985 ABS, and this is a significant constraint on DA funded project starts in that fiscal year. Unless additional DA funds become available in FY 1985, it appears at this point that program OYB funds will be devoted principally to assume adequate forward-funding of project mortgages. However, the Mission intends to carry out an intensive program of study and project development during FY 1985 in order to obligate two or three new starts in early FY 1986, circumstances permitting. Depending on how rapidly these initiatives are developed, the priority placed on them by the GOM, the adequacy of Mission staff to manage them, and a re-evaluation of mortgage requirements mid-FY 1985, the Mission may move one or more of them forward into late FY 1985.

Only one change of significant magnitude in DA functional account totals (from the FY 1985 Congressional Presentation level) is currently anticipated: ARDN funds are \$700,000 higher than shown in the CP, and POP funds are reduced correspondingly. This is to compensate in some measure for the substantial increases over anticipated levels in POP funds provided in the FY 1984 OYB and the recent amendment of two agricultural projects (608-0136 and 608-0160) entailing increased funding requirements. These amendments are also the basis for the significant increase in ARDN levels planned for in the FY 1986 OYB.

With respect to ESF, the AAPL levels are considered by the Mission adequate to finance additional development projects in key productive sectors and to permit expansion of the private sector development program. They are not considered adequate to provide balance-of-payments support to the Government of Morocco at the level expected to be required (and requested) to assure a necessary and relatively smooth structural adjustment of the Moroccan economy over the ABS planning period.

FY 1986 ANNUAL BUDGET SUBMISSION  
TABLE IV - PROJECT BUDGET DATA

COUNTRY/OFFICE: MOROCCO

BUREAU NAME: NEAR EAST

PROJECT NUMBER AND TITLE	ESTIMATED U.S. DOLLAR COST (\$000)		OBLIG THRU FY 83	PIPE LINE	OBLIGA- TIONS	EXPEN- DITURES	FY 1984	FY 1985	FY 1986	FUNDED THRU	AAPL THRU	OBTYEAR OBLIGATIONS	PEACE CORPS VY84	ITEM NO.		
	TECH CODE	G-- L													DATE	INIT
AGRICULTURE, RURAL DEV. & NUTRITION																
608-0127 DOUKKALA IRRIGATION	L	76	76	13000	13000	13000	438	438	---	---	0684	---	---	4035		
608-0136 DRYLAND AGRICULTURE APPLIED RESEARCH (PC)	G	78	87	26323	26323	4342	1156	4735	2500	5000	0686	5000	0987	7246	3	9634
608-0145 RANGE MANAGEMENT IMPROVEMENT (PC)	G	80	85	5075	5075	4200	2400	---	---	---	0686	---	---	8	10	11735
608-0159 RENEWABLE ENERGY	G	80	85	9200	9200	6048	4627	1000	1940	1500	0686	652	0986	---	---	9650
608-0160 AGRONOMIC INSTITUTE	G	80	89	28508	28508*	9721	4296	2255	2700	2000	0686	4000	0987	10532	---	9635
608-0182 PLNG, ECON, STAT FOR AGRICULTURE	G	83	89	12567	12567	536	536	3000	500	1325	0686	2000	0987	5706	---	9637
608-0185 AGRICULTURAL MANAGEMENT & PRODUCTIVITY	G	86	89	---	10000	---	---	---	---	---	---	2348	0987	7652	---	---
608-XPVO SMALL FARM DEVELOPMENT (OPG)	G	86	87	---	500	---	---	---	---	---	---	500	0987	---	---	---

APPROPRIATION	TOTAL	GRANT	LOAN	9478	10990	13453	37847	105173	94673	14000	14000	14500
TOTAL	94673	81673	13000	9478	10990	13453	37847	105173	94673	14000	14000	14500
GRANT	81673	92173	13000	9040	10990	13015	24847	92173	81673	14000	14000	14500
LOAN	13000	13000	13000	438	---	438	13000	13000	13000	---	---	---

\* See Table IV Narrative



COUNTRY/OFFICE: MOROCCO

BUREAU NAME: NEAR EAST

TECH CODE	G-- DATE-- L INIT FIN	OBLIG AUTH PLAN	-TOTAL COST- THRU FY 83	OBLIG THRU FY 83	PIPE LINE	ESTIMATED U.S. DOLLAR COST (\$000)		OBLIGA- TIONS	EXPEN- DITURES	OBLIGA- TIONS	EXPEN- DITURES	FUNDED THRU	FUNDED THRU	OBTAINED THRU	OBTAINED THRU	OBTAINED THRU	OBTAINED THRU	ITEM NO.
						FY 83	FY 84											
EDUCATION AND HUMAN RESOURCES																		
608-0147 INDUSTRY AND COMMERCIAL JOB TRAINING FOR WOMEN																		
G	78	82	3236	3236	241	---	---	93	---	---	---	0984	---	---	---	---	---	4043
608-0149 DEVELOPMENT TRAINING AND MANAGEMENT IMPROVEMENT																		
G	78	82	4497	4497	150	---	---	130	---	---	---	1283	---	---	---	---	---	11736
608-0154 SOCIAL AND ECONOMIC RESEARCH																		
G	79	79	450	450	278	---	---	140	---	---	---	1286	---	---	---	---	---	11738
608-0157 SOCIAL SERVICES TRAINING																		
G	80	84	5400	3880*	3380	---	---	680	---	---	---	1085	---	---	---	---	---	11741
608-0162 STATISTICAL SERVICES																		
G	80	83	1500	1500	596	---	---	310	---	---	---	0985	---	---	---	---	---	11742
608-0178 SECTOR SUPPORT TRAINING																		
G	83	86	8126	8126	1320	(168)	3410	350	1800	700	---	0987	1596	0988	---	---	---	9645
APPROPRIATION																		
TOTAL			23209	21689	14883	3410	1703	1800	1424	1596	---	---	---	---	---	---	---	---
GRANT			23209	21689	14883	3410	1703	1800	1424	1596	---	---	---	---	---	---	---	---
LOAN			---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

\* See Table IV Narrative

COUNTRY/OFFICE: MOROCCO

BUREAU NAME: NEAR EAST

PROJECT NUMBER AND TITLE	ESTIMATED U.S. DOLLAR COST (\$000)																			
	FY 83		FY 1984		FY 1985		FY 86		FY 87		ITEM NO.									
TECH CODE	G	J	INIT	FIN	DATE	TOTAL COST-PLAN	AUTH	OBLIG THRU FY 83	PIPE LINE	OBLIG THRU FY 83		EXPEN-DITURES	EXPEN-DITURES	FUNDED THRU	FUNDED THRU	OUTYEAR OBLIGATIONS	PEACE CORPS			
SELECTED DEVELOPMENT ACTIVITIES																				
608-0156	LOW COST HOUSING DEVELOPMENT I																			
G	80	82	900	900	900	900	900	900	100	100	---	---	---	0184	---	---	11740			
608-0180 ENERGY PLANNING ASSISTANCE																				
G	84	86	---	4443	---	---	---	---	---	1130	340	2950	1200	0988	363	1288	9644			
608-0181 SMALL PROJECT ASSISTANCE (PC)																				
G	84	88	---	380	---	---	---	(40)	---	40	40	50	50	0986	50	0987	200	10	10	
608-0187 SMALL ENTERPRISE DEVELOPMENT (OPC)																				
G	85	88	---	500	---	---	---	---	---	---	---	500	100	0988	---	---	---	---	---	---
608-0188 URBAN DEVELOPMENT MANAGEMENT & FINANCE																				
G	86	88	---	5000	---	---	---	---	---	---	---	---	---	---	2891	1288	1709	---	---	---

APPROPRIATION																		
TOTAL	GRANT	LOAN	900	11223	900	100	1170	480	3500	1350	3304	900	100	1170	480	3500	1350	3304
			900	11223	900	100	1170	480	3500	1350	3304	900	100	1170	480	3500	1350	3304



TABLE IV NARRATIVE

The approved assistance planning levels for FYs 1985 and 1986 are adequate to allow the Mission to conform with the minimum forward funding guidelines established by the Bureau, with one exception. Due to the reduction of the Mission's DA APPL for FY 1985, agriculture sector projects in that year are funded only through the third quarter of FY 1986.

With respect to the question of loan vs. grant funding of DA projects listed in Table IV, the Mission has (historically) followed AID policy in utilizing grant funds for technical assistance, training, research and other institution-building inputs. Loan funds have been limited to financing commodity procurement or capital expenditures (e.g., road construction costs). This policy is well-established in the view of GOM counterparts at the highest levels, and any shift in it would be problematic.

The following should be noted in analyzing Table IV:

First, the previously approved FY 1984 funding levels of \$19,040,000 in DA and \$7,000,000 in ESF were increased respectively in May 1984 to \$20,540,000 and \$8,000,000. These new levels are used in Table IV.

Second, the FY 1985 ARDN account is increased by \$700,000 to \$10,700,000 and the POP account decreased by the same amount to \$3,000,000, compared with levels contained in the FY 1985 CP. The ARDN increase is necessary to provide sufficient forward funding for Dryland Agricultural Applied Research (608-0136), and made possible by the large forward funding of the new population project through the FY 1984 obligation.

Third, note that the FY 1985-86 ARDN account funding for Sector Support Training (608-0178) proposed in the FY 1985 ABS and FY 1985 CP has been deleted from Table IV and replaced by additional EHR account funds. The Mission believes that continued use of EHR funds for this project is both more appropriate and administratively simpler. Further, planned ARDN levels are required for agriculture projects.

Fourth, projects whose planned LOP costs have changed by 10% (marked with an asterisk) include: Agronomic Institute (608-0160); Social Services Training (608-0157); Conventional Energy (608-0176); and Winter Snowpack Augmentation (608-0190). Final project cost estimating resulted in increases in LOP for projects 0160 and 0190 and a decrease for project 0176. As for project 0157, the termination of the host country contract and subsequent revisions of the technical assistance plan resulted in decreased LOP funding requirements.

Fifth, the Mission plans to make the following reobligations in FY'84 (shown as NON-ADD entries) from prior year funding in the same functional accounts: \$290,000 for Family Planning Support III (608-0171) and \$168,000 for Sector Support Training (608-0178).

Sixth, although the only new starts currently planned for FY 1985 are the ESF-funded Small Farm Credit Project (608-0184) and DA funded Small Enterprise OPG, the year will be one of intensive study and project development in the areas of agricultural productivity, private sector development and the urbanization process. Circumstances permitting, one or more of the new starts

planned for FY 1986 in these areas could be moved forward into late FY 1985. This would require that the GOM be fully prepared and capable of moving forward, that the projects can be fully developed in a relatively short period, that Mission staff is adequate to manage them starting in FY 1985 and that forward-funding of existing projects is adequate to meet Bureau guidelines.

New DA starts now planned for FY 1986 include Agricultural Management and Productivity (608-0185), Urban Development Management and Finance (608-0188) and an OPG in the agriculture sector. The new ESF-financed project is Private Sector Support and Export Promotion (608-0189), which will finance key imports from the U.S. and provide credit to private firms with significant export potential.

Although not reflected in a new project listing in Table IV, it should be noted that the Mission currently intends to carry out further study of development potential in the coastal fisheries subsector. GOM requests for assistance to this area of intense economic activity are both long-standing and high-level in nature, and the Mission has not foreclosed the possibility of future involvement should appropriate targets of opportunity for substantial and near-term return on investment become apparent.

NEW PROJECT NARRATIVE

Project Number: 608-0184  
Project Title: Small Farm Credit  
Proposed FY 1985 funding: \$15,000,000 (GRANT)  
Life of Project Cost: \$15,000,000 (GRANT)  
Appropriation Accounts: Economic Support Funds (ESF)

I - SUMMARY

Small farmers in rainfed cereals producing areas, particularly in dryland areas of southwestern and eastern Morocco are being devastated by successive years of drought. This drought has affected farmers' ability to repay production loans to the National Agricultural Credit Bank (CNCA) and the Bank's ability to underwrite inputs needed by these same small farmers for next year's crop. The project seeks to maintain CNCA's successful history of development as a reliable credit institution and to provide assistance to the small farmers most seriously affected by the drought in order to maintain their long term economic viability.

II - BACKGROUND

CNCA

The CNCA was founded in 1961 as a wholly government owned institution with independent legal status and financial authority. It lends to farmers, farmer associations, cooperatives and companies for investments in agricultural production, marketing, agricultural service industries and food processing. It is administered by a Board, chaired by the Minister of Agriculture, with representatives from Ministries of Finance, and Interior, the Bank of Morocco and farmers. The CNCA is a pyramid-shaped credit bank made up of a head office and of 36 regional branches (CRCA) and 95 local branches (CLCAs). An additional 140 seasonal and/or mobile branches of CLCAs are in operation. The head office lends to a few very large farmers but mainly conducts business with state owned production and marketing companies, private agro-industrial enterprises and the irrigation development offices. The CRCAs lend to individual farmers with fiscal incomes in excess of \$700. The CLCAs make loans to small farmers with fiscal incomes up to \$700. (Fiscal Income is calculated from assets by annual surveys conducted by the Rural Tax Department. Real net farm income ranges from 3 to 20 times fiscal income.)

CNCA has been actively pursuing decentralization of lending responsibility, simplification of loan procedures and expansion of the range of investments it will finance. The CLCAs maintain individual files on all of their clients, and loan amounts are determined on the basis of fiscal income using annually revised lists of clients. Loan limits are 150% of fiscal income for short term loans, and 120% of fiscal income for medium term loans for the 95% of CLCA clients who do not have title to land. The CLCAs have a local credit committee which rules on loans. Established CLCA clients receive funds

usually in less than 1 week and often in 2-3 days after requesting them. All CLCAs offer checking and savings facilities (pass book, term deposits) and pay interest on deposits at the same rates as commercial banks.

The CLCAs have about 30% of the total loan volume of CNCA but account for 85% of its clientele. The potential small-farmer clientele of the CLCAs is estimated at some 1.2 million farmers. The CLCAs are currently reaching 25% of these potential clients. In the last decade the number of CLCA clients has grown at an impressive 18% per annum.

CNCA's solid reputation is borne out by the fact that it has been the recipient of 5 loans from IBRD as well as loans from FADES, ADB, KfW, etc. CNCA is well-staffed and well-managed. It has been expanding its lending at 18.6 % per annum, or in real terms by about 10% per annum (1970/1 - 1981/2), and has had an aggregate loan recovery rate of 96.2% over the period 1961-1981. The percent of overdue loans to total portfolio has also been low - around 15%. However, starting in 1981/82 this ratio dropped dramatically as farmers were struck by the 1980-81 drought. The impact of consecutive drought years has had a cumulative effect on small farmer loans which has been brought to a head by the poor crop of this year.

### III - PROBLEM: The Drought and Its Effects

The drought that has affected Morocco since 1980/81 has not been uniformly severe all over the country nor equally severe in all years. The 1980/81 drought year has been followed by two mediocre to poor years and again 1983/4 by a bad year. The 1983/84 winter cereals crop is estimated to be at about 3.0 to 3.3 million metric tons, as compared to a "normal" out-turn of about 4.5 million metric tons. Following the 1981 harvest the CNCA was obliged to reschedule debt for 1 year on \$44 million of loans for 217 thousand clients - of which 84% were clients of the CLCA. The 1982 and 1983 harvests resulted in a further \$25 million of debt which farmers could not meet due to the drought. Starting in 1982 the CNCA started to restructure these debts over a 3-year period for its larger customers and 5 years for the clients of the CLCA. In all, 22,635 clients of the CLCA for a total of \$2.6 million in loans have benefited from this short-term loan adjustment.

The poor 1984 harvest creates not just a repeat of these misfortunes for small farmers but a new and growing problem for those who not only are unable to repay but, being already indebted up against their loan ceiling, are unable to take on any new credit for the next year's crop, with consequent loss of output. The solutions are limited. CNCA must foreclose on these farmers or reschedule their debts so as to maintain their long-term viability and short-term ability to initiate repayment to CNCA. Foreclosing on small farmers in the face of national disaster is unacceptable and if pursued could destroy the carefully built reputation of CNCA with small farmers. On the other hand, rescheduling debt requires that sufficient new funds be available to the CNCA to support such an operation so as not to weaken its basic financial security nor to jeopardize its domestic and international borrowing capabilities.

It is also apparent that maintaining confidence in CNCA and the positive development of CNCA local lending policies require that a separate fund be created to address the credit problems of these small farmers who are

genuinely and unavoidably distressed by the drought. This is particularly the case in light of the increase in interest rates for CLCA crop loans to 11% as of September 1983 which was done at the same time as input subsidies were reduced by the GOM ( e.g. on fertilizer by 33%).

#### IV - PROJECT PURPOSE

The purpose of the project is to assist the GOM to make agricultural credit more readily available to small farmers affected by drought and rising input prices.

The objectives set by GOM for CNCA in the Development Plan 1981-85 are to 1) promote growth of agricultural productivity and rural incomes, 2) reach a larger number of farmers, 3) increase domestic resource mobilization, and 4) ensure the financial viability of CNCA operations. The project will aid GOM in continuing to meet these objectives and in off-setting the potentially serious damage of the Moroccan drought to past successful agricultural credit development in Morocco.

1) The Project will support CNCA in maintaining and developing its posture as a responsible financial intermediary with its small farm clients. By allowing CNCA to reschedule debt to needy small farmers at positive nominal interest rates (i.e. not debt forgiveness or simple rescheduling with no penalty), clients will be maintained, their capacity to repay in years ahead strengthened and confidence in CNCA maintained. The alternatives of foreclosure of small farmers or the undermining of CNCA long term financial soundness will be avoided. The process of encouraging CNCA to develop positive real interest rate policy and mobilization of rural savings will also be enhanced. The project will also assist in the institutional development of CNCA and in broadening its lending to agricultural industries.

2) By re-financing drought-stricken farmers the Project will stimulate new investment in dryland farming, once the drought breaks, and will reduce the incremental capital output ratios in rainfed agriculture. Without this project many small farmers will be unable to take on new short-term debt to finance high pay-off investment ( e.g. fertilizer) with the consequent loss of income and national output.

3) The project will support the Mission's rainfed agricultural development strategy in a direct, visible and tangible manner and stimulate domestic production of cereals and livestock.

4) The project will reinforce planned Mission initiatives in developing private sector alternatives to its current agricultural programs which are focused on long-term, institution-building activities in the public sector.

#### V - PROJECT DESCRIPTION

The Project will be implemented by CNCA through a grant in local currency generated from \$15 million ESF funds made available to GOM. The Project will be made up principally of a small farm credit component (\$12.5 million) for small farmers affected by the drought. Additional activities are lending to agro-industry (\$1.5 million) and an institutional development component (\$1.0 million). The specifics are as follows:

## A. Credit Component

### 1)--Lending to Small Farmers in Drought Affected Areas

The CNCA estimates that the non-recoverable debt at the end of the 1983/4 harvest from small farmers with less than \$700 fiscal income (including the agrarian reform cooperatives) will amount to \$45 million. The EEC is proposing a \$20 million loan on very favorable terms to help establish a Small Farmer Support Fund for debt restructuring. The project will contribute \$12.5 million to this fund. The fund will be used to convert short/medium term of farmers who are directly affected by the drought and unable to meet current debt obligation to long term loans at subsidized interest rates. The interest rate will be at least equal to the pooled rate of interest of source of funds supplying the Small Farmer Support Fund plus 3-4 points. Procedures for establishment of interest rates, eligibility of individual farmers, and so on, will be negotiated with CNCA in conjunction with the EEC, IBRD and other donors.

### 2)--Lending to Agro-Industry

A total of \$1.5 million will be reserved for a special fund for support of lending to agro-industries through the CRCA's. It will be used for financing the establishment of input supply and service industries (fertilizer, distribution, farm machinery repairs) and for food processing investments.

## B. Institutional Development Component

An amount of \$1 million will be made available to CNCA for a) short term training and technical assistance for development of in-country short courses with input from U.S. agricultural credit institutions (including S+T) with emphasis on Management Information Systems and Agribusiness Management, b) studies to support agro-industry credit development, c) studies of CLCA operations and implementation of the Small Farmer Support Fund, and d) a rural savings mobilization study (in conjunction with S+T).

## VI - CONCLUSION

This project is seeking to respond to a special need created by a national disaster and at the same time promote sound-long term credit policy and operations of CNCA. Specifically, it will be creating a special credit fund for small farmers who are suffering from the cumulative effects of a prolonged drought. In order to promote the continued institutional development of CNCA as a solid, market-oriented financial institution, the Mission has insisted on the following elements of project design:

- 1) Positive nominal rates of interest on the rescheduled debt.
- 2) Reinforcement of CLCA positive real interest rates for new lending.
- 3) Creation of policy on isolation of the Special Fund from the general loan funds of CNCA to prevent the permanent institutionalizing of this operation.
- 4) Inclusion in the Project of studies components that will focus on issues of rural savings mobilization.

These matters will be finalized during Project Design in July/August 1984.

NEW PROJECT NARRATIVE

Project Number: 608-0185  
Project Title: Agricultural Management and Productivity  
Proposed FY 86 funding: \$ 2,348,000 (GRANT)  
Life of Project Cost: \$10,000,000 (GRANT)  
Appropriation Account: Agriculture, Rural Development and  
Nutrition (ARDN)

The purpose of the Agricultural Management and Productivity Project is to stimulate increased productivity in Moroccan agriculture, including agro-industries, through improved management of alternative public and private sector institutions. Morocco's growing BOP deficit, the GOM's budget austerity program and existing institutional constraints indicate the need for a new approach to increasing output in the agricultural sector. The Ministry of Agriculture's capability to absorb new extension/production-oriented projects is severely limited. Alternative public and private institutions must be strengthened and assisted to increase output, employment and exports. The project will undertake the following kinds of activities to this end:

1. Regional Agriculture Production and Extension Programs: The development of improved extension programs in rainfed areas through the Ministry of Agriculture's existing services has proven difficult. By contrast, the irrigated subsector has performed effectively in the extension of new production technology and servicing of farmers' needs. A principal reason for this has been the decentralized management and budgetary authority of the nine regional agricultural production offices (ORMVAs) which manage the major irrigation perimeters of Morocco.

The ORMVAs are highly autonomous in operation, and currently have in place management systems, well-trained technical staffs and resources to undertake new extension/production activities in the area under their jurisdiction. Although their primary responsibility is for the management of the irrigation network, the ORMVAs also have responsibility to service substantial areas of rainfed land within their boundaries. The project will assist selected ORMVAs to manage the development of rainfed agriculture around the irrigated perimeter and to undertake extension activities in these areas. Project-level interventions in complementary small-scale irrigation, land improvement for water/soil conservation and tenure modification in surrounding rainfed areas will also be facilitated. Potential improvements in the cost-effectiveness of existing ORMVA water distribution systems will be studied, with respect to the efficiency of current water-use patterns, water management practices and pricing in a time of resource insecurity. Improvement of crop selection policies and procedures will also be discussed and facilitated, and incentives to attract private sector investment in proximity to ORMVA (especially in food processing) will be closely examined. Finally, where feasible, efforts will be made to facilitate a transfer to the private sector of service functions now being provided by the ORMVAs.

The specific types of interventions to be undertaken will be further developed through extensive discussions with the directors and technical staffs of individual ORMVAs selected for participation. This portion of the project will strongly support USAID initiatives directed at increased privatization of farmer service and marketing systems and the development of extension alternatives in rainfed agriculture. If successful, it could lead to further discussion with the GOM of the potential for an expanded role for ORMVAs in surrounding rainfed areas not currently within ORMVA boundaries.

2. Agribusiness Management Development: A second set of project activities will consist of efforts to increase productivity of existing agribusiness enterprises and to stimulate the establishment of new ones, especially in the area of food processing for export. A special agribusiness division within the "Productivity Center" created under the Private Sector Support and Export Promotion Project (608-0189) will be established. The division will conduct short courses, undertake market research and feasibility studies, provide consultancy services to private and public agribusiness and introduce modern business management systems. The agribusiness division would draw upon the resources of the Productivity Center for purposes such as identifying consultants, management training, seminars on rules and practices governing exporting to the U.S. (and elsewhere), and for other services applicable to Moroccan agribusiness.

This project will constitute a significant departure from traditional Ministry-oriented projects in agriculture with their focus on long-term technology transfer and institution-building. It will also increase USAID's understanding of the role of the private sector in Moroccan agriculture and facilitate appropriate assistance to increase that role. The two components of the project are linked in that the agribusiness division of the Productivity Center would serve as an agency for a) developing private enterprise in the ORMVA areas, b) stimulating and facilitating privatization and providing management assistance to the ORMVAs, and c) promoting investment and marketing for food processing industries supplied by ORMVA regions.

NEW PROJECT NARRATIVE

Project Number: 608-0188  
Project Title: Urban Development Management and Finance  
Proposed FY 85 Funding: 0  
Proposed FY 86 Funding: \$2,891,000 (GRANT)  
Life-of-Project Funding: \$5,000,000 (GRANT)  
Appropriation Account: Development Assistance Account (SDA)

Project Purpose

The purpose of the project is to assist municipal authorities in selected secondary cities and towns of Morocco to provide basic services on a financially sustainable basis and to enhance the creation of employment opportunities.

The Urban Development Management and Finance Project (608-0188) is a pilot effort to increase the effectiveness of municipal public administration at the "intermediate" cities/towns level. Sub-purposes may include:

- (1) To strengthen municipal finance by introducing more effective systems of user fees, tax collection and utility billings.
- (2) To institute practical systems of managing land usage which will create incentives for private investment.
- (3) To increase overall levels of municipal management skills.
- (4) To further investigate the causes and effects of the rural exodus phenomenon and to clarify linkages between the growing urban and surrounding rural economies.
- (5) To devise programs which increase employment opportunities and facilitate development of the "informal sector".

The project will be the Mission's first DA-financed effort to carry out Near East Bureau policy guidance to direct its efforts and resources to the urbanization process and concomitant problems of the urban poor. The project will constitute an attempt to demonstrate how rapidly-growing intermediate towns and cities can become more self-reliant financially and better service not only their inhabitants but the surrounding rural economy. By assisting municipal governments to become fiscally more secure through the local resource mobilization, the project will discourage subsidized central government solutions to local problems through the introduction of cost-recovery mechanisms. By assisting local governments to nurture private enterprise, the project will support AID policies favoring the use of limited public funds to serve a catalytic role in attracting private investment and increasing employment.

It should be noted here that the Mission intends to move forward in the design of this project only after several prior steps have taken place, including: (1) A Mission/RHUDO urban development assessment (UDA) is carried out, reviewed and accepted; (2) The GOM Housing Ministry submits its \$2.0 million technical assistance package and makes its initial borrowing in implementation of HG-002; and (3) Initial feasibility studies establish the cost-effectiveness of specific project-level interventions in this area.

Problem:

Morocco's intermediate-sized towns and cities continue to experience the highest population growth rates; yet they have poorly developed administrative and financial infrastructure to effectively address the problems of extending transportation, communication, utilities, water and sanitation services, let alone growing unemployment. Few municipal councils are attempting to control or manage the resultant phenomena of squatter-town proliferation and its concomitant set of economic and social problems.

Evaluations of the Mission's previous Low Cost Housing Development Project (608-0156) indicate that these problems are generic to Morocco's intermediate-sized towns but can be constructively addressed before they grow to unmanageable proportions.

Ideally, the project would focus on two or three varying sizes of secondary towns in Morocco (e.g., over 100,000; 50-75,000, and 20-30,000) in order to gain experience with the kinds of problems encountered by municipal management at each scale. The selected province or provinces should have regional offices of the Ministry of Housing and Regional Planning, the Ministry of Interior and the Community Infrastructure Development Fund (FEC), managed by the Ministry of Finance. Each pilot town selected should also have represented the electrical and water distribution utilities and at least one bank. This minimum level of infrastructure and administrative presence should allow conclusions concerning how municipalities might better utilize the resources and expertise of existing national institutions.

Target Group:

The primary target group of the project will be provincial and local level authorities who will receive technical assistance and training in the establishment of effective municipal finance and administrative methods. Town councils and managers, local chambers of commerce, provincial branch offices of public utility companies, and government land use planning agencies will also be benefited, directly or indirectly. The ultimate beneficiaries will be the residents of the targetted intermediate cities and towns.

AID Contribution:

Primary inputs from the AID contribution to the project will be technical assistance and training. These include resident technical advisers in each pilot area, substantial short-term technical assistance, short-term training in public administration and municipal finance at French-speaking institutes, and extensive in-country training in French and/or Arabic in areas such as financial management, automated municipal tax and management information systems, local revenue generation, and service project planning and evaluation.

NEW PROJECT NARRATIVE

Project Number : (608-0189)  
Project Title : Private Sector Support and Export Promotion  
Proposed FY 86 Funding : \$ 2,000,000 (GRANT)  
: \$35,000,000 (LOAN)  
Life-of-Project Funding : \$37,000,000  
Appropriation Account : Economic Support Funds (ESF)

Project Purpose: The purpose of the project is to stimulate investment and economic activity in Morocco with emphasis on the production or transformation of exportable goods and services by private enterprises. The goal of this project is to assist in the transition from the inward-looking, inefficient, debt-ridden Moroccan economy to an outward-oriented, competitive, self-reliant economy.

Problems and Means of Dealing with Them: The Moroccan economy is now undergoing a fundamental economic and structural adjustment under the guidance of the World Bank and the IMF. These institutions have set a realistic framework for tariff reductions, price liberalization, exchange rate adjustments and increasingly greater reliance on external markets and market signals. In addition to the IMF's Stand-By Arrangement, the IBRD is providing foreign exchange in the form of non-project resources (a) to permit the GOM to maintain a liberalized import regimen without depleting foreign exchange reserves, and (b) to cushion the adverse short-term effects on employment and economic activity which occur as some non-competitive industries reduce output and employment or close altogether. The proposed project will support and reinforce this process.

At this time, the Mission is in the preliminary stages of project definition. USAID's intent is to develop a package of technical assistance, dollar credit for commodity imports from the United States, and local currency credits which would both complement the IBRD and IMF programs and provide selective assistance to those public and private entities which take the lead in the restructuring of the Moroccan economy. Programmatic assistance will be focused upon two primary objectives: (a) encouraging private sector investment and productivity, and (b) encouraging Moroccan exports. The matrix below is simplistic but perhaps helpful in clarifying the relationship between these objectives.

608-0189 PROGRAMMING GUIDELINES

	Public-Sector	Private-Sector
Export-Oriented	ACCEPTABLE	PRIORITY
Non-Export Oriented	NON-ACCEPTABLE	ACCEPTABLE

Export-oriented, private sector activities would have a priority claim on project resources. In addition, if the identified activities entail new agribusiness investment, promote exports from the agricultural sector, or generate substantial employment, they will receive even higher priority. At the other extreme, traditional public sector entities that are producing largely or exclusively for domestic consumption would normally not be eligible for assistance.

Although the Mission has developed only preliminary notions of the scale and precise nature of the possible inputs of the project, the recent availability of IBRD analyses, discussions with private businessmen and cognizant GOM officials, and TDY assistance from AID/W have begun to bring project parameters into focus. Additional and more systematic analysis of these questions is scheduled for late FY 1984, with contractor and further TDY assistance. With this help, the Mission will identify key policy constraints that should be addressed in negotiations with the GOM. For example, it is clear from discussions with the IBRD and private businessmen that a redefinition of the role of the National Office for Exports and Marketing (OCE) is key to enlarging the prospects for increased production and exports of fruits and vegetables. Pending re-formulation of the use of ESF funds based on more intensive project development, the Mission foresees a program with the following components:

A. Technical Assistance and Training (\$2 million). The possibilities for programming appear to revolve around three inter-related but distinct constellations of needs and institutions. They include:

1. Assistance to appropriate GOM institutions and to Moroccan producers who need help in exploring export opportunities, particularly to the U.S. This would entail assistance and training to aid the Moroccan Export Promotion Center (CMPE) in conducting seminars and publishing materials on the rules, regulations, and practices governing trade with the United States and the relevant regulations of our FDA on processed food imports. We might also assist Moroccan organizations, such as the Moroccan General Economic Confederation (CGEM) and local private associations of Moroccan manufacturers to establish linkages with appropriate associations in the U.S., comparable to what they now enjoy with several EEC manufacturing associations.

2. Assistance to appropriate GOM institutions concerned with industrial investment and to prospective private investors, particularly in areas with export possibilities. An apparent need exists for assistance not only in identifying viable investment opportunities but in "packaging" them as well in

a fashion designed to attract investors. The Office of Development Investment (ODI) in the Ministry of Commerce is the current focal point for such activities, as well as for serving as "guide" and expediter for individual investors. ODI has already sought USAID assistance.

3. Assistance to individual private businessmen on the operational measures they might take to reduce costs and otherwise enhance the attractiveness of their products and services to foreign markets. This could involve a variety of measures, such as advice on quality control and standards, product design and packaging, finance and accounting, marketing, etc. The range and quality of private consultants available to provide advice on such matters is reputed to be slim. Although both ODI and CMPE provide some help in these areas, we would prefer to see such facilities provided through the private sector. The concept of a "Productivity Center," under the auspices of a major business association (e.g. Chamber of Commerce), will be explored. It would draw upon the services of International Executive Service Corps (IESC), American food processing industries (available through S&T's PROJECT SUSTAIN), or independent arrangements contracted directly by the facility.

B. Enlarged Access to U.S. Products through a CIP Loan (\$15 million). There are indications that the unavailability of foreign exchange to import investment and intermediate goods could provide a major constraint on Moroccan exports, and that this problem may become more serious during the coming transition years. The appropriate amount to be made available for such a CIP facility to ameliorate this constraint will depend on a more intensive appraisal of the prospective market for U.S. imports within the "priority" target group. Traditionally, such imports from the United States have been at a fairly low level.

C. Credit Facilities Directed to the Special Needs of the Priority Target-group (\$20 million). Our current understanding is a) that ample dirham credit is currently available in the economy, (b) that long-term investment credit is available, but that the National Economic Development Bank (BNDE) has a monopoly hold on such credit and apportions it conservatively, and (c) that small businessmen still have problems gaining access to adequate working capital. Subject to further examination of these issues, we propose to make \$20 million available through the commercial banking structure to remedy constraints to the vitality of the target group in ways which are consistent with recent IBRD analyses.

Target Group: The target group for this project is private industry, with special emphasis on private sector exporters (existing and potential) and the Moroccan institutions responsible for assisting them to compete in world markets. Indirectly, the entire economy will benefit from the expansion of productive private sector activities as unemployed resources and underutilized capacity are brought into use.

FY 1986 ANNUAL BUDGET SUBMISSION

TABLE V - FY 1986 PROPOSED PROGRAM RANKING					COUNTRY/OFFICE MOROCCO		
PROGRAM ACTIVITY			ONGOING NEW	LOAN GRANT	APPR ACCT	PROGRAM FUNDING (\$000)	
RANK	DESCRIPTION					INCR	CUM
1	608-0171 FAMILY PLANNING SUPPORT III	0	G	PN	3,600	3,600	
2	608-PL01 PL-480 TITLE I	0	L	P1	(40,000)	3,600	
3	608-0189 PRIVATE SECTOR SUPPORT/EXPORT PROMOTION	N	G	ESF	2,000	5,600	
			L	ESF	35,000	40,600	
4	608-0136 DRYLAND AGRICULTURE APPLIED RESEARCH	0	G	ARDN	5,000	45,600	
5	608-0160 AGRONOMIC INSTITUTE	0	G	ARDN	4,000	49,600	
6	608-0180 ENERGY PLANNING ASSISTANCE	0	G	SDA	363	49,963	
7	608-0178 SECTOR SUPPORT TRAINING	0	G	EH	1,596	51,559	
8	608-0190 WINTER SNOWPACK AUGMENTATION	0	G	ESF	3,000	54,559	
9	608-0182 AGRICULTURAL PLANNING AND STATISTICS	0	G	ARDN	2,000	56,559	
10	608-0185 AGRICULTURAL MANAGEMENT AND PRODUCTIVITY	N	G	ARDN	2,348	58,907	
11	608-0181 PEACE CORPS SMALL PROJECT SUPPORT FUND	0	G	SDA	50	58,957	
12	608-0159 RENEWABLE ENERGY	0	G	ARDN	652	59,609	
13	608-0188 URBAN DEVELOPMENT MANAGEMENT & FINANCE	N	G	SDA	2,891	62,500	
14	608-PL02 PL-480 TITLE II CRS	0	G	P2	(5,515)	62,500	
15	608-PL02 PL-480 TITLE II AJDC	0	G	P2	(70)	62,500	
16	608-XPVO SMALL FARM DEVELOPMENT	N	G	ARDN	500	63,000	
TOTAL					63,000		

TABLE V NARRATIVE

The program ranking proposed for FY 1986 is fully consistent with the approved Country Development Strategy Statement and the revised Near East Bureau Strategy Document (December 1983). The first priority concern in the regional strategy document, Population, is reflected in the Mission's ranking of Family Planning Support III (608-0171) at the top of Table V. The reduction of Morocco's rapid population growth rate is accepted by the GOM as key to growth in the productivity of all other sectors, and the Mission's approach in this area has demonstrated its effectiveness.

The second and third priorities in the Mission's ranking reflect the critical necessity to assist the GOM to carry out its economic austerity and adjustment program while continuing to address the longer-term development problems. Although the IMF and the IBRD are the key donor institutions with respect to balance-of-payments support, AID can and should make an important, reinforcing contribution. The P.L. 480 Title I program and the ESF-financed Private Sector Support/Export Promotion program have this dual purpose as a primary rationale.

The high priority the Mission continues to place on agricultural development is reflected in the ranking provided to its two largest agricultural projects (608-0136 and 608-0160), both of which have recently been amended to expand their scope and extend their life. These projects focus principally on long-term institutional development, research/technology transfer and human resource development.

The Energy Planning Assistance Project (608-0180) is the key component of the Mission's Energy Sector Strategy, as it will provide GOM energy planners and decision-makers with information and analysis upon which to base pricing policies and investment choices. It also provides an important vehicle for policy dialogue in the sector.

Sector Support Training (608-0178), the Mission's general participant training project, continues to receive a high-level ranking, due to the importance accorded it by the GOM and the U.S. Mission generally. It complements the strong training components of USAID's more specific sectoral projects and emphasizes the strengthening of administrative, managerial and technical personnel at middle and upper-middle levels of the GOM.

Winter Snowpack Augmentation (608-0190), Agricultural Planning and Statistics (608-0182) and Agricultural Management and Productivity (608-0185) comprise the next tier and are considered important components of the Mission's overall effort in the agriculture sector.

The Peace Corps SPA project (608-0181) has been incorporated into the Mission's OYB as a continuing, annual financial requirement. The Mission believes this project constitutes an important element of the highly cooperative relationship established with Peace Corps and meets the legitimate needs of Morocco's large program for limited funding at the community level.

The relatively low priority placed upon the proposed urban development project activity (608-0188) and the HG program, at this point, is related to the newness of the former (the analytical assessment is getting underway) and continuing delays in the implementation of the latter. Pending further developments in late FY 1984 and FY 1985, both programs have significant potential to rise in the Mission's priority ranking.

USAID/MOROCCO  
AID/W TDY REQUIREMENTS  
FY 1985

<u>ACTIVITY/PURPOSE</u>	<u>No. OF PERSONS</u>	<u>TIME REQUIRED</u>	<u>AID/W OFFICE</u>	<u>WHEN NEEDED</u>
<b>A. Project/Program Backstopping:</b>				
1) Agri. Sector (0136,0145,0160,0182)	1	2 weeks	NE/TECH/AD	1st QTR
2) Energy Sector (0176, 0180)	1	4-6 weeks	NE/TECH or ST/EY	1st QTR
3) P.L. 480 Title II	1	2 weeks	FVA/FFP	2nd QTR
4) Forestry Program (PL 480, P.C.,FSP)	1	3 weeks	S&T/FNR	2nd QTR
5) Program Management	1	1 week	NE/DP	2nd QTR
6) S&T Ag Sector "Ribbon"Projects	1	4 weeks	S&T/AGR	3rd QTR
7) Population (0171)	1	1 week	NE/TECH/HPN	4th QTR
<b>B. Project Feasibility and Design:</b>				
1) Project 608-0189 (Private Sector)	1	4 weeks	NE/PD	1st QTR
2) Health Mgmt. Needs Assessment	1	2 weeks	NE/TECH/HPN	2nd QTR
3) Project 608-0185 (Ag Mgmt)	2	6-8 weeks	NE/TECH/AD	2nd QTR
4) Project 608-0188 (Urban Dev.)	1	2 weeks	PRE/H	2nd QTR
<b>C. Project Evaluation:</b>				
1) Project 608-0159	1	4 weeks	NE/TECH or ST/EY	2nd QTR
2) Project 608-0149; 608-0178	1	4 weeks	NE/TECH/HRST	2nd QTR
3) Project 608-0190	1	3 weeks	NE/PD/ENV	2nd QTR
4) Project 608-0157	1	4 weeks	NE/TECH/HRST	3rd QTR
5) Project 608-0162	1	2 week	S&T/POP	4th QTR
6) Project 608-0182	1	4 weeks	NE/TECH/AD	4TH QTR

USAID/MOROCCO  
ESTIMATED PROJECT DEVELOPMENT & SUPPORT REQUIREMENTS  
FY 1985

<u>FUNCTIONAL ACCOUNT</u>	<u>ACTIVITY/PURPOSE</u>	<u>ESTIMATED COST</u>	<u>WHEN REQ'D</u>
ARDN	Design of Project 608-0185	45,000	1st QTR
ARDN	Agri. Credit/Agribusiness Studies	35,000	1st QTR
ARDN	Rainfed Agriculture/Livestock Studies	30,000	2nd QTR
ARDN	Impact Evaluation of Project 608-0127	50,000	3rd QTR
	<u>ARDN/PD&amp;S Subtotal</u>	<u>160,000*</u>	
HE	Provincial Mgmt. Needs Assessment	30,000	2nd QTR
	<u>HE/PD&amp;S Subtotal</u>	<u>30,000</u>	
SDA	Design of Project 608-0188	35,000	2nd QTR
SDA	Design of Project 608-0189	35,000	1st QTR
	<u>SDA/PD&amp;S Subtotal</u>	<u>70,000</u>	
	<u>TOTAL</u>	<u>260,000</u>	

\* USAID/Morocco is also considering options for "buying-in" to several existing S&T Bureau "Ribbon" projects, including Water Management Synthesis II (936-4127) and Agricultural Policy Studies. PD&S funds may also be required for this purpose.

TABLE VII - LIST OF PLANNED EVALUATIONS  
 FY 1986 ANNUAL BUDGET SUBMISSION  
 COUNTRY/OFFICE USAID/MOROCCO

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1985		FY 1986		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral Assistance
		Start To AID/W (Qtr)	End To AID/W (Qtr)	Start To AID/W (Qtr)	End To AID/W (Qtr)				
608-0136 Dryland Agriculture Applied Research	6/83 (83-9)	1*	2*	1	2	PACD 8/31/88 This project strengthens the institutional capability of the Agronomic Research Institute (INRA) establishing a Dryland Applied Research Center (Aridoculture Center) under INRA at Settati and four satellite research stations that conduct research for the rainfed agriculture subsector and extend appropriate technologies to farmers. The evaluation will assess the degree of institution building achieved, with emphasis on establishment of cross linkages between INRA and outreach organizations as well as international research centers and other donors, and will identify the implementation revisions necessary as a result of lessons learned thus far.	35	20	IQC 60 person days  AID/W TDY: NE/TECH/AD 20 person days S&T/AD 20 person days
608-0145 Range Management Improvement	1/84 (84-5)	2	3	2	3	PACD - 6/4/86 This project strengthens the institutional capability of the Direction de l'Elevage(DE) to conduct applied range management research, set-up and operate a forage multiplication center, and implement range extension programs. The 1/84 Evaluation concluded that the overall objectives of the project were not being met and that a redesign with a broader focus on live-stock/agricultural zones was necessary. This evaluation will	35	20	IQC 60 person days  AID/W TDY: NE/TECH/AD 20 person days S&T AGR 20 person days

John Giusti, Evaluation Officer (20%)

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	(Mo./Yr.)	(Qtr)	Start	To	Start	To				
	(Mo./Yr.)	(Qtr)	AID/W	(Qtr)	AID/W	(Qtr)				
608-0145 Range Management Improvement, Contd.							assess the effectiveness of the redesigned project. Further, it will determine the need for additional project activities; assess the progress toward strengthening DE's institutional capacity and toward establishing a viable forage multiplication center; and evaluate the effectiveness of DE's project-supported research and extension activities.			
608-0159 Renewable Energy Development	10/83 (84-3)	2		3			PACD 9/30/86 The project assists the GOM in the development of a program for the exploitation of renewable energy resources. It does this through the institutionalization of the Center for Renewable Energy Development (CDER), which will be capable of researching, analyzing and identifying efficient ways to develop and use Morocco's renewable energy potential. As noted in the 10/83 evaluation CDER faced a critical need for qualified staff, timely budgeting, building construction, and adherence to a new action plan if project purposes were to be achieved. As a result of the evaluation, project implementation and budget plans have been revised and incorporated into a Pro Ag Amendment.	Project 35 Mission OE 5	20	IQC 60 person days AID/W TDY: S&T/EY 20 person days

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		Start (Qtr)	To (Qtr)	Start (Qtr)	To (Qtr)				
608-0159 Renewable Energy Development, Contd.						This in-depth evaluation will assess efforts by the MOF, CDER, RTI (T.A. contractor), and USAID to conform to the revised plans. It will also assess CDER's viability as an institution; determine the likelihood of renewables to compete with alternative sources available in Morocco; and identify regulatory barriers impeding optimal use of renewables.			
608-0160 Agronomic Institute	9/83 (84-1)			3*	4*	PACD 4/25/90 This project strengthens the institutional capability of Hassan II Agronomic Institute (IAV-H2) to conduct in-country training of agricultural managers, technicians, and scientists. The 9/83 evaluation concluded that the project was effective and recommended extension through 1990. This evaluation will focus on attainment of institution-building objectives and linkages of teaching, research and extension institutions with the IAV. It will assess the project's impact on curriculum change and on faculty participation in IAV decision making, which are key indicators of institutional development.	Project 35 Mission 10 OE	20	IQC 60 person days AID/W TDY: NE/TECH/AD or S&T/AD or BIFAD 20 person days

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		Start (Qtr)	To (Qtr)	Start (Qtr)	To (Qtr)				
608-0182 Planning, Economics and Statistics for Agriculture	4	10/85	1	1	PACD 9/30/93	This project increases the capacity of the Ministry of Agriculture to gather and analyze agricultural statistics, to undertake economic analysis of factors affecting agriculture, and to monitor and evaluate agricultural development projects. This first evaluation will determine the capacity of the Division of Planning and Economic Affairs (DPAE) to conduct area sampling frame (ASF) surveys and objective yield analysis and will assess the adequacy of training requirements and appropriateness of technical assistance inputs.	Project 35	20	IQC 60 person days
							Mission 5		AID/W TDY: NE/TECH/AD 20 person days
608-0171 Family Planning Support III	1	1	1	1	PACD 9/30/89	This project's primary objective is to extend the availability of family planning information and services to 70% of eligible couples in Morocco by 1988. This in-depth evaluation will identify any problems impeding timeliness of implementation and examine the program and environmental factors that affect the various sub-projects, the important assumptions affecting achievement of project purpose, and significant baseline statistics (Morocco Fertility Survey of 1980; Contraceptive Prevalence Surveys of 1982 and 1984) to determine progress toward the project's objectives.	Project 15	20	IQC 20 person days
							Mission 5	20	AID/W TDY: NE/TECH/HPN 20 person days

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		Start (Qtr)	To (Qtr)	Start (Qtr)	To (Qtr)				
608-0151 Health Management Improvement	5/83 (83-4)	9/84*	1*			<p>PACD 1/27/85</p> <p>This project was designed to introduce and institutionalize major changes in the Ministry of Public Health's management and administrative systems and procedures. A five month PACD extension through 6/85 is under consideration. In September 1984, the Mission will undertake an indepth evaluation to assess contractor performance, GOM support, and the impact of management improvements initiated under the project. The evaluation will also explore options for possible follow-on activities to extend project focus to the provinces in support of greater decentralization.</p>	Project 10	10	IQC 15 person days
608-0154 Social and Economic Research	11/83 (84-2)	(A) 1	1	(B) 4	4	<p>PACD 12/31/86</p> <p>This project promotes Moroccan research on social and economic development issues. Begun in 1979, the project has been extended to permit completion of recently begun research projects, to begin 2 or 3 new multidisciplinary research projects and to strengthen the research center (CNCPRST) as a promoter and disseminator of development research.</p> <p>(A) The planned internal evaluation will assess progress in carrying out the new initiatives of multidisciplinary research and institution building.</p>	Mission OE 4	10	AID/W TDY: NE/TECH/HPN 15 person days
								6	

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Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1985		FY 1986		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral Assistance
		Start (Qtr)	To (Qtr)	Start (Qtr)	To (Qtr)				
608-0154 Social and Economic Research, Contd.						(B) The final evaluation will assess project performance, the project's impact on the research center and the research community and the utility of project outputs to Moroccan economic and social development.	Project 15		IQC or PSC 20 person days
608-0157 Social Services Training	4/83 (83-5)	3	4			PACD 10/31/85 The project aims to improve the quality and range of skill-training opportunities for low-income Moroccan youth and thereby increase their employability; and to improve the administrative and management capability of the Ministry of Handicrafts and Social Affairs. This final evaluation will assess the effectiveness of project activities in achieving originally defined goals and objectives; and the socio-economic impact of project activities on the target beneficiaries.	Project 25		IQC 40 person days
608-0162 Statistical Services	1/83 (83-1)	4	4			PACD 9/30/85 The project provides technical assistance, training and equipment to support the GOM in its implementation of the 1982 general census and specialized post-census surveys, and to incorporate new analytical methodologies into the GOM planning process. This final evaluation will examine project performance against original objectives;	Mission OE 5	20	AID/W TDY: NE/TECH/HRST 20 person days
							PASA 7.5		BuGen TDY 10 persons days
							Central 5		AID/W funded contractor TDY 10 person days
							OE 3	10	AID/W TDY: S&T/POP 10 person days

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	Completed	Start	To	Start	To	AID/W				
	(No./Yr.)	(Qtr)	(Qtr)	(Qtr)	(Qtr)	(Qtr)				
608-0162 Statistical Services, Contd.							determine EOP Status of Ministry of Plan counterpart offices/divisions; assess quality/comprehensiveness of survey data collected and quality/relevance of data analysis activity to date; examine placement/assignments of returned participants; identify a number of important GOM initiatives--particularly in the area of population planning/analysis/modeling/forecasting--which may be expanded under Family Planning Support III, 608-0171.			
608-0178 Sector Support Training			2*				PACD 9/30/89 The project focuses on up-grading the managerial, analytical and technological expertise of Moroccans involved in planning, development and implementation of social and economic programs via short- and long-term training. This evaluation will assess both projects 0149 and 0178.	Project 15	20	IQC 20 person days
(608-0149 Development Training and Management Improvement)				3*			0149: By the time of the evaluation, most of the 0149 participants (many were picked up under project 0178) will have returned, and the results of a mission conducted tracer study will be available. The evaluation will assess the quality of candidates selected; the appropriateness,	Mission EO 5	20	AID/W TDY: NE/TECH/HRST 20 person days

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COUNTRY/OFFICE USAID/MOROCCO

Project List (Project No. & Title)	FY 1985		FY 1986		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral Assistance
	Last Eval Completed (No./Yr.)	Start To End (Qtr) AID/W (Qtr)	Start To End (Qtr) AID/W (Qtr)	End (Qtr) AID/W (Qtr)				
608-0178 Sector Support Training Contd					quality, and nature of the training; the relevance of post-training assignments; and, to the extent possible, the financial and qualitative indications of improved administration of development projects by the respective Moroccan institutions. 0178: The evaluation will assess the timeliness of project implementation vis-a-vis the proposed PP training schedule and review the application of selection criteria, including GOM and USAID designated responsibilities.	Project	20	
608-0180 Energy Planning Assistance			2	3	PACD 12/31/88 This project strengthens the analytical and advisory capabilities of the Energy Planning and Evaluation Service (EPES) recently established within the Ministry of Energy and Mines. This is the first of two comprehensive evaluations to review progress in establishing an effective EPES; to assess the quality of the economic advice being generated; and to assess contractor's performance and the effectiveness of the training program.	Project	35	IQC 60 person days

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	Last Eval Completed (Mo./Yr.)	Start (Qtr)	To (Qtr)	Start (Qtr)				
608-0176 Conventional Energy Management and Training				1*	2*	Project 30	25	IQC 60 person days
					PACD 6/30/88 This project provides assistance to the National Petroleum Exploration and Development Agency (ONAREP) to enable it (1) to apply cost-effective private sector management principles and techniques; (2) to strengthen its ties to potential private sector partners in petroleum activities and investments; and (3) to explore, develop, and produce hydrocarbon resources. This is the first of two comprehensive evaluations that will review ONAREP's efforts to realign its management and to conduct its development/production program through use of private market incentives and to assess GOM's efforts to determine an equitable and reasonable price structure for domestic natural gas.			
608-0190 Winter Snowpack Augmentation		2	3			PASA 25		BuRec funded contractor 45 person days
					PACD 3/31/90 The purpose of this project is to develop within the Government of Morocco the ability to design plan, implement, monitor, and evaluate scientifically based winter snowpack augmentation programs that will increase manageable water resources. This first of three external evaluations will review and critique the design, management, implementation and effectiveness of the program.	Mission OE 4	10	AID/W TDY: NE/PD/ENW 15 person days



TABLE VIII - FY 1984

ORGANIZATION USAID/MOROCCO  
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1,139.5		1,139.5	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	887.4		887.4	19.2
PT/TEMP U.S. BASIC PAY	U102	112	-		-	-
DIFFERENTIAL PAY	U103	116	-		-	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	-		-	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119	-		-	XXXXX
EDUCATION ALLOWANCES	U106	126	40.2		40.2	9
RETIREMENT - U.S.	U107	120	61.8		61.8	XXXXX
LIVING ALLOWANCES	U108	128	-		-	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	25.2		25.2	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	4.3		4.3	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	31.1		31.1	6
POST ASSIGNMENT - FREIGHT	U112	22	44.0		44.0	6
HOME LEAVE - TRAVEL	U113	212	8.3		8.3	4
HOME LEAVE - FREIGHT	U114	22	20.0		20.0	4
EDUCATION TRAVEL	U115	215	6.0		6.0	4
R AND R TRAVEL	U116	215	-		-	-
ALL OTHER CODE 215 TRAVEL	U117	215	11.2		11.2	5
<u>FOREIGN NATIONAL DH</u>	U200		246.5		246.5	XXXXX
BASIC PAY	U201	114	213.7		213.7	20
OVERTIME, HOLIDAY PAY	U202	115	3.8		3.8	.5
ALL OTHER CODE 11 - FN	U203	119	13.9		13.9	XXXXX
ALL OTHER CODE 12 - FN	U204	129	15.1		15.1	XXXXX
BENEFITS FORMER FN PERS.	U205	13	-		-	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		176.1		176.1	XXXXX
PASA TECHNICIANS	U301	258	-		-	-
U.S. PSC - SALARY/BENEFITS	U302	113	29.6		29.6	1.7
ALL OTHER U.S. PSC COSTS	U303	255	-		-	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	114.3		114.3	10.5
ALL OTHER F.N. PSC COSTS	U305	255	32.2		32.2	XXXXX
JCC COSTS PAID BY AID/W	U306	113	-		-	-
<u>HOUSING</u>	U400		310.8		310.8	XXXXX
RENT	U401	235	128.8		128.8	21
UTILITIES	U402	235	77.0		77.0	XXXXX
RENOVATION AND MAINT.	U403	259	10.0		10.0	XXXXX
QUARTERS ALLOWANCE	U404	127	.9		.9	6
PURCHASES RES. FURN/EQUIP.	U405	311	57.3		57.3	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	28.0		28.0	XXXXX
SECURITY GUARD SERVICES	U407	254	4.8		4.8	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	2.0		2.0	XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.0		2.0	XXXXX

TABLE VIII - FY 1984

ORGANIZATION      USAID/MOROCCO  
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		<u>576.5</u>		<u>576.5</u>	<u>XXXXX</u>
RENT	U501	234	<u>26.2</u>		<u>26.2</u>	<u>XXXXX</u>
UTILITIES	U502	234	<u>9.6</u>		<u>9.6</u>	<u>XXXXX</u>
BUILDING MAINT./RENOV.	U503	259	<u>10.0</u>		<u>10.0</u>	<u>XXXXX</u>
OFFICE FURN./EQUIP.	U504	310	<u>20.2</u>		<u>20.2</u>	<u>XXXXX</u>
VEHICLES	U505	312	<u>11.0</u>		<u>11.0</u>	<u>XXXXX</u>
OTHER EQUIPMENT	U506	319	<u>-</u>		<u>-</u>	<u>XXXXX</u>
TRANSPORTATION/FREIGHT	U507	22	<u>12.0</u>		<u>12.0</u>	<u>XXXXX</u>
COMMUNICATIONS	U508	230	<u>24.9</u>		<u>24.9</u>	<u>XXXXX</u>
SECURITY GUARD SERVICES	U509	254	<u>1.5</u>		<u>1.5</u>	<u>XXXXX</u>
PRINTING	U510	24	<u>3.0</u>		<u>3.0</u>	<u>XXXXX</u>
RIG/II OPERATIONAL TRAVEL	U511	210	<u>-</u>		<u>-</u>	<u>-</u>
SITE VISITS - IN COUNTRY	U512	210	<u>16.8</u>		<u>16.8</u>	<u>160</u>
SITE VISITS - OTHER	U513	210	<u>36.7</u>		<u>36.7</u>	<u>18</u>
INFORMATION MEETINGS	U514	210	<u>6.0</u>		<u>6.0</u>	<u>3</u>
TRAINING ATTENDANCE	U515	210	<u>21.9</u>		<u>21.9</u>	<u>13</u>
CONFERENCE ATTENDANCE	U516	210	<u>13.6</u>		<u>13.6</u>	<u>9</u>
OTHER OPERATIONAL TRAVEL	U517	210	<u>-</u>		<u>-</u>	<u>-</u>
SUPPLIES AND MATERIALS	U518	26	<u>79.3</u>		<u>79.3</u>	<u>XXXXX</u>
FAAS	U519	257	<u>225.0</u>		<u>225.0</u>	<u>XXXXX</u>
CONSULTING SVCS - CONT.	U520	259	<u>-</u>		<u>-</u>	<u>XXXXX</u>
MGT./PROF. SVCS. - CONT.	U521	259	<u>-</u>		<u>-</u>	<u>XXXXX</u>
SPEC. STUDIES/ANALYSES CONT.	U522	259	<u>-</u>		<u>-</u>	<u>XXXXX</u>
ALL OTHER CODE 25	U523	259	<u>58.8</u>		<u>58.8</u>	<u>XXXXX</u>
TOTAL O.E. BUDGET			<u>2,449.4</u>		<u>2,449.4</u>	<u>XXXXX</u>
RECONCILIATION			<u>1,199.4</u>		<u>1,199.4</u>	<u>XXXXX</u>
OPERATING ALLOWANCE REQUEST			<u>1,250.0</u>		<u>1,250.0</u>	<u>XXXXX</u>

OTHER INFORMATION:

Dollar requirement for local currency costs  
Exchange rate used (as of May 1, 1984)

783.1  
DH 8.5966 = \$1

TABLE VIII - FY 1985

ORGANIZATION USAID/MOROCCO  
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1,386.0		1,386.0	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,011.6		1,011.6	22
PT/TEMP U.S. BASIC PAY	U102	112	-		-	-
DIFFERENTIAL PAY	U103	116	-		-	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	-		-	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119	-		-	XXXXX
EDUCATION ALLOWANCES	U106	126	57.8		57.8	-
RETIREMENT - U.S.	U107	120	67.7		67.7	XXXXX
LIVING ALLOWANCES	U108	128	-		-	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	29.9		29.9	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	8.8		8.8	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	26.2		26.2	6
POST ASSIGNMENT - FREIGHT	U112	22	61.0		61.0	6
HOME LEAVE - TRAVEL	U113	212	41.5		41.5	19
HOME LEAVE - FREIGHT	U114	22	52.0		52.0	19
EDUCATION TRAVEL	U115	215	16.5		16.5	11
R AND R TRAVEL	U116	215	-		-	-
ALL OTHER CODE 215 TRAVEL	U117	215	13.0		13.0	4
<u>FOREIGN NATIONAL DH</u>	U200		241.9		241.9	XXXXX
BASIC PAY	U201	114	209.5		209.5	20
OVERTIME, HOLIDAY PAY	U202	115	4.8		4.8	.8
ALL OTHER CODE 11 - FN	U203	119	14.0		14.0	XXXXX
ALL OTHER CODE 12 - FN	U204	129	13.6		13.6	XXXXX
BENEFITS FORMER FN PERS.	U205	13	-		-	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		261.9		261.9	XXXXX
PASA TECHNICIANS	U301	258	-		-	-
U.S. PSC - SALARY/BENEFITS	U302	113	105.0		105.0	3
ALL OTHER U.S. PSC COSTS	U303	255	-		-	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	132.5		132.5	13
ALL OTHER F.N. PSC COSTS	U305	255	24.4		24.4	XXXXX
JCC COSTS PAID BY AID/W	U306	113	-		-	-
<u>HOUSING</u>	U400		363.4		363.4	XXXXX
RENT	U401	235	152.5		152.5	21
UTILITIES	U402	235	86.0		86.0	XXXXX
RENOVATION AND MAINT.	U403	259	15.0		15.0	XXXXX
QUARTERS ALLOWANCE	U404	127	1.7		1.7	11
PURCHASES RES. FURN/EQUIP.	U405	311	37.0		37.0	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	12.2		12.2	XXXXX
SECURITY GUARD SERVICES	U407	254	55.0		55.0	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	2.0		2.0	XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.0		2.0	XXXXX

**TABLE VIII - FY 1985**

**ORGANIZATION USAID/MOROCCO**  
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		581.0		581.0	XXXXX
RENT	U501	234	24.4		24.4	XXXXX
UTILITIES	U502	234	12.0		12.0	XXXXX
BUILDING MAINT./RENOV.	U503	259	10.0		10.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	14.2		14.2	XXXXX
VEHICLES	U505	312	11.0		11.0	XXXXX
OTHER EQUIPMENT	U506	319	-		-	XXXXX
TRANSPORTATION/FREIGHT	U507	22	6.2		6.2	XXXXX
COMMUNICATIONS	U508	230	27.0		27.0	XXXXX
SECURITY GUARD SERVICES	U509	254	3.6		3.6	XXXXX
PRINTING	U510	24	3.0		3.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	-		-	-
SITE VISITS - IN COUNTRY	U512	210	28.0		28.0	200
SITE VISITS - OTHER	U513	210	34.5		34.5	18
INFORMATION MEETINGS	U514	210	6.0		6.0	2
TRAINING ATTENDANCE	U515	210	32.4		32.4	14
CONFERENCE ATTENDANCE	U516	210	16.0		16.0	6
OTHER OPERATIONAL TRAVEL	U517	210	5.0		5.0	2
SUPPLIES AND MATERIALS	U518	26	67.0		67.0	XXXXX
FAAS	U519	257	225.0		225.0	XXXXX
CONSULTING SVCS - CONT.	U520	259	-		-	XXXXX
MGT./PROF. SVCS. - CONT.	U521	259	-		-	XXXXX
SPEC. STUDIES/ANALYSES CONT.	U522	259	-		-	XXXXX
ALL OTHER CODE 25	U523	259	55.7		55.7	XXXXX
TOTAL O.E. BUDGET			2,834.2		2,834.2	XXXXX
RECONCILIATION			1,334.2		1,334.2	XXXXX
OPERATING ALLOWANCE REQUEST			1,500.0		1,500.0	XXXXX

**OTHER INFORMATION:**

Dollar requirement for local currency costs  
Exchange rate used (as of May 1, 1984)

922.8  
DH 8.5966 = \$1

Estimated Wage Increases - FY 1984 to FY 1985  
Estimated Price Increases - FY 1984 to FY 1985

10%  
10%

TRAINING PLAN

<u>Course</u>	<u>Units</u>	<u>Amount</u>	<u>Location/Starting Date</u>
Project Implementation	3	6,000	Cairo, May 12-24, 1985
Technical Training	6	9,000	AID/W, Various times a year
SFS Management Skills	2	6,000	Washington, Mid-FY '85
ADP Training	6	6,000	In conjunction with Home Leave
Various Training	3	5,400	RAMC/Paris and other sites

TABLE VIII - FY 1986

ORGANIZATION      USAID/MOROCCO  
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1,236.2		1,236.2	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,011.6		1,011.6	22
PT/TEMP U.S. BASIC PAY	U102	112	-		-	-
DIFFERENTIAL PAY	U103	116	-		-	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	-		-	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119	-		-	XXXXX
EDUCATION ALLOWANCES	U106	126	46.2		46.2	11
RETIREMENT - U.S.	U107	120	67.7		67.7	XXXXX
LIVING ALLOWANCES	U108	128	-		-	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	29.9		29.9	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	.8		.8	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	2.6		2.6	1
POST ASSIGNMENT - FREIGHT	U112	22	11.4		11.4	1
HOME LEAVE - TRAVEL	U113	212	25.7		25.7	18
HOME LEAVE - FREIGHT	U114	22	16.8		16.8	18
EDUCATION TRAVEL	U115	215	16.5		16.5	11
R AND R TRAVEL	U116	215	-		-	-
ALL OTHER CODE 215 TRAVEL	U117	215	7.0		7.0	4
<u>FOREIGN NATIONAL DH</u>	U200		261.1		261.1	XXXXX
BASIC PAY	U201	114	215.8		215.8	20
OVERTIME, HOLIDAY PAY	U202	115	13.9		13.9	1
ALL OTHER CODE 11 - FN	U203	119	14.4		14.4	XXXXX
ALL OTHER CODE 12 - FN	U204	129	17.0		17.0	XXXXX
BENEFITS FORMER FN PERS.	U205	13	-		-	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		272.9		272.9	XXXXX
PASA TECHNICIANS	U301	258	-		-	-
U.S. PSC - SALARY/BENEFITS	U302	113	105.0		105.0	3
ALL OTHER U.S. PSC COSTS	U303	255	-		-	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	138.2		138.2	13
ALL OTHER F.N. PSC COSTS	U305	255	29.7		29.7	XXXXX
JCC COSTS PAID BY AID/W	U306	113	-		-	-
<u>HOUSING</u>	U400		368.5		368.5	XXXXX
RENT	U401	235	158.5		158.5	21
UTILITIES	U402	235	85.5		85.5	XXXXX
RENOVATION AND MAINT.	U403	259	11.0		11.0	XXXXX
QUARTERS ALLOWANCE	U404	127	-		-	-
PURCHASES RES. FURN/EQUIP.	U405	311	35.5		35.5	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	13.5		13.5	XXXXX
SECURITY GUARD SERVICES	U407	254	60.5		60.5	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	2.0		2.0	XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.0		2.0	XXXXX

**TABLE VIII - FY 1986**

**ORGANIZATION USAID/MOROCCO**  
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		548.5		548.5	XXXXX
RENT	U501	234	24.4		24.4	XXXXX
UTILITIES	U502	234	12.0		12.0	XXXXX
BUILDING MAINT./RENOV.	U503	259	5.0		5.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	14.0		14.0	XXXXX
VEHICLES	U505	312	-		-	XXXXX
OTHER EQUIPMENT	U506	319	-		-	XXXXX
TRANSPORTATION/FREIGHT	U507	22	5.0		5.0	XXXXX
COMMUNICATIONS	U508	230	23.0		23.0	XXXXX
SECURITY GUARD SERVICES	U509	254	3.6		3.6	XXXXX
PRINTING	U510	24	3.0		3.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	-		-	-
SITE VISITS - IN COUNTRY	U512	210	27.2		27.2	200
SITE VISITS - OTHER	U513	210	26.2		26.2	14
INFORMATION MEETINGS	U514	210	6.0		6.0	3
TRAINING ATTENDANCE	U515	210	22.0		22.0	12
CONFERENCE ATTENDANCE	U516	210	15.0		15.0	2
OTHER OPERATIONAL TRAVEL	U517	210	4.0		4.0	2
SUPPLIES AND MATERIALS	U518	26	73.8		73.8	XXXXX
FAAS	U519	257	225.0		225.0	XXXXX
CONSULTING SVCS - CONT.	U520	259	-		-	XXXXX
MGT./PROF. SVCS. - CONT.	U521	259	-		-	XXXXX
SPEC. STUDIES/ANALYSES CONT.	U522	259	-		-	XXXXX
ALL OTHER CODE 25	U523	259	59.3		59.3	XXXXX
TOTAL O.E. BUDGET			2,687.2		2,687.2	XXXXX
RECONCILIATION			1,334.2		1,334.2	XXXXX
OPERATING ALLOWANCE REQUEST			1,353.0		1,353.0	XXXXX

**OTHER INFORMATION:**

Dollar requirement for local currency costs  
Exchange rate used (as of May 1, 1984)

933.8  
DH 8.5966 = \$1

Estimated Wage Increases - FY 1985 to FY 1986  
Estimated Price Increases - FY 1985 to FY 1986

-  
6%

TRAINING PLAN

<u>Course</u>	<u>Units</u>	<u>Amount</u>	<u>Location /Starting Date</u>
Project Implementation	3	7,000	Unknown
Technical Training	3	4,500	AID/W, Various times
SFS Management Skills	2	6,000	Washington, Mid-FY '86
ADP Training	3	3,000	In conjunction with Home Leave
Unspecified Training	1	1,500	Unknown

TABLE VIII - FY 1985

ORGANIZATION USAID/MOROCCO  
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1,663.3		1,663.3	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,158.8		1,158.8	25
PT/TEMP U.S. BASIC PAY	U102	112	-		-	
DIFFERENTIAL PAY	U103	116	-		-	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	-		-	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119	-		-	XXXXX
EDUCATION ALLOWANCES	U106	126	93.3		93.3	
RETIREMENT - U.S.	U107	120	78.0		78.0	XXXXX
LIVING ALLOWANCES	U108	128	-		-	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	34.5		34.5	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	11.8		11.8	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	43.3		43.3	10
POST ASSIGNMENT - FREIGHT	U112	22	106.6		106.6	10
HOME LEAVE - TRAVEL	U113	212	41.5		41.5	19
HOME LEAVE - FREIGHT	U114	22	52.0		52.0	19
EDUCATION TRAVEL	U115	215	22.5		22.5	15
R AND R TRAVEL	U116	215	-		-	-
ALL OTHER CODE 215 TRAVEL	U117	215	21.0		21.0	8
<u>FOREIGN NATIONAL DH</u>	U200		241.9		241.9	XXXXX
BASIC PAY	U201	114	209.5		209.5	20
OVERTIME, HOLIDAY PAY	U202	115	4.8		4.8	8
ALL OTHER CODE 11 - FN	U203	119	14.0		14.0	XXXXX
ALL OTHER CODE 12 - FN	U204	129	13.6		13.6	XXXXX
BENEFITS FORMER FN PERS.	U205	13	-		-	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		325.8		325.8	XXXXX
PASA TECHNICIANS	U301	258	-		-	-
U.S. PSC - SALARY/BENEFITS	U302	113	105.0		105.0	3
ALL OTHER U.S. PSC COSTS	U303	255	-		-	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	132.5		132.5	13
ALL OTHER F.N. PSC COSTS	U305	255	24.4		24.4	XXXXX
JCC COSTS PAID BY AID/W	U306	113	63.9		63.9	1
<u>HOUSING</u>	U400		514.8		514.8	XXXXX
RENT	U401	235	188.8		188.8	25
UTILITIES	U402	235	100.9		100.9	XXXXX
RENOVATION AND MAINT.	U403	259	19.5		19.5	XXXXX
QUARTERS ALLOWANCE	U404	127	5.1		5.1	15
PURCHASES RES. FURN/EQUIP.	U405	311	95.9		95.9	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	35.6		35.6	XXXXX
SECURITY GUARD SERVICES	U407	254	65.0		65.0	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	2.0		2.0	XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.0		2.0	XXXXX

TABLE VIII - FY 1985

ORGANIZATION USAID/MOROCCO  
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		637.9		637.9	XXXXX
RENT	U501	234	24.4		24.4	XXXXX
UTILITIES	U502	234	12.0		12.0	XXXXX
BUILDING MAINT./RENOV.	U503	259	10.0		10.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	18.8		18.8	XXXXX
VEHICLES	U505	312	11.0		11.0	XXXXX
OTHER EQUIPMENT	U506	319	-		-	XXXXX
TRANSPORTATION/FREIGHT	U507	22	8.0		8.0	XXXXX
COMMUNICATIONS	U508	230	29.4		29.4	XXXXX
SECURITY GUARD SERVICES	U509	254	3.6		3.6	XXXXX
PRINTING	U510	24	3.0		3.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	-		-	-
SITE VISITS - IN COUNTRY	U512	210	35.2		35.2	248
SITE VISITS - OTHER	U513	210	38.1		38.1	20
INFORMATION MEETINGS	U514	210	6.0		6.0	2
TRAINING ATTENDANCE	U515	210	42.4		42.4	18
CONFERENCE ATTENDANCE	U516	210	19.0		19.0	7
OTHER OPERATIONAL TRAVEL	U517	210	5.0		5.0	2
SUPPLIES AND MATERIALS	U518	26	72.6		72.6	XXXXX
FAAS	U519	257	239.8		239.8	XXXXX
CONSULTING SVCS - CONT.	U520	259	-		-	XXXXX
MGT./PROF. SVCS. - CONT.	U521	259	-		-	XXXXX
SPEC. STUDIES/ANALYSES CONT.	U522	259	-		-	XXXXX
ALL OTHER CODE 25	U523	259	59.6		59.6	XXXXX
<b>TOTAL O.E. BUDGET</b>			<u>3,383.7</u>		<u>3,383.7</u>	<u>XXXXX</u>
<b>RECONCILIATION</b>			<u>(1,575.0)</u>		<u>(1,575.0)</u>	<u>XXXXX</u>
<b>OPERATING ALLOWANCE REQUEST</b>			<u>1,808.7</u>		<u>1,808.7</u>	<u>XXXXX</u>

OTHER INFORMATION:

Dollar requirement for local currency costs 1,016.1  
Exchange rate used (as of May 1, 1984) DH 8.5966 = \$1

Estimated Wage Increases - FY 1984 to FY 1985 10%  
Estimated Price Increases - FY 1984 to FY 1985 10%

TRAINING PLAN

<u>Course</u>	<u>Units</u>	<u>Amount</u>	<u>Location/Starting Date</u>
Project Implementation	3	6,000	Cairo, May 12-24, 1985
Project Implementation	2	5,000	AID/W, June 9-21, 1985
Project Implementation	2	5,000	AID/W, August 9-16, 1985
Technical Training	6	9,000	AID/W, Various times a year
SFS Management Skills	2	6,000	Washington, Mid-FY '85
ADP Training	6	6,000	In conjunction with Home Leave
Various Training	3	5,400	RAMC/Paris and other sites

ADJUSTED  
TABLE VIII - FY 1986

ORGANIZATION USAID/MOROCCO  
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1,454.4		1,454.4	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,158.8		1,158.8	25
PT/TEMP U.S. BASIC PAY	U102	112	-		-	-
DIFFERENTIAL PAY	U103	116	-		-	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	-		-	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119	-		-	XXXXX
EDUCATION ALLOWANCES	U106	126	85.3		85.3	
RETIREMENT - U.S.	U107	120	78.0		78.0	XXXXX
LIVING ALLOWANCES	U108	128	-		-	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	34.5		34.5	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	3.8		3.8	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	2.6		2.6	1
POST ASSIGNMENT - FREIGHT	U112	22	11.4		11.4	1
HOME LEAVE - TRAVEL	U113	212	25.7		25.7	18
HOME LEAVE - FREIGHT	U114	22	16.8		16.8	18
EDUCATION TRAVEL	U115	215	22.5		22.5	15
R AND R TRAVEL	U116	215	-		-	-
ALL OTHER CODE 215 TRAVEL	U117	215	15.0		15.0	8
<u>FOREIGN NATIONAL DH</u>	U200		261.1		261.1	XXXXX
BASIC PAY	U201	114	215.8		215.8	20
OVERTIME, HOLIDAY PAY	U202	115	13.9		13.9	1
ALL OTHER CODE 11 - FN	U203	119	14.4		14.4	XXXXX
ALL OTHER CODE 12 - FN	U204	129	17.0		17.0	XXXXX
BENEFITS FORMER FN PERS.	U205	13	-		-	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		336.8		336.8	XXXXX
PASA TECHNICIANS	U301	258	-		-	-
U.S. PSC - SALARY/BENEFITS	U302	113	105.0		105.0	3
ALL OTHER U.S. PSC COSTS	U303	255	-		-	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	138.2		138.2	13
ALL OTHER F.N. PSC COSTS	U305	255	29.7		29.7	XXXXX
JCC COSTS PAID BY AID/W	U306	113	63.9		63.9	1
<u>HOUSING</u>	U400		433.1		433.1	XXXXX
RENT	U401	235	194.8		194.8	25
UTILITIES	U402	235	100.4		100.4	XXXXX
RENOVATION AND MAINT.	U403	259	14.4		14.4	XXXXX
QUARTERS ALLOWANCE	U404	127	-		-	-
PURCHASES RES. FURN/EQUIP.	U405	311	35.5		35.5	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	13.5		13.5	XXXXX
SECURITY GUARD SERVICES	U407	254	70.5		70.5	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	2.0		2.0	XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.0		2.0	XXXXX

TABLE VIII - FY 1986

ORGANIZATION USAID/MOROCCO  
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		593.1		593.1	XXXXX
RENT	U501	234	24.4		24.4	XXXXX
UTILITIES	U502	234	12.0		12.0	XXXXX
BUILDING MAINT./RENOV.	U503	259	5.0		5.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	14.0		14.0	XXXXX
VEHICLES	U505	312	-		-	XXXXX
OTHER EQUIPMENT	U506	319	-		-	XXXXX
TRANSPORTATION/FREIGHT	U507	22	5.0		5.0	XXXXX
COMMUNICATIONS	U508	230	25.4		25.4	XXXXX
SECURITY GUARD SERVICES	U509	254	3.6		3.6	XXXXX
PRINTING	U510	24	3.0		3.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	-		-	-
SITE VISITS - IN COUNTRY	U512	210	34.4		34.4	248
SITE VISITS - OTHER	U513	210	29.8		29.8	16
INFORMATION MEETINGS	U514	210	6.0		6.0	3
TRAINING ATTENDANCE	U515	210	22.0		22.0	12
CONFERENCE ATTENDANCE	U516	210	18.0		18.0	5
OTHER OPERATIONAL TRAVEL	U517	210	4.0		4.0	2
SUPPLIES AND MATERIALS	U518	26	87.4		87.4	XXXXX
FAAS	U519	257	239.8		239.8	XXXXX
CONSULTING SVCS - CONT.	U520	259	-		-	XXXXX
MGT./PROF. SVCS. - CONT.	U521	259	-		-	XXXXX
SPEC. STUDIES/ANALYSES CONT.	U522	259	-		-	XXXXX
ALL OTHER CODE 25	U523	259	59.3		59.3	XXXXX
TOTAL O.E. BUDGET			3,078.5		3,078.5	XXXXX
RECONCILIATION			(1,575.0)		(1,575.0)	XXXXX
OPERATING ALLOWANCE REQUEST			1,503.5		1,503.5	XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs 1,015.5  
Exchange rate used (as of May 1, 1984) DH 8.5966= \$1

Estimated Wage Increases - FY 1985 to FY 1986 -  
Estimated Price Increases - FY 1985 to FY 1986 6%

TRAINING PLAN

<u>Course</u>	<u>Units</u>	<u>Amount</u>	<u>Location/Starting Date</u>
Project Implementation	3	7,000	Unknown
Technical Training	3	4,500	AID/W, Various times
SFS Management Skills	2	6,000	Washington, Mid-FY '86
ADP Training	3	3,000	In conjunction with Home Leave
Unspecified Training	1	1,500	Unknown

OPERATING EXPENSE NARRATIVE

SECTION A - Management Improvements

During the past six months the USAID had its introduction to the world of automation in the form of limited access to the word processing system (WANG OIS-140) of our co-tenant, USIS. Tremendous economies of labor were immediately achieved in the Mission documentation area. Enthusiasm was so great that scheduling of terminal time was required to accommodate our word processing needs given USAID's limited number of terminals. As this document is being written, the USAID's WANG VS 90 is being installed with its 17 terminals and seven printers.

The Controller's office is poised to convert its manual accounting system to the Agency's automated Mission Accounting Control System (MACS). We expect immediate results in the form of enhanced project implementation, accelerated identification of potential deobligations, uniform Mission comprehension of the Agency's accounting system and greater internal control over Agency funds. MACS will translate to better mission management of program funds at all levels as well as in the Operating Expense Account.

The Training Office has been reviewing documentation of already developed participant tracking systems that can accommodate the information needs of the Mission. With a training program that dates back to the opening of the Mission in 1959, the USAID ambitiously plans to input all known participants into a PTIS, (Participant Tracking & Information System), by January 1, 1985. The information on training in an automated environment will prove to be an invaluable management tool when searching for skills and talents already existing within the Kingdom of Morocco.

DATEL, (Disbursement and Accounting by Telegram), will remove the 7 to 10 days transit time that check requests currently require to reach the Regional Accounting and Management Center in Paris for processing. This system will be the halfway point in the USAID's effort to better serve our various payees yet be responsive to the Agency's Cash Management efforts. The USAID's stated goal for FY 85 is to have telegraphic fund transfers in both directions literally removing paper from the mailways in the generation and effecting of any payment.

In the non-automation related areas of management, the USAID plans to do the following:

- Continue the use of evaluations as a management tool selectively undertaken in the implementation lives of our projects.

- Adhere to our policy of providing support services to our numerous contractors within our existing staff structure. An annual Contractor's Conference has been instituted to keep open the lines of communication to operating problems as the AID program and Contractor numbers grow in Morocco.

- Selectively use the direct contract mode in our projects avoiding past problems and inefficiencies that occurred in several of our Host Country Contracts.

- USAID has developed a system of Mission Orders that have institutionalized the operating procedures of the USAID and streamlined our methods of doing business. We intend to expand this process in the coming months.

- Project Status Report reviews were instituted in FY 84 for the first time and have been instrumental in identifying and solving implementation problems. The USAID has used the now semi-annual reports as a vehicle for assessing status of Agency initiatives in our portfolio such as Women in Development, Urbanization, Host Country Financial Management capability, and Private Investment.

- The USAID plans to embark on a voluntary "certification" of Host Country accounting systems for those implementing organizations handling AID local currencies.

#### SECTION B - Justification for Workforce and Funding Changes

Through the use of automation, PSC's, reallocation of workloads, and improved management procedures, the USAID expects to improve its portfolio management with limited staff growth. Yet such growth is absolutely essential; USAID/Morocco's total Development Assistance program has grown from \$10,671,000 in FY 82 to a projected figure of \$63,000,000 including ESF for FY 86, while the USDH and Foreign National Direct-Hire Staff has grown only 19 percent from 1982 to the present. Additional staff is needed not only to prudently identify and manage an enlarged and differentiated portfolio, but also to capitalize upon the new opportunities for policy dialogue with both the GOM and with other donors that are afforded by our higher program profile.

The approved Washington level of Direct-Hire U.S. support for FY 85 is now only 22 work years (including one IDI). The increase of two positions between FY 84 and FY 85 was immediately absorbed by a badly needed Budget-and-Accounts Officer (the regional controller's office heretofore has had only one officer), and a senior Development Officer with private sector and energy background to head that enlarging constellation of functions.

Since we have realigned our local-hire personnel policies to provide for PSC staff to be treated in all significant respects equivalent to Direct-Hire local staff, we believe we can accommodate any further Moroccan-hire increases via that mode rather than utilizing overall Agency ceiling positions. One major reason we undertook this realignment was precisely to increase our chances of obtaining scarce ceiling positions in the form of U.S. Direct-Hire. We seek an additional four such positions in 1985/86 including one JCC assignment, which should not require a position, during the planning period. We propose to deploy these new positions in the following manner and for the following reasons:

1. The movement into an aggressive private-sector program in FY 85 and FY 86 requires an experienced officer as quickly as possible to help us identify and design the most appropriate private sector interventions. (The establishment of this position will also permit the Mission economist to re-devote full time to those broader economic developments which he is uniquely equipped to oversee.)

2. In the last year we have found our management of the current portfolio significantly improved by the large blocks of time spent on the write-up and "packaging" of possible new project activities by technical officers. The planning period will see much more such development activity. This USAID is convinced a far more efficient use of total staff resources would be to establish a new position for a Project-Design Officer.

3. Sixty-four million dollars in new projects or amendments were signed up in the agricultural program within the last year, and the situation described in the CDSS indicates a need for initiatives into different agricultural subsectors. The ESF financed ag-credit program will not only be a significant program in its own right, but will open up the doors to possible involvement in other subsectors and issues; e.g., agro-industry, land tenuring and taxation, etc. We thus seek a new position for an agriculturalist with special competencies in agri-business and or finance and are prepared to explore a JCC appointment.

4. The final configuration of how we allocate ESF funds in FY 86 will await further data and analysis as well as discussion with both Washington and GOM officials. Yet it appears clear that in some form and amount, a CIP program directed toward the private sector is likely to be in place. Moroccan experience in the early 70's with such a program was unsatisfactory, and for this program to operate efficiently, special care must be taken in the design, negotiation, and oversight of the program. We thus seek a Commodity Import Officer who can not only manage this program, but also can help us to understand and deal with the issues in the domain of commercial finance and GOM trade policies-and-practices that may impede the development of the private sector.

The adjusted Table VIII's reflect the full complement of personnel to adequately manage the proposed programs in fiscal years 1985 and 1986. All increased funding requirements are directly linked to the increases in proposed Direct-Hire American employees, one JCC employee, and additional contract personnel.

#### SECTION C - Trust Funds

Currently, Title I sales proceeds are being dedicated to the support of AID's project portfolio and other agricultural related activities in the form of direct allocations in the GOM budget (see Action Plan, Appendix A). In light of the severe budget constraints being undergone by the GOM, USAID has no immediate plans to undertake the establishment of a trust fund to finance Mission administrative costs.

TABLE VIII(a) - Information on U.S. PSC Costs  
(Function Codes U302 and U303)

ORGANIZATION USAID/MOROCCO

<u>Job Title/Position Description</u>	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>
Program Assistant - OTP	27,017 (10/83-9/84)	30,000 (10/84-9/85)	30,000 (10/85-9/86)
Administrative Assistant - PROGRAM	1,740 (10/83-12/83)	-	-
Secretarial/Clerical Services, Part-time - PROGRAM	793 (1/84-4/84)	-	-
Trade and Development Specialist		50,000 (10/84-9/85)	50,000 (10/85-9/86)
PVO/Title II Officer		25,000 (10/84-9/85)	25,000 (10/85-9/86)
TOTAL	29,550	105,000	105,000

**TABLE VIII(b) - All Other Code 25 Detail**  
**(Function Code U523)**

**ORGANIZATION**      **USAID/MOROCCO**

<b><u>Description of Service</u></b>	<b><u>FY 1984</u></b>	<b><u>FY 1985</u></b>	<b><u>FY 1986</u></b>
No individual contract service with an annual cost more than \$25,000.	-	-	-
Total of all non-personal service contracts with individual annual cost <u>less</u> than \$25,000	58,800	55,700	59,300
TOTAL	58,800	55,700	59,300



TABLE VIII(c) (continued)

<u>Item and Explanation</u>	<u>Fiscal Years (\$000)</u>		
	<u>1984</u>	<u>1985</u>	<u>1986</u>
2. <u>Personnel</u> Mission will provide requirements below for personnel involved in the information technology functions, such as systems development and operation, and the percentage of management and secretarial personnel also involved. Personnel that use systems will not be included.			
A. <u>Compensation, Benefits and Travel</u>	46.6*	47.6	56.3**
B. <u>Workyears</u>	( 1.0 )	( 2.0 )	( 2.0 )
* Includes assignment to post travel and transfer cost for TCN Systems Manager. ** Includes repatriation travel for TCN Systems Manager.			
<hr/>			
3. <u>Equipment Rental, Space and Other Operating Costs</u>			
A. <u>Lease of Equipment</u> Obligations for lease and maintenance of non-government owned equipment (rented equipment)	-	-	-
B. <u>Space</u> Obligations for lease of space to house automation equipment, office space for personnel (direct-hire and contractor) involved in the information technology function (See 2A&B) including basic utilities and house keeping services.	-	-	-
<hr/>			

TABLE VIII(c) (continued)

<u>Item and Explanation</u>	<u>Fiscal Years (\$000)</u>		
	<u>1984</u>	<u>1985</u>	<u>1986</u>
<u>C. Supplies and Other</u> Obligations for supplies and software rental (not included in a rental contract for equipment)	15.0	15.0	15.0
<u>D. Non-Commercial Training</u> Obligations for planning and conducting government operated training to prepare users to make effective use of automation resources.	-	-	-
<b>SUBTOTAL</b>	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>

4. Commercial Services

This includes obligation for services where payments are made to private industry.

A. Computer Time

Obligations to fund contract with a private firm to provide computer time to the Mission.

B. Leased Telecommunications Services

Obligations for leased telephone lines and other telecommunication services to obtain data from other computers or to transmit data. For Missions, where applicable include, but identify separately, the lease of local telephone lines and modems to reach the American Embassy's, Office of Communications for the purpose of the transmission of data to and from AID/W.

C. Operations and Maintenance

(1) Operations

Include funds to be obligated for contractor services to operate a WANG VS computer or an OIS System (system administrator and staff, not workstation operators).

TABLE VIII(c) (continued)

<u>Item and Explanation</u>	<u>Fiscal Years (\$000)</u>		
	<u>1984</u>	<u>1985</u>	<u>1986</u>
C. (2) <u>Maintenance</u> Include obligations for contracts to maintain government-owned equipment (hardware) and software that is currently in place and that is to be acquired in 1A and 1B above.	-	12.0	12.0
D. <u>Systems Analysis and Programming</u> Obligations for contractor services to design and program new ADP or OIS application systems and to maintain existing systems.	-	-	-
E. <u>System Design and Engineering</u> (Do not complete - OMB requirement not applicable to AID.)	XXXX	XXXX	XXXX
F. <u>Studies and Other</u> Obligations for management and feasibility studies, requirement definitions, and commercial training.	-	-	-
SUBTOTAL	-	12.0	12.0
<hr/>			
5. TOTALS			
Total Obligations	88.6	74.6	83.3
Workyears (From item 2A)	(1.0)	(2.0)	(2.0)
<hr/>			
6. <u>Special Breakout</u>			
A. Amounts included in Mission allowances <u>for existing systems.</u> (Includes 2A, 3, and 4) (Services for equipment in place only.)	88.6	74.6	83.3
B. Amounts included in Mission allowances <u>for new or expanded systems.</u> (Includes 1, 2A, 3 and 4.) (Equipment and services for new efforts beginning during the fiscal year.)	-	-	-

INFORMATION TECHNOLOGY NARRATIVE

USAID/Morocco currently has the following automation equipment in-country but not installed:

- |    |  |   |
|----|--|---|
| 1  | Wang VS90                                | - with 1024kb of main memory                  |
| 2  | Wang 2265V-1                             | - 75MB disk drives                            |
| 1  | Wang 2209V-2                             | - dual density tape drive                     |
| 2  | Wang 5577                                | - matrix/letter quality printers              |
| 3  | Wang 6581W                               | - character printers                          |
| 2  | Wang TSF-61                              | - twin sheet feeders for 5577                 |
| 3  | Wang TSF-31                              | - twin sheet feeders for 6581W                |
| 1  | Wang 5574                                | - 600 lpm high speed line printer             |
| 2  | Wang 2276C-3                             | - VS 64K archiving workstations               |
| 12 | Wang 2256C-3                             | - VS 64K workstations                         |
|    |  |   |
| 1  | Wang VS90                                | - with 1024kb of main memory (redundant)      |
| 1  | Wang 2265V-1                             | - 75MB disk drive (redundant)                 |
| 1  | Wang 2209V-2                             | - dual density tape drive (redundant)         |
| 1  | Wang 5574                                | - 600 lpm high speed line printer (redundant) |
| 1  | Wang 5577                                | - matrix/letter quality printer (redundant)   |
| 1  | Wang 2276C-3                             | - VS 64K archiving workstation (redundant)    |
|    |  |   |
| 2  | Wang Profesional Computers, each with:   |   |
|    | - 512Kb memory                           |   |
|    | - dual 5 1/4" diskette drives (360Kb)    |   |
|    | - Epson 80 cps matrix printers           |   |
|    | - local communications option to Wang VS |   |

The equipment purchases were the result of a detailed site survey performed during FY 1983.

Immediately upon final equipment installation and completion of the system technical check-out by the WANG Representative, the USAID plans to begin conversion to the Mission Accounting Control System (MACS). Other applications will be undertaken concurrently with MACS including a Participant Tracking and Information System, Correspondence Tickler System, Telegraphic Transmission of Check Requests to the Regional U.S. Disbursing Officer (DATEL), Mission Documentation Library and Paytrack (Voucher Log System). The USAID expects to use many of the valuable management tools such as spread sheet software, graphics, statistical and economic analysis software and ultimately telecommunications. Word Processing, which is currently in limited use by the Mission, will be expanded to accommodate all users.

Although the USAID reflects no hardware procurement in FY's 1984, 1985 and 1986, the possibility always exists that equipment will be required as the Agency approves telecommunication applications and other new and innovative software is developed. It should be noted that USAID procured all of its hardware during FY 83 accommodating anticipated growth and considering all required applications and staff through FY 1986. The VS 90 System should be operational in June, 1984.

P.L. 480 NARRATIVE

Morocco is a food grain deficit country, and is likely to remain so at least for the remainder of this decade. The high rate of population growth (2.8%/year), the rapid rate of rural-to-urban migration and the unfavorable weather conditions over the past several years have all aggravated this basic development problem. Per capita productivity in the rainfed agriculture subsector has actually declined in recent years, resulting in increasingly large grain import requirements. Wheat imports alone are expected to total about 2.2 million metric tons (MTs) in 1984, and substantial amounts of barley will also be imported under Title I for the first time. Although the drought has been less severe overall in 1984 than in previous years, the rainfall has been too little and too late to significantly increase levels of winter grain production. Cereals are the second largest item in Morocco's import ledger and wheat is by far the largest single item imported from the U.S. (est. \$180 million in 1983).

The Government of Morocco (GOM), with USAID assistance, is giving greater emphasis to rainfed cereals production. The Ministry of Agriculture has begun to shift its attention and provide a larger proportion of its investment resources to the rainfed subsector, after years of concentration on irrigated perimeters occupying only a tiny portion of the country's arable land. This has been done with the encouragement and assistance of the U.S., principally through the P.L. 480 Title I program. The impact of this shift has been muted, however, by a continuing unfavorable weather pattern and the overall reduction of capital resources available to the GOM for investment in agriculture (or any other sector), under the IMF-sponsored austerity program.

Title I

In an environment of shrinking investment budgets, limited public borrowing, foreign exchange shortages and overall economic austerity, Title I resources have taken on an even greater importance to agriculture in Morocco than previously. Title I wheat imports, combined with USDA "blended credits", permit the GOM to meet its principal food import requirements without incurring unsupportable near-term commercial debt obligations. At the same time, the U.S. has become Morocco's principal supplier of wheat. From a development standpoint, further benefits are obtained through the self-help measures contained in the annual Title I agreements and through the programming of local currency generations to meet priority agricultural needs, including support to AID financed projects. With respect to the latter, it will be apparent from Appendix A to the ABS Action Plan above that the Title I local currency generated each year is an integral and critical resource in the realization of Morocco's agricultural development. In addition to supporting the investment budget requirements of USAID's four major agricultural projects, Title I generations finance other Ministry cereals production programs, forestry development programs and several major integrated agricultural development projects sponsored by the IBRD.

The self-help measures contained in the Title I Agreements of the past two years (FYs 1983 and 1984) have played an important role in the agricultural sector, particularly in reinforcing the GOM's stated emphasis on rainfed agriculture. The status of these self-help measures has been described in

detail in the Mission's Annual Report (see 84 Rabat 3130). On the whole these self-help measures are being met, and have provided a basis for "concretizing" the ongoing policy dialogue in which the Mission engages the GOM Ministry of agriculture. The most significant measure of the FY 1984 Agreement will be the intensive study, now underway, of the impact of current pricing policies and marketing incentives in operation in the agricultural sector.

As previously described in more detail in the Mission's Bellmon Determination reporting, it is clear that facilities in Morocco are adequate to receive, handle, store and distribute even significantly increased levels of grain imports. Given the very limited proportion of total wheat imports financed by Title I (16%) and the fact that wheat prices to domestic grain farmers are currently above world market prices, no disincentive effect is foreseen.

## Title II

The P.L. 480 Title II program begins a gradual phaseout in FY 1986, as described in the FY 1985 ABS, and as modified per 83 State 232546. Specifically, the OCF and FFW portions of the CRS/Morocco-Entraide Nationale (EN) Title II program will be deleted in FY 1986, and the quantity of Title II commodities provided to the MCH program will be reduced by approximately 15%. Title II commodities provided to MCH program recipients will be further reduced by 30% of the FY 1986 level in FY 1987, and by 50% of the FY 1987 level in FY 1988 -- the final year of Title II assistance for the CRS/Morocco program. Assistance for the very small AJDC program will be essentially straightlined through FY 1986.

This Title II phaseout schedule has been discussed closely with CRS/Morocco and EN. CRS nonetheless continues to resist the phaseout plan, and is urging the GOM/EN to consider new CRS initiatives which would enable CRS to propose a continuation of the Title II program in FY 1986 at or near FY 1985 levels. CRS has not developed these proposals in any detail, nor has EN indicated strong interest in them. (The proposals primarily involve the partial monetization of Title II commodities to support the development of new MCH facilities, drought relief efforts and vocational training in orphanages and day care centers--See the CRS Operational Year Plan for FY 1986). CRS/Morocco acknowledges that its proposal represents a late response to the phaseout plan, and are possibly not acceptable to the GOM. CRS notes however, that it is not prepared to concede the phaseout issue in the absence of an alternative effort to continue the program.

In USAID's judgement, the desultory alternative proposed by CRS fails to confront the central question of GOM readiness to assume greater responsibility for replacement costs of the long-running (25 years) Title II program.

USAID still sees Title I local currency generations as representing the best hope for program continuation, and has pressed this prospect with the GOM. However, given the pressures on FY 1984 and 1985 generations to meet austerity-induced budgetary shortfalls and the costs of drought-relief efforts, the GOM is reluctant to commit itself to such applications for outyear generations. In sum, it is still too soon to assume that the GOM will pick up elements of the Title II program as it begins phaseout in FY 1986. This outcome will become more apparent in the course of USAID-GOM negotiations re the use of FY 1986 Title I generations.

Country/Office: Morocco

FY 1986 ANNUAL BUDGET SUBMISSION

TABLE XI

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

	Actual FY 1984		Estimated FY 1985		Projected FY 1986	
	\$	MT	\$	MT	\$	MT
<u>COMMODITIES</u>						
<u>Title I</u>						
Original	25.0	178.0 (Wheat)	40.0	253.2 (Wheat)	40.0	253.2 (Wheat)
1st Amendment	20.0	108.0 (Wheat)		42.0 (Barley)		
TOTAL	45.0	328.0	40.0	253.2	40.0	253.2

of which  
Title III

NONE

TOTAL

COMMENT:

FY 1986 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country MOROCCO

Sponsor's Name A.J.D.C.

A. Maternal and Child Health.....Total Recipients 0.2

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>0.2</u>	<u>WHEAT FLOUR</u>	<u>8.2</u>	<u>2.1</u>
<u>0.2</u>	<u>VEGOIL</u>	<u>0.9</u>	<u>0.9</u>
<u>0.2</u>	<u>NFDM</u>	<u>2.3</u>	<u>0.3</u>
<u>Total MCH</u>		<u>11.4</u>	<u>3.3</u>

B. School Feeding.....Total Recipients 2.3

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>2.3</u>	<u>WHEAT FLOUR</u>	<u>53.0</u>	<u>22.0</u>
<u>2.3</u>	<u>VEGOIL</u>	<u>6.8</u>	<u>6.5</u>
<u>2.3</u>	<u>NFDM</u>	<u>23.1</u>	<u>2.5</u>
<u>Total School Feeding</u>		<u>112.9</u>	<u>31.0</u>

C. Other Child Feeding.....Total Recipients \_\_\_\_\_

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

D. Food for Work.....Total Recipients \_\_\_\_\_

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

E. Other (Specify) ADULTS HEALTH CASES.....Total Recipients 1.5

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>1.5</u>	<u>WHEAT FLOUR</u>	<u>108.0</u>	<u>28.6</u>
<u>1.5</u>	<u>VEGOIL</u>	<u>8.2</u>	<u>7.8</u>
<u>Total Other</u>		<u>116.2</u>	<u>36.4</u>

II. Sponsor's Name A.J.D.C.

TABLE XIII (AJDC) - NARRATIVE

American Joint Distribution Committee  
Operational Plan FY 1986

I. Elements of Operations

A. Identification

1. Cooperating Sponsor: American Joint Distribution Committee  
(AJDC)  
60 East 42nd St.  
New York City, N.Y.

Country: Morocco

Date Submitted: May, 1984

2. Name and address of the American Citizen Representative directly responsible for Title II supervision:

Mr. Leon Leiberg  
Director  
Morocco Program  
American Joint Distribution Committee  
(AJDC)  
3 Rue Rouget de l'Isle  
Casablanca, Morocco

B. Introduction

The American Joint Distribution Committee - Office for Morocco is the American Voluntary local distributing agency whose headquarters is located at 60 East 42 St. New York City - USA. The organization is a member of the American Council of Voluntary Agencies and provides direct and indirect assistance to persons in need in some thirty countries around the world. Most of its budget is derived from the United Jewish Appeal and supported by Jewish Federations and Welfare Funds in the United States. Funds are used for relief and welfare, aid to the elderly, health services and education as well as manpower development and technical assistance.

Staff

Mr. Leon Leiberg, an American citizen, is the resident country director of the Moroccan program of the AJDC. He is directly responsible for all program activities and supervision of Title II operational plans and is assisted by:

Mrs. Shulamith Sabbagh, a Moroccan national, chief accountant of the JDC Casablanca office, responsible for all recordkeeping management in connection with Title II activities.

Mr. Henri Assor, a Moroccan national, our forwarding agent is responsible for port handling, customs clearance and transport of Title II supplies.

Statement of Objectives

JDC serves a population of approximately 14,000 persons distributed throughout this developing country in the following areas of basic needs:

- General Welfare Assistance
- Care of Aged
- Health Services
- Education
- Educational materials
- Services for Youth
- Clothing Distribution
- Food Distribution

Approximately 2,500 school children receive supplementary feeding in the form of hot lunches and snacks at the following schools throughout Morocco:

Ozar Hotarah school	Casablanca
Neve Shalom school	"
Oasis school	"
ORT school	"
Aide Scolaire	"
Ecole Normale	"
Ecole Lubavitch	"
Ittihad	Rabat
Ittihad	Meknes
Ittihad	Fez
Ittihad	Marrakech

Most of the children are from poor families many of whom are on the social assistance rolls of the local community. Food supplies are delivered to the schools directly from the port of Casablanca either by a truck hired by the AJDC or the ONT government transport system and the AJDC pays the transport costs. For most of these children - this feeding program is the source of their main intake of food.

The basic food supplies received from the USDA - flour made into bread, the cooking oil and milk are the essential items for this program.

2,000 persons are on general welfare assistance and 250 aged in institutions or under home care, receive directly food in the form of hot lunches, bread and supplements for home preparation including cooking oil and milk powder. Local Jewish communities share the burden of services in partnership with JDC whose annual budget of approximately \$2,000,000 is distributed in 18 urban centers and then channeled to other localities as needed, these are:

Agadir	Larache	Safi
Casablanca	Marrakech	Sefrou
El Jadida	Meknes	Ouezzane
Errachidia	Rabat	Oujda
Fez	Tanger	Kenitra
Ksar El Kebir	Tetouan	

As well as the following Spanish cities: Ceuta and Melilla.

The basic food supplies received from the USAID program = flour, cooking oil and milk powder are supplemented by meat, vegetables, fruits and the addition of special rations for holidays - to provide balanced needs to those least able to fend for themselves.

Basic diets are in keeping with local traditions and without the crucial support of USAID, our financial limitations would not permit dietary supplements to fully carry out this vital program.

AJDC is also providing direct cash assistance to school canteens, old age homes and social service agencies to hire needed staff to cook meals, run kitchen and maintain feeding operations and the supportive services which are part of this outreach program.

Infant and lactating mothers receive formula and food in keeping with medical prescription and supervision of our health care services administered by OSE Maroc, where medicines are supplied free of charge under supervision of medical personnel attached to this health clinic.

The Swiss government provides occasional gifts of powdered whole milk reserved exclusively to infants as food supplements during the lactation period.

### Monitoring

All food distributions are carefully monitored by a) direct on site spot-checks; b) reports received from local community leaders who are entrusted with overseeing all aspects of Jewish life; and c) members of the Rabbinate who make periodic visits and discuss their findings and problems with the JDC director.

### Government Participation

1. The Government allows the AJDC to import USDA and other supplies free of duties.
2. The Government reimburses the AJDC 75% of the aconage-magazinage charges in the port of Casablanca.
3. The Government allows the AJDC to purchase compte-capital funds for half of the amount of funds required for its program in Morocco. This allows us to obtain a much more advantageous rate of exchange for the benefit of our program.

Record Procedures and Audit

1. Individual dossiers are prepared for each incoming shipment. Each dossier contains:

- a copy of the AJDC purchase order
- a copy of the AJDC New York shipping ticket
- a copy of the bill of lading
- a copy of the import license
- a copy of the survey report

These dossiers are on file at our office in Casablanca.

2. For each outgoing shipment a numbered supply order is prepared by AJDC Casablanca. One copy is kept by the distributing agency. One signed copy, acknowledging receipt, is returned to AJDC Casablanca. Copies of the receipts are on file in the AJDC Casablanca office.

3. Each agency keeps ingoing and outgoing records. Where indicated the individual recipient signs a receipt. These receipts are on file at the distributing agency.

4. The accounts of the American Joint Distribution Committee, Casablanca are audited annually by the New York firm of accountants Loeb and Troper. The auditors check the records of receipts and distribution of all supplies including USDA food commodities.

Contributions to Program

1. The American Joint Distribution Committee spends approximately \$2,000,000 annually for its program in Morocco. The program consists of:

Cash assistance in 18 cities to about 1,400 aged, destitute persons who can no longer take care of themselves.

Subventions and old age home (including nursing services) in Casablanca for about 110 persons.

Subventions small family type old age homes in Tangier, Fez, Meknes, Rabat and Marrakech.

Subventions a home-care service to several hundred aged in Casablanca. Hot lunches are delivered to about 50 aged persons in Casablanca. These aged-for the most part cannot leave their rooms because of advanced age, sickness or disability.

Subventions the O.S.E. clinic in Casablanca where several hundred people are treated monthly.

Distributed food packages of USDA and other foods to over 1,500 needy persons.

Subventions the Ozar Hatorah, Lubavitcher, Ittihad and ORT schools in Morocco. The majority of the schools are in Casablanca. There are small schools in Fez, Meknes, Tangier, Rabat, Marrakech and Agadir. A total of about 2,500 children attend these schools.

Subventions summer vacation colonies for about 400-500 under-privileged children.

Distributes purchased clothing to about 2,200 needy adults and children.

2. The AJDC also receives contributions in kind (medical equipment, clothing, medicaments etc.) from American manufacturers.

3. The AJDC receives financial contributions for specified projects from the Central British Fund, Jewish Child's Day, London, the National Conference of Jewish Women, USA, etc....

All of these contributions combined make it possible to carry out the program enumerated in this memorandum.

#### Other

We have initiated a careful program of practical instructions for school nurses and other outposted health personnel in the area of disease prevention, general hygiene and nutrition among other targeted goals. The aim is to sensitize local staffs and improve the practical side of service delivery. We have copied and distributed AID booklets on the subject of school feeding program, institutional food storage and preparation-menu planning and the improved use of milk-powder. Responses have been great so far and we are encouraged by the tangible results of this intervention which is multi-disciplinary and has the full support of our target population.

There is little likelihood of any eventual take-over plans by the host country because of the traditional separation and administrations of all matters along religious lives. There is however a strong probability that our efforts will be even more needed in the future because of the shifting population pattern = older and more dependent, and less likely to meet its own needs. Thus our reliance on multi-year programming and support is of vital importance to our activities and the recipients of the services we provide.

(signed) Leon Leiberg  
Director, AJDC Morocco

## II. Narrative Mission Review of AJDC Operational Plan

USAID has reviewed and concurs in the FY1986 Operational Plan submitted by AJDC. USAID notes that the program described therein is a humanitarian activity with little developmental potential. Its essential purpose is to ensure a minimally adequate diet for economically deprived members of Morocco's small Jewish community. Given the program's modest size, scope and cost, its impact on overall USG/GOM development objectives in Morocco is negligible.

USAID affirms that in-country storage facilities for AJDC Title II commodities are adequate, and that the AJDC Title II program will not result in a substantial disincentive to domestic production of agricultural commodities.

Table XIII  
P/L 480 Title II FY 1986 Alternative # 1

I. Country - Morocco

Sponsor's name - Catholic Relief Services U.S.C.C.

A. Maternal Child Health Total Recipients 405.0  
(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Kgs.</u>	<u>Dollars</u>
405.0	Wheat Flour	11,178	2,962.1
405.0	Vegoil	2,187	2,088.5
405.0	NFD Milk	4,860	534.6
		<hr/> 18,225	<hr/> 5,585.2
			634.0
			<hr/> Total ..... \$ 6,219.2

B. School Feeding - None

C. Other Child Feeding Total Recipients 21.6  
(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Kgs.</u>	<u>Dollars</u>
21.6	Wheat Flour	1,296	343.4
21.6	Vegoil	58.4	55.7
		<hr/> 1,354.4	<hr/> 399.1
			99.8
			<hr/> Total ..... \$ 498.9

D. Food For Work Total Recipients 76.5  
(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Kgs.</u>	<u>Dollars</u>
76.5	Wheat Flour	7,344	1,946.1
76.5	Vegoil	459	438.3
		<hr/> 7,803	<hr/> 2,384.4
			422.5
			<hr/> Total ..... \$ 2,806.90

N.B. 1) Prices used for PL 480 Commodities are as follows:  
(As provided by AID/W)

- Flour - \$ 265 per M.T.
- Vegoil - \$ 955 per M.T.
- NFD Milk - \$ 110 per M.T.



OPERATIONAL PLAN FOR FY 1986

I. Elements of Operation

A. Identification

1. Name of Distributing Agency: Catholic Relief Services  
United States Catholic  
Conference, Inc.

Country: Morocco

Name and Address of Counterpart: Entraide Nationale  
Ministry of Handicrafts  
and Social Affairs (MASA)  
Rabat, Morocco

Date Plan is submitted: May 1984

2. Name and address of the American Citizen, Representative in Morocco of the CRS-USCC, and responsible for PL 480 Title II program supervision:

Mr. David Holdridge  
Director  
North Africa Program  
Catholic Relief Services-USCC  
70, Avenue Allal Ben Abdallah  
Rabat, Morocco

Mr. Holdridge devotes his full time to the CRS-USCC program in Morocco which includes, mainly, PL 480 Title II activities and development projects.

Other members of the VolAgency supervisor staff, all full time employees, are the following:

<u>Name</u>	<u>Nationality</u>	
Mrs. Gilberte Hrdlicka	U.S.	Program Assistant
Mr. M'Hamed Diouri	Moroccan	Coordinator
Mr. Ahmed Chedouki	Moroccan	Coordinator
Mr. Lahcen Maiza	Moroccan	Coordinator
Miss Faouzia Soussi	Moroccan	Secretary
Mrs. Khadija Oulidi	Moroccan	Secretary
Miss Najat Echchihab	Moroccan	Project Assistant
Mrs. Houria Oubella	Moroccan	Secretary/Clerk
Mrs. Paulette Bitton	Moroccan	Financial/Adm.
Mr. Larbi El Hatimi	Moroccan	Driver/Messenger
Mr. Ahmed Mehdaoui	Moroccan	Driver/Messenger

B. Agency Agreements

1. CRS-USCC has a written agreement relating to Title II food distribution with Entraide Nationale, the Moroccan Official Welfare Department, acting on behalf of the Gouvernement of Morocco.
2. CRS-USCC does not operate under a "blanket" agreement between Morocco and the U.S. Government.
3. The CRS-USCC's agreement with Entraide Nationale does incorporate the gist of the main, pertinent conditions set forth in AID Regulation 11.

The agreement provides, inter alia, for the importation by CRS of U.S. furnished PL 480 Title II commodities. Entraide Nationale is responsible for the duty-free admission of the food, its storage at port warehouses and inland transportation. Entraide Nationale's activities are financially covered by a line of credit in the GOM's annual budget.

C. Area Scope-Conditions of Operations

1. The program will be country-wide. Food will be distributed in over 900 centers located throughout Morocco.
2. The existing facilities, at both HQs and at provincial level, that are available to Entraide Nationale will be fully used for the distribution of Title II food to recipients.
3. The cooperation of the Government of Morocco to the program is maintained, mainly, through two Departments, namely the Entraide Nationale and the Ministry of Interior. The former, as the principal counterpart of CRS, is responsible for securing duty-free entry of the donated commodities, port clearance and inland transportation of the food. Entraide Nationale also acts as liaison for CRS with other Government offices and organizations. The Ministry of the Interior shares operational responsibilities for the implementation of the program at provincial level.
4. CRS will review program operations with the American Joint Distribution Committee and World Food Program to prevent any possible duplication of distribution or overlapping in projects.

D. Control and Receipting-Records Procedures and Audits

1. The following is a summary of the system and procedures used for the receipt and distribution of the commodities:

a) Food is received at Moroccan ports by the Shipping and Transit Offices of Entraide Nationale. These offices are also responsible for the shipment, by truck or rail, of the commodities from ports to the distribution centers in the provinces. Entraide Nationale furnishes CRS monthly reports of the quantities distributed in accordance with jointly agreed Quarterly Distribution Lists established in advance between CRS and Entraide Nationale. The monthly reports are checked against survey reports, Port Authority figures and receipts emanating from inland distribution centers.

b) The Quarterly Distribution Lists, also known as "Allocation" schedules are drawn up by CRS on the basis of both the quantities of commodities on hand and the findings of CRS field auditors about existing stocks at project sites, changes in the number of beneficiaries, any failure to adhere to procedures in force and any other facts which should make a revision necessary. QDLs are discussed by CRS with representatives of Entraide Nationale and finally approved and signed by the Director of Entraide Nationale.

c) When effecting shipments out of ports, the Entraide Nationale's Shipment and Transit Officers issue Notices of Shipment which indicate the nature and quantity of the commodities, their origin for identification purposes (such as name of vessel, the number of the corresponding packing list) and the ultimate destination of the food. The Governor of the Province where commodities are sent receives three copies of the Notice of Shipment. One copy each is also forwarded to Entraide Nationale HQs and CRS-USCC at Rabat.

d) Additionally, E.N. Shipping and Transit Officers at ports issue a "Delivery Notice" addressed to the Inland Carrier/Transport Company (one copy); the provincial consignee (two copies); Entraide Nationale HQs (one copy) and CRS-USCC/Rabat (one copy). On the receipt of the commodities shown on the Delivery Order, the provincial consignee sends, in acknowledgment, one signed copy to CRS/Rabat. This copy, which constitutes a receipt for the food forwarded is filed by CRS to provide, together with other documentation, accountability for all shipments to Morocco of PL 480 Title II commodities.

e) At the provincial level in Morocco, the office of the Entraide Nationale Delegate, which is usually located in the same building as the other Government departments under the Governor, maintains files/records of receipts signed by authorized representatives of the various centers in acknowledgement of the commodities assigned to and received by them quarterly.

f) The following are some of the controls exercised to ensure that commodities are issued only to eligible beneficiaries in each approved category:

(i) Maternal Child Health

Mothers, each carrying an identity card with photograph, and children receive their approved monthly rations of Title II food at Social-Education Centers. Supervisors at the Centers keep and bring to the Center the special weight charts provided by AID. Records and files for the MCH rations (and FFW rations in the case of monitrices) are kept at both the Social-Education Centers and provincial HQs. These records are open to examination and audit by authorized entities and their representatives.

(ii) Other Child Feeding

Only inmates at the approved institutions receive Title II food which is issued in the dining halls as supplement to their regular meals.

2. Losses involving Title II foods (a) while en route to Morocco and (b) during unloading operations in Moroccan ports are covered by survey reports. CRS-USCC/New York processes such claims on behalf of USDA. In country losses (c) are dealt with in accordance with relevant AID regulations.

3. Audits

CRS regional auditors conduct audits periodically on all aspects of the program involving P.L. 480 Title II commodities.

E. Port Facilities - Practices

1. Offloading facilities at Moroccan ports are adequate to handle the food needed to put the program in operation. CRS will use the ports of Casablanca and Tangier for all commodities. Both ports have ample and modern facilities to handle the programmed shipments of PL 480 Title II commodities. It is planned to discharge about 70% of the tonnage in the Port of Casablanca and the balance at Tangier.

2. The duty-free entry requirement presents no problem.
3. The Government of Morocco permits CRS to have cargo surveys conducted by independent surveyors.
4. Neither port charges nor "duty" present a special problem.

F. Storage Facilities

1. Adequate warehousing facilities exist at ports and throughout the provinces.

G. Inland Transportation

1. Commercial truck transportation is the means used to transport the PL 480 commodities.
2. There are, generally, no major problems related to inland transportation. Occasionally, when there is a convergence of large quantities of foodstuffs in the port, there is a slow down in outward bound movement.

H. Processing - Reprocessing - Repackaging

It is not intended to combine Title II commodities with other ingredients to produce a new end product.

Beneficiary organizations that use commercial bakeries for making bread with Title II flour enter into a contract with the baker. The wording of contract had received USAID approval.

I. Financing

Following arrangements are operative for the financing of commodity distribution costs:

1. Entraide Nationale, a Department of Moroccan Government administration with its own allotted budget, defrays the costs of (1) port clearance and storage (2) inland transportation and (3) handling of the commodities.
2. Entraide Nationale's annual expenditures related to the CRS program amounts to over 76 million dirhams approximately equivalent to 12 million U.S. dollars.

In addition, provincial and local Government Administration finance expenditures for local storage and handling of commodities as well as for internal transportation between places within their jurisdiction.

In regard to its local salaries and administration expenses, CRS-USCC/Morocco receives funds from CRS/New York and Entraide Nationale at Rabat.

J. Acceptability of Available Foods-Computation of Food Requirements

1. It is not anticipated to indent for any whole grain wheat or corn in lieu of wheat flour or cornmeal.
2. All foods which will be requested namely bread flour, vegetable oil, NFD Milk are acceptable by the recipients.
3. Food requirements are estimated on the basis of statistical information and results of available nutritial investigations.

a) Rates of use of the commodities and the planned number of distributions by type of food and recipient category are as follows:

	Months of Operation	No. Distrib. Per Year	Rates in Kgs per month per person		
			O I L	FLOUR	MILK
Maternal Child Health	12	12	.450	2.30	1.0
Other Child Feeding	12	4	.225	6.00	
Other child Feeding	12	4.	.225	2.15	
FFW Workers	12	12	.500	8.00	
FFW Dependents	12	12	.500	8.00	

b) Title II foods assist in reducing dietary deficiencies among the eligible recipients. Surveys on nutrition in Morocco have, in fact, demonstrated widespread prevalence of malnutrition in protein - calorie intake especially among the poorer rural population and in other "vulnerable" groups (6-months to 4 years old children, pregnant and lactating women). Since dietary in improvement effects favorably general health, physical growth and mental development, Title II food assistance contributes importantly to the development of the human resources available to Morocco.

K. Program Publicity

1. Means of educating recipients in awareness of the source of foods and the proper use of the Title II commodities are made available to Entraide Nationale in the form of posters, food recipes and other material. The AID "clasped-hands" poster in Arabic and in English, is displayed at distribution centers.
2. CRS issues, periodically, reports, press releases, photographs as well as other pertinent publicity and educational information.
3. Documents such as warehouse "chits", etc. will indicate the source of the donated food. The best education of the source is the emblem with markings of the containers. Spot checks reveal that the average recipients is definitely aware of the origin of the commodities.
4. Due to the country-wide coverage and the very clear markings on the bags etc., the PL 480 Title II Program is the most visible American Aid effort in Morocco.

I. Estimate of Program Duration

Morocco is plagued by almost perpetual drought. Even in the relatively well watered northwest basin, reservoirs are at a fraction of their capacity and grazing land is scarce. In the area outside the N.W. basin (South of the Atlas mountains) wheat stands half way to the knee at harvest and the stalks are often a foot apart. In a recent GOM report it was estimated that small farmers outside the basin average less than 100 U.S. dollars a year in revenue for a family of seven. Thousands are migrating to the cities every month and for FY 85, USAID is planning on a five million dollar, Title II, emergency drought relief program.

The drought, along with the war in the south (against the Polisario) and the debt service have put Morocco (according to most development specialists) in the worst financial crisis of its life. CRS does not believe that now is the time to begin unilaterally phasing out Title II support for Morocco. It believes that the reductions planned to start in FY 86 (to end the program in FY 88) will have negative results among which would be the displacement of many of the 20,000 orphans and the 90,000 apprentice workers back onto the streets and an increase in malnutrition among the 300,000 children who receive food monthly at MCH Centers.

While the two results that are predicted above are neither precise nor certain, it is CRS' opinion that the resources of the GOM are not sufficient to make any planned 'phase out' into a 'phase over'. Security problems, debt service and drought continue to drain revenues from socio-economic development.

In a few words, then, anyone who works for a benevolent agency and has the opportunity to leave his or her office in Rabat and walk among the degradation of the ever-increasing bidonvilles that surround Morocco's cities or has the opportunity to come face to face with the wretched conditions of the inhabitants who scratch for a living in the countryside can not advocate cutting off the importation of Title II foods from the U.S.

However, it is also CRS/Morocco's position that the way that Title II foodstuffs are presently distributed does not serve the interests of Morocco's poor as well as it might. Among those areas of immediate concern to CRS are the following:

- . That MAAS makes it absolutely clear to port and provincial authorities that Title II foodstuffs can only be distributed according to the AER and according to the established rules of accountability that are part of that distribution.
- . That part of the commodities arriving under Title II for FY 86 be monetized and used for projects that would serve to preserve the water resources so as to alleviate the crippling effects of the drought.
- . That part of the commodities arriving under Title II for FY 86 be monetized and that the proceeds be used to develop residents of SMB's and cooperatives into productive citizens and to revitalize the nutrition program that exists in the MCH centers.

(For its part CRS/Morocco is ready and willing to invest its resources in such a way as to dovetail with the above recommendations)

At this date, there are many details to be resolved. General discussions with the GOM on the above have already started - as have discussions on improving some of the operational difficulties in delivering Title II to beneficiaries.

Finally and importantly, it should be added that should the GOM concur with what until now has been an USAID unilaterally imposed phase out for FY 86 (under which FFW and OCF would be eliminated) or should the GOM show no signs of moving the program toward the goals envisioned by CRS, CRS would reluctantly agree to support the Title II cuts outlined in alternative 2 (Table 13).

## II Plans of Operation For Specific Types of Projects:

Three categories of recipients will be served: Maternal Child Health, Other Child Feeding and Food for Work

Three types of commodities are planned for distribution. These are: flour, vegetable oil and milk.

Food will be distributed at places located in every province of Morocco. Centers number more than 900.

Program goals are the reduction and prevention of malnutrition and the promotion of self-help. Particular attention will be paid to the use of program commodities to stimulate people to do something to help themselves, to better their conditions. Food will be used as a tool for the development of human resources.

### A. Maternal Child Health

Supplementary rations of flour, vegetable oil and milk will be provided to 135,000 pregnant and nursing mothers and 270,000 pre-school age children of from 2 years to 5 years at 300 Entraide Nationale run socio-educational centers located through out Morocco.

The purpose of the food assistance is to improve the nutritional status of pre-school age children and pregnant and lactating mothers. Coupled with the distribution of food is a CRS developed Nutrition Education Program which is intended to bring about changes in the nutritional knowledge and other practices of the mothers. Young and future mothers are taught nutrition, sanitation, hygiene, and child care, etc. This valuable education program was instituted some years ago under a U.S. Government OPG obtained by CRS. The educational program is carried out under the close supervision of Entraide appointed center teachers, who are in turn supervised by Entraide Nationale appointed Provincial Directrices. Under the OPG CRS sent

the Provincial Directrices for Nutrition training at the National Institute of Nutrition in Tunisia, and also brought about creation of a National Nutrition School in Morocco with a staff of trained Nutritionists. The Nutritionists at the School (in Marrakech) train the Center teachers.

The food assistance provides an important incentive to mothers to attend the courses given at the centers. In this way, PL 480 food promotes the educational development of Moroccan mothers, with benefits for the whole family. It also serves as a tool to strengthen a Moroccan Governmental Institution in the provision of nutrition services.

Food is distributed to mothers once a month and is on a take home basis. Rations are provided for the mother and up to a maximum of two children of between 2 years and 5 years of age. Children are weighed once a month, and records are kept on charts.

The Centers have been attempting to become self-supporting. With this goal in mind, mothers make a monthly contribution of 2 dirhams, which is used to help defray operating expenses.

With a view to revitalizing this effort, CRS proposes 2 plans for FY 86. The first would be the creation of a seminar for Provincial Directrices which would build on the lessons learned during the earlier OPG (AID-NESA G-1169 from May 30, 1975 to November 30, 1978) by updating and refining their knowledge of nutrition and their ability to communicate it to their monitrices. In this context, during June, July and August of 1984 CRS will conduct a survey of 120 MCH Centers to determine present weaknesses and the means of combatting them. The information provided by that survey would serve as basis for an OPG to recycle provincial directrices.

The second modification of the MCH program involves monetizing 10% of the FY 85 value of foods directed toward the MCH Centers (\$ 634,000). Beneficiary levels would be cut by tightening entrance requirements to these mothers of verifiable mal-nourished children and by graduating mothers out of the MCH program who had been in for three years. The money realized would be used to create 60 emergency facilities over eighteen months to serve severely mal-nourished children in outlying areas of Morocco.

The rationale for this effort is based on the knowledge that a system for distributing nutritious food to mal-nourished children should be based on two essential ingredients - that the children are weighed on a monthly basis and that if and when danger signs occur there is a means of referring the child to a medical facility where it can receive immediate attention. Unfortunately, among the 300 MCH centers that CRS and the GOM have designated as distribution points for Title II there are many that have no access to a medical facility or to a pediatric service. CRS field coordinators (who are also responsible for end-use checks) estimate that this essential ingredient is missing in more than 50% of the rural centers. The emergency facility that now exists outside Rabat at ex CIDERA would serve as a model for replication elsewhere. The space for the clinics would be donated by respective governors of individual provinces and two full-time nurses would be supplied for each clinic by the Ministry of Public Health. CRS would be responsible for selecting sites, equipping them and setting up the administration. Approximately \$ 10,000 would be allocated to each of 60 centers (average 20 patients). Sick children would be referred by nearby MCH centers. CRS regional nutritionist (Mrs. Samia Belgasmi) would be instrumental in developing this program.

B. Food for Work

Four groups of workers in need, along with a maximum of 4 dependents per worker, are to receive PL 480 supplements within the framework of the Food for Work Category of Recipients.

The principal objectives of the supplements are to provide incentives for programs which generate income, provide employment, and/or skill development for those needy willing to work, those willing to help themselves, thus enabling them to raise the living standards of themselves and their families. A secondary objective is to supplement the nourishment of the worker and his family.

PL 480 food aid to these programs is supportive of the Moroccan Government's efforts to assist needy workers to stand on their own feet and reduce their dependence on welfare.

One Food for Work Program involves Handicraft Cooperatives. In October 1978 Entraide Nationale established handicraft cooperatives for the graduates of supervised handicraft workshops (ouvroirs) where girls of poor families learned an income producing skill and pursued a non formal 3 year education program. The ouvroirs admitted girls of families who could not afford to maintain them in school. PL 480 commodities are to be provided to 106 handicraft cooperatives with a total membership of 6078 girls. The cooperatives are spread out over 32 Provinces. Products produced by the girls include rugs and sewn, knitted and embroidered goods. Entraide Nationale provides the premises, and guides the cooperative members in what to produce and how to sell their products. CRS will assist through provision of a PL 480 ration to each of the girl cooperative members plus four dependents. The purpose of the ration is promotion of a program which will provide earning-power and employment for girls of very low income families who otherwise wouldn't have any such opportunities. Another objective of the food is its use in enhancing the status of women - which the cooperatives bring about. After a time girls leave the cooperatives to go and earn a living on their own making place for others.

A second Food For Work Program involves PL 480 rations for 1,445 blind members of 60 Handicraft Cooperatives established by the Moroccan Government to give the blind a handicraft skill and an opportunity to be employed and to generate an income through the sale of products produced. The Government provides the work premises, trains the blind (or a substitute family member if that is more practical) and guides them in a marketing of products produced. Products produced include baskets, matting, shopping bags and bamboo goods. The purposes of the PL 480 rations are to promote skill development, employment and income producing opportunities for one of the most socio-economically disadvantaged state of Moroccan society. In addition to each cooperative member rations are provided to up to 4 family dependents.

A third Food For Work Program consists in the provision of PL 480 rations to 1,955 handicapped members of 86 Handicraft Cooperatives established by the Government to provide the crippled with an opportunity to learn a skill and have income and employment. The Government provides the premises, trains the handicapped (or a family member if that is more practical) and guides them as to what to produce and how to market products

produced. Products produced by the crippled (or family members) include rugs, matting, cushions, leather goods, baskets etc. Objectives of PL 480 assistance, which is supportive of Moroccan Government assistance, are the promotion of skill development, income earning and employment opportunities for a very socio-economically disadvantaged group in Moroccan society. In addition to the handicapped up to a maximum of 4 family dependents also receive food supplements.

The fourth Food For Work Program provides food supplements to supervised workshops (ouvroirs) for poor female heads of households. Begun in 1979 by Entraide Nationale these supervised workshops provide skill development and income earning opportunities for poor women who have had little formal education or employable skills but who are forced to support families. These women are widows, abandoned and divorced wives. Entraide Nationale teaches an income producing skill to each woman, and guides them as to what to produce and arranges to market products produced. The women learn the traditional female skills which include sewing, knitting, embroidery, crocheting and rug weaving. The objectives of PL 480 assistance to this program are the promotion of skill development, and income earning opportunities for a very needy and much neglected female segment of the population. Enhancement of women's status is also aimed at here. In FY 1986, CRS plans to provide supplements to 6,078 women in 96 workshops spread over 34 provinces of Morocco. Up to 4 dependents of each woman are also eligible for supplements.

Finally, as an incentive to continue their valuable services, the 810 monitrices who run the MCH Socio Education Centers (where recipients receive food assistance within the MCH category), and 368 supervisors who run the Day Care Centers (where recipients receive food under the OCF category), will be granted PL 480 supplements. In view of their extremely low salaries, PL 480 supplement are a necessary incentive to keep them working at MCH and Day Care Centers, and keep the valuable developmental programs there operating. In addition 315 workers at Provincial storage depots of PL 480 food commodities will receive food supplements as part of compensation for services performed there.

All in all, it is planned that a total of 76,500 will receive PL 480 food supplements within the Food for Work category in FY 1986.

For FY 86 the number of beneficiaries and consequently Title II tonnage listed above represents a reduction of 63,900/3,740.6 to FY 85 levels. The dollar value of this reduction equals the amount that would be monetized for assisting Morocco in its battle against drought. However in order to compensate the above institutions for this reduction, CRS will make two changes in its own program. First, the \$300,000 of used clothing that it imports into Morocco will, for FY 86, be directed toward these institutions that are hardest hit by the reduction in foodstuffs. Secondly, the approximate \$ 100,000 CRS receives each year from the U.S. Catholic Community for vocational training programs will likewise be focused on these institutions in this category that need their training and placement programs upgraded.

As for the drought relief, CRS would use the \$ 422,500 during FY 86 to build upon the \$5,000,000, Title II, Food for Work, emergency program that USAID has planned for FY 85. Focusing on the same beneficiaries that benefit from that FFW effort CRS would create projects that would seek to repair and maintain dams, improve irrigation systems and repair (or create) individual and communal reservoirs and wells. Funds realized from monetization (\$ 422,500) would pay for the research, writing and evaluation of said projects in addition to the purchase of equipment (tractors) and supplies (cement, pumps) necessary to complement the emergency FFW of the preceding year. CRS' regional agricultural consultant (Mr. Ahmed Bahgat) would play a key role in developing this project.

C. Other Child Feeding

Supplementary rations of flour and oil will be distributed to some 16,000 poor orphans and very poor children from unfavorable family situations in 141 Orphanages located in 36 Provinces. Actually, the orphanages care for about 30,000 orphans and social case children but because of the limited availability of PL 480 commodities plans call for distributing food to only some 16,000.

The orphanages to be assisted are called Moslem Welfare Societies, or Societes Marocaines de Bienfaisance. Each institution is an independent entity run by elected committees of mostly private citizens. Committees are often chaired by the Governor of the Province.

Directors of the Institutions are sometimes employees of Entraide Nationale and sometimes someone appointed by the Local Committee. Budgets of these institutions are under severe financial strain. They are hard put to make ends meet. The State provides some financial help, but almost all these institutions have to turn to concerned benefactors for donations in cash and kind which in the end barely enables them to cover the deficit. Outside assistance is critical.

Children in the orphanages are both boys and girls and range from 6 years to the mid-teens. During the day, the children attend school.

PL 480 assistance to these institutions promotes primary school education, and thus serves a very important development purpose, for the orphanages provide to a certain group of the socio-economic disadvantaged the opportunity to go to school. If it weren't for the orphanages, orphans and social case kids would remain completely outside of the school system. They would be out on the streets begging or otherwise getting into trouble. Enrollment in Orphanages means mandatory school enrollment for these kids. Without PL 480 assistance it is doubtful the orphanages could continue functioning. A secondary purpose of the food is to provide a food supplement to otherwise hungry group of kids.

Food is prepared and consumed on the premises.

PL 480 supplements of flour and oil will permit a morning and afternoon snack to be served to 5,600 socio-economically disadvantaged children at 137 pre-school education centers spread out among 32 Provinces and 6 Prefectures of the country. The centers are operated by Entraide Nationale. The children range from 4 to 7 years of age. The purpose of the centers is to provide pre-school education to the underprivileged so that when these enter Primary School they will not be at a disadvantage with children of better off families. Children of better off families are all educated at the pre-school level before entering the Primary School. The idea of these pre-school centers is similar to the American "Head Start" Program.

The main purpose of PL 480 assistance to these centers is to promote the education of the socio-economically disadvantaged at the pre-school age level. It is vital for underprivileged children to start the educational process as early as possible

if they are to compete on an equal level with the other children later on. Another secondary objective is to provide hungry children with some extra nourishment. Better nourished children are more mentally alert too and are better able to absorb instruction.

PL 480 assistance to these centers is supportive of the Moroccan's Government's efforts to help its own poor. Entraide Nationale provides the center premises furniture and furnishings and all the educational materials as well as the salaries of the center supervisors and provincial supervisors.

In the OCF category, CRS would make two important changes. In the first category (the SMB's), 20% of the dollar value of the commodities assigned for FY 85 would be monetized (\$86,526) and used to develop a vocation training program for those youngsters in the upper-age brackets that would give them the necessary skills to compete for jobs in the private sector. Incorporated into this project would be a strong placement component, whereby, if necessary, employers of graduates would receive a subvention for one year on the basis of how many jobs they created for qualified applicants from the orphanages. In this context, CRS/Morocco has recently hired a vocational training specialist who is now doing the groundwork to determine what jobs are most in demand and what type of marketing effort will be necessary to find employers for these graduates.

In the case of the pre-school children, CRS would use monetized Title II (\$13,174) to create a project based on a similar effort in Tunisia that is turning garderies into real development centers for the less advantaged children of the poor. It involves bringing the animatrices of the garderies together for a series of seminars in which they were introduced to activities that, transferred to their students, would develop creatively, psychomotor skills and discipline. CRS consultant, Dr. Tahar El Amouri would come to Morocco from Tunisia to prepare the project.

### III. Contributions to Program

In Morocco CRS deals exclusively with the Government of Morocco i.e., Entraide Nationale. Entraide Nationale pays the full cost of the clearing, storage, handling and inland transportation of Title II Commodities, and the administration of the program.

All the staff employed at distribution centers and administrative offices are paid for by Entraide Nationale. Most center premises are also provided by Entraide Nationale.

Contributions to the Program are also made by the beneficiaries themselves. Mothers at MCH Centers contribute 2 Dirhams a month to center costs. Children at pre-school education centers contribute from 5 to 15 Dirhams a month for center costs. Members of the workshops for poor female heads of households contribute 10 Dirhams per month toward center expenses. Financial contributions by the beneficiaries themselves testify to the high value they place on the various Programs they participate in.

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Other contributions by the GOM involve these made to those projects that are funded by monetized Title II or OPG's. The details of this contribution are given in the preceding section.

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#### EXPLANATORY NOTE

CRS/Morocco realizes that the changes recommended in this plan for FY 86 need many of their details worked out before the FY 86 AER is submitted 11 months from now. To that end it has already begun discussions with its counterpart in the GOM and has at the same time already recruited several professionals to begin the development of the projects mentioned in this report. In addition to this, CRS Morocco is now also part of a union of CRS programs in the Middle East and North Africa (the MENA group) that has full-time consultants in agriculture, women, small business and nutrition.

If the GOM is not interested in effecting a change in its Title II Program along the lines recommended here or in cleaning up some of the existing operational difficulties in distributing foodstuffs according to the present AER, CRS will reluctantly accept the cuts demanded by AID for FY 86.

IV. ANNUAL ESTIMATE OF REQUIREMENTS

A. Commodity Requirements (See attachment alternatives one and two)

B. CCC Value of Commodities - Alternative # 1

Flour	19,818	M.T.	\$ 5,251,770
Monetization	2,862	M.T.	\$ 749,800
Vegetable Oil	2,704	M.T.	\$ 2,582,320
Monetization	339	M.T.	\$ 347,500
N.F.D. Milk	4,860	M.T.	\$ 534,600
Monetization	540	M.T.	\$ 59,000
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	31,123	M.T.	\$ 9,524,990

- Alternative # 2

Flour	11,167	M.T.	\$ 2,959,255
Vegetable Oil	2,104	M.T.	\$ 2,009,320
N.F.D. Milk	4,590	M.T.	\$ 504,900
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	17,861	M.T.	\$ 5,473,475

(signed) David Holdridge  
Program Director  
Catholic Relief Services  
USCC

**Annual Estimate of Requirements FY 1986**  
**Commodity Requirement Attachment No. 1 - alternative one**

Category of Recipients	No. of Recipients	Months	FLOUR		VEGOIL		N.F.D. MILK	
			Rate Kg	Reqmts 000 Kg	Rate Kg	Reqmts 000 Kg	Rate Kg	Reqmts 000 Kg
Maternal Child Health	405,000	12	2.30	11,178	.450	2,187	1.0	4,860
Other Child Feeding	16,000	12	6.0	1,152	.225	43.2		
Other Child Feeding	5,600	12	2.15	144	.225	15.2		
Food For Work	76,500	12	8.0	7,344	.500	459		
<b>TOTAL:</b>	<b>503,100</b>			<b>19,818</b>		<b>2,704.4</b>		<b>4,860</b>

Annual Estimate of Requirements FY 1986

Commodity Requirement Attachment no. 2 - Alternative # 2

Category of Recipients	No. of Recipients	Months	FLOUR		VEG O I L		N.F.D. MILK	
			Rate kg	Reqmts 000 kg	Rate kg	Reqmts 000 kg	Rate kg	Reqmts 000 kg
Maternal Child Health	382.5	12					1.0	4,590
Maternal Child Health	388.8	12	2.30	11,167	.450	2,104		
TOTAL				11,167		2,104		4,590

Narrative Mission Review of the CRS Operational Plan

The CRS OYP for FY 1986 includes two alternatives for Title II commodity/cost/beneficiary levels in FY 1986. Alternative "1" calls for program continuation at FY 1985 levels, including monetization of some \$1.2 million worth of commodities to enable the development of new CRS initiatives including construction/operation of additional MCH centers, some drought relief efforts, and vocational training in orphanages and day care centers. Alternative "2" reflects the impact of the Title II phaseout plan scheduled to begin in FY 1986. As discussed previously (P.L. 480 Narrative), the proposals put forth by CRS/Morocco for the higher levels (Alternative 1) represent, in USAID's judgment, a late and inadequate response to the central question of GOM responsibility for an increasing share of Title II program costs. The high-end proposal has not been developed in any detail, has not been discussed in depth with, nor accepted by the GOM, and would not offer any incentive to the GOM to assume greater responsibility for the program. Given these inadequacies, USAID does not concur in the funding/commodity levels proposed by CRS as Alternative 1. USAID does, however, concur in CRS' Alternative 2, i.e., in view of that proposal's consistency with the FY 1986-88 phaseout schedule established for the Title II program, as communicated by USAID previously to CRS and the GOM.

While CRS/Morocco continues to resist efforts toward program phase-out, it has taken a number of important steps to improve the operation and impact of the Title II program. As the CRS OYP indicates, CRS/Morocco is committed to enforcing revised entry-and-graduation criteria for participation in the MCH program as discussed in the FY 1985 ABS and in Rabat 9479 dated November 17, 1983. The net effect of these new criteria will be to strengthen the nutritional impact of Title II commodities, albeit as these resources decline in volume through phaseout in FY 1988. CRS/Morocco has also initiated more rigorous procedures for monitoring its program in the aftermath of a late-1983 audit which revealed a need for more intensive CRS oversight of commodity distribution. These additional measures include increased field-observation by CRS/Morocco end-use-checkers, and a comprehensive random survey of 120 MCH centers (of a total 330) beginning in June, 1984 to determine current practices in nutrition education, child-growth monitoring, food distribution, and the degree to which the entry and graduation are being applied at the MCH centers. The results of this survey will strengthen CRS/USAID/EN efforts to ensure effective targetting and optimum use of Title II resources during the final years of the assistance program.

The Mission will continue to monitor the CRS/Entraide program in FY 1986 by periodic field visits to distribution facilities, and by the maintenance and examination of duplicate records of commodity receipts, shipping and warehouse claims and reports of commodity distribution to provincial depots.

USAID affirms that in-country storage facilities are adequate, and that the CRS/Title II program will not result in a substantial disincentive to domestic production of agricultural commodities.