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FD-117-106

PRIVATE SECTOR PROGRAMS IN ASIA AND NEAR EAST

I. The Asia/Near East Bureau's (ANE) private sector strategy objective is to utilize the capabilities of private entrepreneurs to help achieve AID's and LDC's economic and social development goals. Attainment of employment and income generation objectives will depend for the most part on jobs created by the private sector. Private firms and organizations already play an important role in all sectors in which AID is engaged in Asia and the Near East -- health, family planning, agriculture, forestry, energy, and education.

Our approach is two-pronged. We seek opportunities to expand entrepreneurial activity and concurrently, we seek opportunities to remove constraints to private sector expansion subject to LDC government control. The latter is usually addressed by some form of "policy dialogue", associated with a specific project, or not. The former is addressed by a variety of interventions which may be characterized as either (a) USAID private enterprise projects (investment and export expansion, small and medium enterprise development, management development, financial intermediation, policy analyses and technology transfer); or (b) private enterprise elements of projects in other sectors (agriculture, family planning, health education, energy, etc).

II. Current and planned projects and related activities are described briefly below according to region and country. They are identified as belonging to either category (a) or (b) described above.

ASIA

BANGLADESH

Ongoing

1. Rural Industries: (a)

388-0042

\$5.0 million (G)

1981 - 1986

The project created the Micro Industries Development Assistance Society (MIDAS), a non-governmental agency which promotes small-scale rural industry and provides market rate loans to bankable private enterprises, which will promote new employment, encourage the adoption of new technology, and/or export their output. The Rural Industries Project also assists small scale credit and women's entrepreneurship programs. Outputs: Disbursed 40 loans from original grant and 6 loans from reflows; took equity positions in 3 enterprises.

2. Rural Finance: (a)

388-0037 \$75.0 million (G) 1983 - 1988

This project is attempting to influence the Bangladesh banking system, in particular its public sector banks which constitute 90% of the system, in adopting more market oriented policies, including policies promoting realistic loan, deposit and refinance terms, and policies which improve bank credit and operational efficiency. It also is attempting to promote realistic savings incentive programs.

3. Enterprise Policy Reform: (a)

388-0067 \$3.0 million 1985 - 1990

The purpose is to enhance the capability of the BDG to formulate improved policies affecting enterprises. The project provides technical and financial assistance to the Bangladesh Bureau of Statistics to conduct an economic/enterprise census and a continuing series of economic surveys.

4. Fertilizer Distribution: (a)

388-0024 \$235.0 million (G) 1978 - 1985
388-0060 \$ 65.0 million (G) 1984 - 1989

The overall objective of this project is to increase use of fertilizer. The major private enterprise focus is on distribution and marketing of fertilizer through private as well as public sector channels. As a result of USAID policy dialogue retail fertilizer prices were decontrolled April 1, 1983. Wholesaling at the local level has been transferred from public to private sector. Private distribution and marketing at the national level, including wholesaler access to factories and ports, will be accomplished through continued policy dialogue. Sales increased by 15% during FY 1983 and by a further 18% in FY 1984.

5. Population Service Delivery: (b)

388-0050 \$160.0 million (G) 1981 - 1988

Project includes a major contraceptive retail sales component using private sector distribution and promotional channels. Outputs: Increase contraceptive sales by 25% per year, reaching additional 1.5 million couples each year; attain contraceptive prevalence of 28% by 1987.

Planned

1. Bangladesh Enterprise Development: (a)

388-0066 \$8.0 million (G) 1987 -- 1991

The purpose of the project is to expand assistance to MIDAS that can identify particularly promising small and medium-scale industrial opportunities and provide financial, managerial and/or technical assistance to entrepreneurs prepared to exploit those opportunities.

INDIA

Ongoing

1. Program for the Advancement of Commercial Technology (PACT): (a)

386-0496 \$15.0 million (G) 1985 -- 1990

Increase the pace and quality of technology development by improving private sector R&D project management and policies that constrain in-house R&D through establishment of a program to provide (a) seed capital for private sector R&D, (b) promotional organization to broker R&D joint ventures between U.S. and Indian firms and (c) U.S. and Indian business advisory groups to guide the program Fund and provide leadership on policy issues. The ICICI, a leading financial institution in Bombay, will manage the PACT.

2. GIICO - VITA Technology Transfer Pilot Project: (a)

\$85,000 1985 - 1986

Experimental project to test mechanism for introduction of new product and process technologies for private enterprise. Gujarat Industrial Technology Consultancy Organization (GIICO) and the U.S. based Volunteers in Technical Assistance (VITA) are collaborating in this small activity to arrange Indian-U.S. joint venture investments and other technology transfer arrangements. This effort will continue through VITA collaboration with InterMatrix, S&T Bureau contractor under the Asia Field Trials of the Market and Technology Access Project (MTAP), using funds from PACT project (described above).

3. Private Housing Finance for Low Income Families: (b)

386 -HG-002 \$60.0 Million (HG) 1984 -- 1988

Assist private capital market development through a Housing Investment Guarantee to the Housing Development Finance Corporation (HDFC). HDFC, since its establishment in 1977, has grown rapidly into an area of finance previously almost entirely dominated by the public sector. HDFC is the only significant private financial institution doing term lending in India. Project has assisted HDFC through early growth with technical assistance and access to capital.

4. Stock Market Reform: (a)

PRE Fin.Mrkts. Centrally Funded 1986

In 1984, USAID funded a visit of Stock Exchange Directors to U.S. and also provided consultancy services for drafting of report entitled "Possible Reforms for Further Development of India Stock Exchanges". The PRE Bureau Financial Markets Project consultant visited India in early 1986 and has proposed a program to establish a Depository Trust to simplify stock transfer and a credit rating system for corporate securities.

5. Family Planning Communications and Marketing: (b)

386-0485 \$47.0 million (G) 1983 - 1990

Purpose is to increase availability of, and information about contraceptive marketing, production and advertising. Created new Contraceptive Marketing Organization (CMO) to coordinate activities of and allocate resources to various private companies involved in contraceptive distribution.

6. Madya Pradesh Social Forestry: (b)

386-0475 \$25.0 million (L/G) 1981 - 1987

To institutionalize within the State of M.P. a Social Forestry Directorate (SFD) which assists panchayats in establishing and managing community woodlots, and individuals in carrying out afforestation on private lands. Outputs: 63,450 hectares firewood/fodder plantings planted; staff and villagers trained.

7. Maharashtra Social Forestry: (b)

386-0478 \$30.0 million (L/G) 1982 - 1990

To assist local governing institutions and villager to manage their community and private lands for increased and sustained yield of Forestry products. Outputs: 81,000 hectares planked, 4,300 private nurseries.

8. National Social Forestry: (b)

386-0495 \$33.5 million (L/G) 1985 - 1990

Develop government and private sector capabilities in Uttar Pradesh, Rajasthan, Gujarat and Himachal Pradesh to carry-out alternative social forestry programs to meet India's long-term forestry needs. Outputs: 700,000 hectares of small timber, fuel and fodder plantations through different tree/fodder production models.

Planned

1. Energy Research and Enterprise: (b)

386-0494 \$15.0 million (G) 1986 - 1991

Involve the Indian private sector in the development, manufacture, marketing and utilization of energy-saving equipment and devices.

2. State Technology Development and Enterprise: (b)

386-0507 \$10.0 million (L/G) 1987 - 1992

To activate linkages between centrally-controlled industrial research and development facilities and local private enterprise in selected Indian States.

3. Serum Institute of India, Pvt. Ltd.: (a)

PRE Rev.Fund \$3.0 million (L) 1986

Loan to Serum Institute of India will support that firm's diversification into measles and viral vaccines, in addition to a substantial expansion of current manufacturing capacity in bacterial vaccines and human blood products. USAID had collaborated closely with PRE in this initiative and is contemplating providing grant assistance for training in the range of \$300,000. Outputs: 25,000 doses per year of measles vaccine.

4. Ocean Fishing Products, Pvt. Ltd.: (a)

PRE Rev.Fund \$2.5 million (L) 1986

Loan to Ocean Fishing Products will co-finance, along with American Express Bank Corporation on a pari-passu basis, the establishment of a 20 vessel commercial fleet and fish processing plant to exploit significant untapped fisheries in the Bay of Bengal. The project will incorporate profit-sharing on the part of the ship crews. Outputs: Annual catch of \$30 million, over 3000 jobs created.

NEPAL

Ongoing

1. Rural Area Development - Rapti Zone: (b)

367-0129 \$26.7 million 1980-1985

a. The RAD-Rapti project funds field tests at three sites to assess feasibility of the Kettering Arc Mini Fertilizer Generator to produce nitrogen fertilizer. The manufacture and distribution of appropriate mini-plants may be an area for private sector initiative after completion of the field test stage.

b. Research in the RAD-Rapti area has defined household production issues/obstacles and modes have been designed for generating increased household income. Six of these models will be pilot tested at the farm level by private sector entrepreneurs or small groups of farmers during 1985.

c. The Appropriate Technology Unit (ATU) is testing and disseminating various technologies in the Rapti Zone. Private entrepreneurs are involved in the manufacturing and marketing of these technologies (e.g. biogas units, grain storage bins, water turbines, foot-operated small irrigation pumps). A privately operated ATU store is also being established to retail locally manufactured technology.

d. The ATU is also assisting in obtaining small farmers' loans for agricultural processing activities from the Agricultural Development Bank of Nepal. ATU has also established a private entrepreneur in the first auto maintenance and machine shop in the Rapti Zone, capable of servicing vehicles and farmers' appropriate technology installations.

2. Agricultural Research and Production (ARP): (b)

367-0149 \$9.0 Million 1985 - 1988

ARP will utilize findings of a Seed Marketing Study to develop a strategy to increase private sector involvement in hill area seed production and distribution activities.

PAKISTAN

Ongoing

1. Social Marketing of Contraceptives: (b)

391-0484 \$20 Million (G) 1984 - 1989

The project uses private Pakistani marketing firms to promote the sale of contraceptives through private sector distribution channels.

2. Energy Commodities & Equipment: (b)

391-0486 \$100 million (G) 1984 - 1987

This project contains a private sector window that makes funds available only to the private sector to import commodities to conserve energy and meet other energy needs. These imports will be financed through private sector banks.

3. Energy Planning and Development: (b)

391-0478 \$30 million (G) 1984 - 1989

A component of the Project seeks to finance integrated and effective sectoral analysis of energy development, develop programs in coal assessment, mining and utilization and adopting energy conservation and renewable energy technologies. One feasibility study in particular is devoted to supporting and increasing the role of the private sector in the coal industry. Financing will be provided for: a workshop for the private sector coal producers; energy audits for private sector firms; and the development of prototype equipment by the private sector to meet energy needs in Pakistan through coal briquettes and renewable energy sources.

4. Agricultural Commodities & Equipment: (p)

391-0468 \$300 million 1982 - 1988

The importation of fertilizer under this project has provided a forum for a dialogue on fertilizer distribution policy. The project now requires that at least 50% of fertilizer distribution be carried out by the private sector.

This project also includes a private sector window to finance the importation of equipment and material.

5. Forestry Planning & Development: (b)

391-0481 \$25 million (G) 1984 - 1989

The emphasis in this project is on the development of fuelwood production on a small-scale commercial basis. A substantial portion of the money will help to promote fuelwood production by the private sector.

6. Management of Ag. Research & Technology: (b)

391-0489 \$30 million (G) 1984 - 1989

This project includes an element that seeks increased Pakistani private sector involvement in the selection of priority agricultural research topics, in the conduct of such research, in the planning of and participation in mutually beneficial and appropriate training programs, and in the dissemination of relevant technologies to farmers.

7. PL 480 Title I Program: (b)

\$300 million 1982 - 1988

This program is a forum for continuing discussions on the role of the private sector in the edible oil processing industry. We expect that the public sector's share of edible oil processing capacity will decline from 75% of the total in 1983 to 35% in 1989.

Self-Help Measures in the PL 480 program prompted a Stock and Trade Management Study of edible oil in Pakistan. One major conclusion is that an edible oil commodity exchange, operated by the private sector, is necessary in Pakistan. Benchmarks under the PL 480 program will seek implementation of this exchange over the next few years.

The privatization dialogue also seeks to streamline the industrial sanctioning process and to eliminate the public sector monopsony on the purchase of cottonseed oil.

8. National Development Leasing: (a)

PRE Rev. Fund \$2.6 million (L/G) 1984 - 1988

PRE Loan provides financing for small business leasing line coupled with a transfer of U.S. leasing technology. SMEs will be able to lease equipment at lower cost than before. Outputs: Equipment leased to estimated 1,000 SMEs.

Planned

1. Lakhra Coal Power Generation: (b)

391-0487 \$125 million 1986 - 1990

This project and the Energy Commodities and Equipment project described below will assist the GOP and private sector firms to develop the Lakhra Coal Field as a source of supply for an electric generating plant. US financing will cover the A&E costs for the project and part of the cost of the public sector electric generating plant. This assistance, however, is dependent upon substantial private sector equity participation in the coal mine.

SRI LANKA

Ongoing

1. Private Enterprise Promotion: (a)

383-0082 \$4.0 million (G) 1983 - 1988

The purpose is to help improve the investment climate and increase domestic and foreign investment. Project supports preparation of pre-feasibility studies and investment profiles, investment promotion, management training, entrepreneur development, and business consultant services, analyses of government policies affecting the private sector, and establishment of a Sri Lanka Business Development Center.

2. Diversified Agricultural Research Project: (b)

383-0058 11.4 million (G) 1984 - 1992

This project is designed to broaden the agricultural food production base of Sri Lanka by strengthening the Department of Agriculture's capability to produce subsidiary field crops. The private sector involvement will include private production of seed and marketing channels for the crops.

3. PVO Co-Financing Project: (b)

383-0080 ? ?

Under this project a small grant to the Overseas Education Fund/Lanka Women's Association is aimed at small enterprise development for groups of rural women producing coconut coir for sale to local manufacturers.

INDONESIA

Ongoing

1. Private Sector Development Exploratory Project: (a)

497-0329 \$9.6 million (G/L) 1982 - 1988

This project is designed to:

- a. facilitate private investment in areas of high employment potential--light manufacturing and agribusiness;
- b. support efforts to maximize benefits to the local economy of major capital investment in resource development in North Sumatra;
- c. analyze and address constraints on private sector activity;
- d. strengthen management in Indonesian companies by providing opportunities for executive internships at U.S. corporations and short-term training at U.S. business schools; and
- e. explore new areas of potential private sector activity in Central Java through pilot efforts in shrimp culture, light manufacturing for export and metal components and spare parts manufacture.

Outputs: Facilitate investments totalling \$10 million, train 25 private sector company managers in 1986, technical assistance to Indonesia's Central Bank and to village-level development banks.

2. Private Sector Management Development Project: (a)

497-0345 \$4.0 million (G) 1984 - 1990

Institutional support to a private sector management development institution (IPPM) to upgrade staff, strengthen research and curriculum development capacity, and build links which enable the institution to use its increased capability and experience to transfer skills to other institutions and private organizations involved in management training and development of small and medium-sized entrepreneurs. Outputs: Finance faculty development (18 masters and 4 Phds) for IPPM.

3. Financial Institutions Development: (a)

497-0341 \$18.5 million (L/G) 1984 - 1991

The project is designed to improve local provincial development bank financial service capabilities and establish or improve local credit institutions. Project focus is to assist in the development of credit programs which are decentralized, non-subsidized, locally-oriented, and which mobilize local savings. Sub-loans range from the equivalent of \$50 to \$500, principally for short-term working capital requirements of small traders. Outputs: Expand loan portfolios in Provincial Development Banks in 1800 villages, training for 5,300 Bank employees, effect loan portfolio increase from \$225 million to \$650 million by 1991.

4. Small Industries and Cooperatives Development: (a)

497-0336 \$11.636 million (*) 1983 - 1988

This project has three separate sub-projects:

a. Small Industries Development (*\$0.5 million - grant). This sub-project, implemented by the Institute for Economic and Social Research, Education and Information (LPEES), provides both technical assistance and credit to more than 1000 home industries in 51 villages in Klaten, Central Java. The emphasis is on formation of pre-cooperative groups in the participating villages as the mechanism for provision of assistance in business management, bookkeeping, technological innovation, marketing and credit. An inter-group lending facility responds to larger credit requests up to the point that the small entrepreneurs can qualify for small bank loans.

b. Women's Cooperatives (*\$0.26 million - grant). This sub-project provides seed capital and management and auditing assistance to the East Java Women's Cooperatives Center, a network of 22 Coops run by and for women entrepreneurs. The sub-project has been exceptionally successful in getting cheap credit into the hands of the Center's almost 5000 members, most of whom are informal sector producers and vendors who are not accommodated by the existing formal credit programs. With its 95 percent repayment rate and high credit volume, the Center's next step will be to try to secure low-interest bank loans to supplement its own credit resources.

c. CIUSO/Cooperative Agribusiness Enterprise Development (*\$876,000 grant, \$4.0 million Title II and \$6.0 million Title I). The purpose of this sub-project is to establish a model cooperative program at Klaten, Central Java to demonstrate economic self-sufficiency for the cooperatives involved. Local level agribusiness enterprises supported by the project include feed production for dairy farmers, milk processing, sugar production, livestock and poultry production, fertilizer distribution, furniture making and clothing.

Outputs: Increase cooperative membership from 9,000 to 46,000, 50 hectares for private sector seed production involving 250 families for total harvest value of Rp. 50 million, export-oriented furniture factory employing 95 village carvers and output of Rp. 22 million per month.

5. Bank Niaga SMSE Lending: (a)

PRE Rev.Fund \$2.05 million (I/G) 1984 - 1988

\$2.0 million loan will help Bank Niaga move into SMSE trade financing for export production. \$50 thousand grant to Rainier Bank for technical assistance. Outputs: SMSE employment generation and export production stimulus.

6. P.T. Overseas Express Bank: (a)

PRE Rev. Fund \$2.9 million (L/G) 1985 - 1989

\$2.85 million loan will provide 50% guarantee for SMSE lending outside Jakarta. Rainier Bank will train credit staff under \$50 thousand grant. Outputs: Mobilize lending for SMSEs.

Planned

1. Contraceptive Social Marketing Project: (b)

936-3028 1.0 million (G) 1986 - 1987

In this project, funding is provided to advertise and promote contraceptives through a variety of retail outlets, including apotiks, drug stores and local medicine shops. P.T. Mecosin, a local Indonesian pharmaceutical company with good marketing and distribution networks, will implement this phase of the project. Although initially the project will market only condoms, the National Family Planning Board has agreed to a time-table for introducing other contraceptive commodities, based on the results of marketing studies carried out by Survey Research Inc. (SR), a local consulting firm. The Futures Group provides technical assistance for this effort, through the centrally-funded Social Marketing for Change (SOMARC) project.

2. Machine Shop Production, Training and Technology Transfer: (a)

\$350,000 (G) 1986 - 1988

This project will build a complete machine shop for the Village Technology Development Institute which is designed to: (a) function as a business in the production of assorted light manufactured items and motor vehicle repair; (b) provide vocational training to high school dropouts and technical school students; and (c) develop a revolving credit fund from the repayment of the initial machine shop investment (\$100,000) which will be used to provide start-up operating capital for past trainees, to finance the ongoing training program, and to allow the Institute to provide technical assistance technology transfer to smaller outer island NGOs.

3. Private Sector Health and Family Planning: (b)

\$30 million (L/G) 1988 - 1993

Purpose of project will be to (1) mobilize private sector resources to support the GOI's health and family planning objectives and (2) restructure public sector allocations to favor preventive care.

PHILIPPINES

Ongoing

1. Small and Medium Enterprise Development (SMED): (a)

492-0359 \$15 million (G) 1983 - 1989

SMED is working to accelerate the growth of labor intensive small and medium enterprises outside of metro Manila. The project will assist GOP in policy research, analysis, and formulation to deal effectively with constraints to growth; provide services which assist the private sector to increase productivity and efficiency; and improve on-going dialogue between the public and private sector on SME issues related to constraints to employment.

2. Primary Health Care Financing: (b)

492-0371 \$12 million (G) 1983 - 1988

One of the objectives is to increase private sector participation in the health field in order to assure the long-term viability of the health care system. The project finances a major health care financing study and tests a variety of health financing schemes, such as pre-paid health insurance plans, hospital based programs and rural enterprise based programs.

3. Local Resource Management: (b)

492-0358 \$12.9 million (?) 1982 - 1989

4. Rural Service Center: (b)

492-0304 \$1.7 million (?) 1978 - 1985

Both projects represent important experiments by the Government of the Philippines to test socially sensitive planning processes where resources are directed to target groups identified by participating local governments. One of the project's objectives is to assist these groups to form private sector associations or organizations which can become self-reliant with the assistance of both public and private sector agencies including PVOs. An ongoing study is focussed on improving access to the financial systems in order to provide the support needed for long term sustainability of private sector enterprises.

5. Small Farmer Systems II: (b)

492-0334 \$7.6 million (?) 1981 - 1986

The purpose of the Small Farmer Systems II project is to create an efficient, institutionalized, farmer managed system which would provide small farmers with needed physical inputs, technology and services for irrigation, production, processing, and marketing. A major goal of SFS II is to broaden farmers' participation in private sector off-farm business ventures and to promote private enterprises based on agricultural resources in the rural community. Another objective of the project is to link small farmer business enterprises to potential markets and inputs.

6. Technology Transfer for Energy Management (ITEM): (b)

492-0381 \$10 million (?) 1984 - 1989

Promotion of energy conservation in the modern sector through the adoption of new technologies, equipment and improved management systems is the purpose of ITEM. The modern sector of the Philippine economy is the principal consumer of imported fuels and electricity. It is estimated that 50 percent to 70 percent (depending on the industry) of the energy consumed is lost through conversion, transmission, heat transfer or stack losses. Project activities include: (i) introducing new equipment and retrofitting present plant; (ii) selecting energy-efficient hardware for existing and new plants; (iii) studying energy consumption and losses in various industrial facilities, with special emphasis on boilers and process steam or heat; (iv) improving the efficiency and reliability of electric power generation and transmission; (v) managing energy consumption in energy-intensive industries such as petrochemicals, cement, paper and metals; (vi) saving energy through waste heat recovery and recycling; (vii) establishing ongoing systems for collection and analysis of energy consumption data; (viii) calculating financial returns from investment in conservation measures through retrofit and adoption of more efficient processes and equipment; and (ix) designing and managing effective energy conservation programs.

7. Far East Bank/Private Development Finance Corp.: (a)

PRE Rev.Fund \$2.0 million (L) 1986 - 1991

Provides loan to Far East Bank, which on-loans to PDCP using a convertible debenture, to provide credit for SMSEs. Outputs: New credit for SMSEs.

THAILAND

Ongoing

1. Private Sector in Development: (a)

493-0329 \$3.5 million (G) 1983 -- 1987

The purpose of the project is to increase private sector investment in employment generating, export oriented, resource based ventures in areas outside of Bangkok. Project is focusing on investment analysis and promotion, strengthening private sector dialogue with RTG, and promoting US/THAI private sector linkages.

2. Seed Development II: (b)

493-0326 \$6.2 million (?) 1982 -- 1987

The project is designed to assist the Royal Thai Government's seed program to provide a cost-effective seed supply while steadily increasing the role of the private sector in this area. Actions include enhanced support for private sector efforts and the preparation of reports describing seed companies, access to markets and technical information, credit, management deficiencies, and constraints.

3. Siam Commercial Bank: (a)

PRE Rev.Fund \$2.150 million (L/G) 1983 -- 1993

Provides \$2.0 million investment fund for on-lending to SMSEs in agri-business in rural areas. \$150 thousand to Business Advisor Services for technical assistance. Outputs: 840 jobs created, build up agro-industry sector, create foreign exchange.

4. Thai Danu Bank: (a)

PRE Rev.Fund \$2.4 million (L/G) 1985 -- 1990

\$2.35 million loan to Thai Danu Bank funds export credit for small rural enterprises. \$50 thousand grant to Rainier Bank for TA and training to Thai Danu Bank staff. Outputs: Strengthens small exporting businesses.

5. Thai Livestock Meat Processing: (a)

PRE Rev.Fund \$2.57 million (L/G) 1984 -- 1994

\$2.5 million direct loan co-financed establishment of livestock meat processing facility with programmed extension services to farmers. \$70 thousand grant for TA. Outputs: 2,000 small farmers assisted.

Planned

1. Rural Industries and Employment: (a)

493-0343 \$14.1 million (G) 1986 -- 1991

Project will make \$8.5 million grant to Industrial Finance Corporation of Thailand to guarantee commercial bank loans to rural industrial borrowers with net fixed assets of less than \$190,000. Other grant assistance would fund: (a) Ministry of Industries rural industry information services (\$1.5 million); (b) joint public/private sector dialogue (\$450,000); (c) Thai executive service corps and training for rural entrepreneurs (\$2 million); (d) assistance to rural business associations (\$500,000); and (e) evaluation (\$450,000). Outputs: Lending to entrepreneur group not now receiving funds.

SOUTH PACIFIC REGIONAL

Ongoing

1. Private and Voluntary Organizations: (a)

879-0251 \$240 thousand (G) 1981 - 1985

The private sector objectives of the project are to enhance economic productivity of private sector farmers and fisheries. Other major components include enhancing local government's ability to support private economic development.

Planned

1. Regional Private Enterprise Development: (a)

879-0003 \$2.7 million ?

This project is designed to accelerate the productivity and employment capacity of small to medium agricultural and agribusiness enterprises. This will be achieved by accessing investment and joint venture opportunities, marketing, quality control technology, and trade promotion activities.

ASEAN

Ongoing

1. ASEAN Small and Medium Business Improvements: (a)

498-0277 \$2.75million (G) 1984 -- 1987

The project assists small and medium scale business in ASEAN countries make effective use of technology by training managers, providing consulting services and conducting research on constraints facing such firms.

NEAR EAST

EGYPT

Ongoing

1. Private Sector Feasibility Study: (a)

263-0112 \$8.0 million (G) 1979 - 1985

Provides the Investment Authority with funds and technical assistance to undertake several activities to encourage U.S. firms to invest in Egypt: (a) cost-sharing program to partially reimburse feasibility study costs incurred by U.S. firms; (b) conduct 10 sector studies and disseminate them to U.S. and other investors. Inputs: Technical assistance; Outputs: 24 reconnaissance visits or feasibility studies by U.S. firms completed.

2. Production Credit: (a)

263-0147 \$88.0 million (G) 1982 - 1986

Provides short term FX credit to private sector productive enterprises for working capital purposes. Inputs: Loan funds and technical assistance and training for participating banks; Outputs: 554 separate transactions completed.

3. Small Farmer Production: (b)

263-0079 \$49.0 million (G) 1979 - 1986

Provides small farmers in three governorates (27 villages) with sufficient credit to enable them to adopt improved technology for production of fruits and vegetables sold on the free market (exempt from government price controls). Inputs: Technical assistance, participant training, commodities and loan fund capitalization; Outputs: 39,905 farmers received 67,805 loans valued at over LE 51 million with a delinquency rate of less than 1%.

4. Industrial Productivity Improvement: (b)

263-0090 \$39.0 million (G) 1980 - 1986

This project groups together four industry-oriented technology transfer, management training and technical training activities to form the basis for an integrated industrial technical assistance program. Outputs: 800 firms will improve performance.

5. Business Support and Investment (incl. IESC): (a)

263-0159 \$9.1 million (G) 1981 - 1986

This grant funds certain activities to improve the private business environment in Egypt: 1) technical assistance to the Capital Market Authority; 2) strengthening accounting, financial reporting and auditing standards; 3) Legal and financial infrastructure modernization; 4) Investment Authority; 5) Technology Transfer (IESC); and 6) U.S./Egypt Joint Business Council and Investment Promotion Office. Inputs: Technical assistance; Outputs: 80 IESC projects co-financed.

6. Private Investment Encouragement Fund: (a)

263-0097 \$33.0 million (G/L) 1979 - 1989

Provides funding for medium, long-term and equity participation to private sector projects, with additional co-financing by participating banks. Additional amounts are provided for training in project appraisal and studies of long-term finance in Egypt. Inputs: Loan/equity funds and technical assistance; Outputs: 4 loans totalling \$13.6 million approved or in-process.

7. Control of Diarrheal Diseases: (b)

263-0137 \$12.0 million (G) 1983 - 1986

Utilizes local private sector public relations and advertising firms to implement campaign to increase public awareness of the problem and instruct mothers on the use of Oral Rehydration Therapy to reduce infant mortality. Outputs: ORT promotion reaching over 80% of population; infant death rate reduced as much as 40% in some areas.

8. Population/Family Planning: (b)

263-0144 \$102.6 million (G) 1983 - 1988

Uses local private sector entities to increase public awareness of family planning benefits and to distribute contraceptives. Outputs: contraceptive use rate increased from 17% to 30%; crude birth rate reduced from 40 to 37/1000 since 1980.

Planned

1. Private Enterprise Credit: (a)

263-0201 \$230.0 million 1986 - 1991

Will provide short and medium term FX credit to private sector companies for working capital and equipment. Loans will be repaid in local currency, which funds will be made available to finance local currency working capital needs of small scale enterprises.

2. Agricultural Production Credit: (b)

263-0201 \$15.0 million 1986 - 1991

Will provide short term credit for agricultural modernization and production inputs by farmers of products exempt from government price controls, including the grading, processing and packaging of horticultural products for export.

3. Informal Private Sector: (a)

263-0204 \$5.0 million (G) 1986 - 1991

Will provide credit and technical assistance to the informal private sector in selected Governorates.

4. Private Sector Health Care: (a)

263-0170 \$50.0 million (G) 1987 - 1992

Will encourage provision of health services to the public on a cost-recovery basis.

JORDAN

Ongoing

1. Technical Services and Feasibility Studies IV: (a)

278-0260 \$7.0 million (G) 1984 - 1988

This project provides policy research, advisory assistance to small scale industries (IESC), project design, training, evaluation and other activities for development of the local private sector. (Project provides similar assistance to the public sector.)
Inputs: Technical assistance

2. Management Development: (a)

278-0261 \$5.0 million (G) 1984 - 1987

Institutionalizes an education/training process to improve the quality of Jordanian business managers in general and specialized skill areas. Inputs: Technical assistance, training, technical aids and research grants in business areas.

3. Commodity Import Program: (b)

278-K643 \$80.0 million (G/L)* 1985 - 1988

Finances the import of U.S. products and related technical services. USAID/GOJ striving for at least 50% local private sector utilization of available credit funds.

4. Highland Agricultural Development: (b)

278-O264 \$17.0 million (G/L) 1985 - 1988

Provides highland farmers with improved public and private services, including information and inputs, which will enable them to increase farm productivity.

5. Low Cost Housing Finance: (a)

278-HG-001 \$25.25 million (HIG/G) 1985 - 1987

Provides HIG resources and ESF technical assistance to help meet the demand for low cost housing. The project is used to attract private real estate developers and assist them in providing low income housing, a market that has traditionally been left to government programs.

Planned

1. Industrial Development: (a)

278-O265 \$8.5 million (G/L) 1986 - 1990

Will establish a Jordan Productivity Center to provide technical and financial assistance to Jordanian entrepreneurs interested in improving production efficiency and product quality.

2. Private Enterprise Technical Resources Assistance (PETRA): (a)

278-O277 \$10.0 million (G) 1986 - 1990

Will co-finance a broad range of private sector services including feasibility studies, policy studies, conferences, privatization efforts, assistance to business groups, export services and market studies, seed money for joint ventures with U.S. firms, etc.

* This represents 50% of total public and private sector funding of \$160 million.

3. Small Entrepreneur Development: (a)

278-0255 \$3.0 million (G/L) 1987 - 1989

Will provide technical, training and limited financial assistance to small, private off-farm enterprises outside Amman.

LEBANON

Ongoing

1. Credit Cooperatives: (b)

268-0317 \$14.0 million (G)* 1984 - 1987

Provides assistance via a loan fund mechanism to small-scale, entrepreneurs, farmers and artisans. Inputs: Loan funds and technical assistance.

MOROCCO

Ongoing

1. Small Enterprise Development: (a)

608-0187 \$0.3 million (G) 1985 - 1988

Provides technical and business management assistance to small scale businesses through Catholic Relief Services.

2. Economic Policy Analysis: (b)

608-0191 \$1.07 million (G) 1985 - 1988

Provides economic policy advice to Ministry of Economy on private sector development and finances the training of professional staff in the U.S.

3. Wafabank (Companie Marocaine de Credit et Banque): (a)

PRE Rev.Fund \$2.55 million (L/G) 1984 - 1989

Establishes \$2.5 fund to guarantee short-term export inventory credit for SMEs to finance leased equipment for manufacture of export products. \$50 thousand available to IA to Wafabank. Outputs: Provides credit to firms not previously serviced.

* Less than \$10 million obligated to date; balance in question in view of current "hold" on Lebanon program.

4. Societe Marocaine de Depot et Credit: (a)

PRE Rev.Fund \$2.0 million (L) 1985 - 1988

\$2.0 million collateral account supports 100% exposure on foreign exchange loans to exporting companies. Outputs: Promotion of exports and local employment.

Planned

1. Private Sector Export Promotion: (b)

608-0189 \$18.5 million (G/L) 1986 - 1989

Will finance technical assistance to exporting companies, establish a private-sector export insurance fund and provide loans for production inputs to firms involved in export of Moroccan products.

YEMEN

Ongoing

936-4053 Market and Technology Access Project

398-0050 Regional Private Enterprise Development

The Mission is currently utilizing the two centrally-funded projects listed above to (1) develop joint-ventures and other business relationships between Yemeni and U.S. firms and (2) provide technical assistance to the Yemeni industrial sector through IESC and the Federation of Yemeni Chambers of Commerce and Industry.

TUNISIA

Ongoing

1. Private Sector Development and Technology Transfer: (a)

664-0328 \$4.05 million (G) 1982 - 1986

The project has two objectives: (a) to encourage the Tunisian private sector to play a more dynamic role in achieving national economic targets; and (b) to increase the returns to and/or the continued effectiveness of completed or nearly completed AID projects which affect the local private sector. Project has been used to finance four investment promotion conferences, the participation of Tunisia in the MIAP, the establishment of a private sector financial leasing company, pilot projects in management training, technical assistance to small-scale industries through a PVO (CRS) and technical assistance to a private sector dairy. Inputs: Technical assistance and training; Outputs: 6 investment JVs in progress, increased U.S./Tunisia collaborative ventures through MIAP project, management assistance provided to 60 small firms.

2. Agriculture Supervised Credit Project (b)

664-0302 \$18.2 million (L) 1978 - 1986

Project created change in GOF agricultural credit policy. Lending with cash substituted the traditional lending in kind, thus allowing private farmers access to other than parastatals for agricultural inputs. Outputs: 11,000 farmers received loans.

Planned

1. Family Planning and Population Development Project (b)

664-0331 \$2.5 million (G) 1986 - 1989

Amount of \$2.5 million (out of \$7.5 million) will be set aside for developing sales of contraceptives in private pharmacies through social marketing.

ASIA NEAR EAST REGIONAL

Ongoing

1. Near East Region Private Sector Development: (a)

398-0050 \$2.975 million (G) 1984 -- 1989

This project provides eight Near East countries the flexibility to respond to a variety of requests to strengthen the role of the private sector including: 1) studies of economic policy, sector policy, and business environment; 2) technical and managerial assistance to firms and to business associations; 3) investment promotion activities; and 4) training in entrepreneurship and management. Funds totalling \$482,049 and \$543,750 were obligated in FY84 and FY85, respectively to finance the study of private sector opportunities and constraints in eligible countries in the Near East and to initiate pilot projects in small scale industries technical assistance, export promotion, venture promotion and private sector health products and services. Inputs: Technical assistance, training

2. Near East Regional Private Sector Nutrition: (b)

298-0334 \$2.2 million (G) 1985 - 1987

The project addresses the nutritional problems of Near East countries by fostering the development of private sector food processing, marketing and nutrition education.

3. Near East Field Trials Contract - Market and Technology Access Project (MIFP): (a)

936-4053 \$1.6 million (G) 1986 - 1989

Partially finances the services of a U.S. intermediary firm (BDIM/GUS) to arrange long-term collaborative ventures between small to medium size U.S. companies with private sector firms in Turkey, Tunisia and Yemen initially, with the possibility of Jordan and Morocco being added in late FY 86.

4. Asia Trials Contract - Market and Technology Access Project (MIFP): (a)

936-4053 \$0.8 million (G) 1986 - 1989

Partially finances the services of a U.S. intermediary firm (Intermatrix/VITA) to arrange long-term collaborative ventures between small to medium size U.S. companies with private sector firms in Thailand, Indonesia and India.

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