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FY 1981

Economic Support Fund

Near East

Regional

Annual Budget Submission

This Annual Budget Submission has been prepared by selected NE staff officers, and its recommendations do not necessarily reflect the NE Bureau's final proposals.

June, 1979

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(Decontrol: 07/02/80)

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

Development: <u>Assistance</u>	FY 1979 FY 1980		Decision Unit: ESF Regional			PLANNING PERIOD			
	Est.	Est.	FY 1981 REQUEST			1982	1983	1984	1985
			Minimum	Current	AAFL				
Agriculture, Rural Dev. & Nutrition Grants Loans									
Population Grants Loans									
Health Grants Loans									
Education Grants Loans									
Selected Dev. Activities Grants Loans									
SUBTOTAL FUNC- TIONAL ACCOUNTS Grants Loans									
Other DA Accounts (Specify) Grants Loans									
TOTAL DA ACCOUNTS Grants Loans									
<u>Economic Support Fund</u> Grants Loans	5.3	4.0	7.8	12.0	23.1	21.2	21.2	21.2	21.2
TOTAL DA AND ESF	5.3	4.0	7.8	12.0	23.1	21.2	21.2	21.2	21.2

PL 480 (non-add)
 Title I
 (of which Title III)
 Title II

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
 FY 1979 - FY 1981
 (Thousands \$)

APPROPRIATION ACCOUNT/PROJECT NO./TITLE	L/G	FY 1979	FY 1980	Minimum	DECISION UNIT		AAPI
					ESF Regional		
					FY 1981		
					Current		
<u>Economic Support Fund</u>							
298-0159 - West Bank/Gaza Development Activities	G	3.0	3.0	2.0	3.0	3.0	8.4 ³
298-0150 - Project Development and Support	G	0.3 ¹	1.0	0.8	1.0	1.0	1.2
298-XXXX - Regional PVO Activities	G	-	-	2.0	3.0 ⁴	3.0 ⁴	3.5
298-XXXX - Regional Cooperation	G	2.0 ²	-	3.0	5.0	5.0	10.0
Total Economic Support Fund		5.3	4.0	7.8	12.0	12.0	23.1

1 Original OVB of \$1.0 million reduced by requirements for Jonestown and Bu (see RSSA).

2 Legislative earmark of \$5.0 million unlikely to be met.

3 If a Self-Governing Authority is established in the Occupied Territories, funding requirements could be significantly higher.

4 Under ABS guidance, "Current" should be "0." However, 2BB packages and Table Vs will not accommodate a decrease at the Current level. For consistency, therefore, we have included a "Current" level of \$3.0 million.

DECISION UNIT
ESF Regional

TABLE IV PROJECT BUDGET DATA

PROJECT NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE		DATE OF NEXT PLANNED MON. RPT. (FYAL)	CUM. PIPELINE AS OF 9/30/78	FY 1979		FY 1980		FY 1981 SAPL. OBLIG.	FORWARD FUNDED TO (M/YR)	FUTURE YEAR OBLIGATIONS
			INITIAL	FINAL			OBLIG.	EXPEND.	OBLIG.	EXPEND.			
	Appropriation Account: Economic Support Fund												
298-0150	Project Development and Support	G	FY 78	Cont	-	0.3 ¹	0.2	1.0	0.8	0.3	1.2	-	1.2
298-0159	West Bank/Gaza Development Activities	G	FY 75	Cont	Var.	3.0	4.1	3.0	4.1	2.9	8.4 ³	Var.	12.0
298-XXXX	Regional PVO Activities	G	FY 81	Cont	-	-	-	-	-	-	3.5	Var.	3.0
298-XXXX	Regional Cooperation	G	FY 79	Cont	-	2.0 ²	0.2	-	1.7	0.1	10.0	Var.	5.0
	TOTAL ESF				5.1	5.3	4.5	4.0	6.6	3.3	23.1		21.2

¹ Original OYB of \$1.0 million reduced by requirements for Jonestown and Bu Len RSSA.

² Legislative earmark of \$5.0 million unlikely to be met.

³ If a Self-Governing Authority is established in the Occupied Territories, funding requirements could be significantly higher.

TABLE V - FY 1981 PROPOSED PROGRAM RANKING

RANK	DESCRIPTION	TERM/ NEW/ CONT.	LOAN/ GRANT	APPROP. ACCT.	DECISION UNIT			ESF Regional			WORKFORCE (Number of Positions)	
					PROGRAM FUNDING (\$000)			USDI				FNDI
					INCR	CUM	INCR	CUM	INCR			
	<u>Minimum</u>											
01	**298-0159 West Bank/Gaza Development Activities	0	G	ESF	2.0	2.0						
02	**298-0150 Project Development and Support (PD&S)	0	G	ESF	0.8	2.8						
03	298-XXXX Regional PVO Activities	N	G	ESF	2.0	4.8						
04	2980XXXX Regional Cooperation	0	G	ESF	3.0	7.8						
	<u>Total Minimum Package</u>				7.8							
	<u>Current</u>											
04	**298-0159 West Bank/Gaza	0	G	ESF	1.0	8.8						
05	**298-0150 PD&S	0	G	ESF	0.2	9.0						
	298-XXXX Regional Cooperation	0	G	ESF	2.0	11.0						
06	298-XXXX PVOs	N	G	ESF	1.0	12.0						
	<u>Total Current Package</u>				4.2							
	<u>Proposed Assistance Planning Level (PAPL)</u>											
07	**298-0159 West Bank/Gaza	0	G	ESF	5.4	17.4						
	**298-0150 PD&S	0	G	ESF	0.2	17.6						
	298-XXXX PVOs	0	G	ESF	0.5	18.1						
	298-XXXX Regional Cooperation				5.0	23.1						
	<u>Total PAPL Package</u>				11.1							

Each decision package within the Economic Support Fund Regional decision unit includes increments for each of the four activities contained within the unit. In all instances, West Bank/Gaza Development Activities are ranked ahead of the other elements, as: (1) the program is well established, continues to contribute to the objective of demonstrating U.S. concern for the people of the occupied territories, and has been specifically endorsed by Congress; (2) since 1975, when activities in the West Bank and Gaza were initiated under the Middle East Special Requirements Fund, they have made a useful contribution to promoting the welfare and development of the areas served.

Project Development and Support is ranked second because it is an on-going activity which has proven highly useful as a funding source for studies and analyses of a regional nature which focus primarily on ESF countries. In FY 1981 we anticipate that this fund could be used for the design of projects intended to promote closer cooperation between Israel and its Arab neighbors, as well as to focus on some broad sectoral issues, e.g., women and income generation, which may be applicable to two or more of the Arab countries.

Activities to foster "Regional Cooperation" are expected to commence in FY 79. Currently, neither the authorization or appropriations committees of the House and Senate are including carry over authority for regional cooperation in the FY 80 bill. Thus, unless funds become available from some other source, it is unlikely that money will be available for this purpose in FY 80. By 1981, however, we anticipate that the peace process will be well underway. While it is difficult to estimate the exact amount of funds which might be required, we believe that the levels included in this package are realistic estimates, and may be low if Arab-Israeli cooperation materializes on a broad scale.

Regional PVO Activities is a new project envisaged to provide for ESF countries flexibility similar to that currently provided DA countries by the DA Regional PVOs project. As was pointed out at the recent AID-sponsored PVO conference, the Near East region, particularly Egypt, Jordan, and Syria, has a significantly lower level of PVO involvement than do the other three regions. This project is designed to provide a base for stimulation of fuller participation by U.S. and indigenous PVOs in our overall development effort in ESF countries.

Minimum Package - At this level, four of our anticipated PVO proposals for the West Bank and Gaza could be funded. The PD&S figure is higher than our FY 79 planned level (which was reduced significantly by Jones-town), but less than our FY 80 Congressional Presentation level.

Regional Cooperation would be a minimum effort, with a few discrete activities. We believe that if we are to establish an ESF PVO project, \$2.0 million is the absolute minimum level required to initiate expanded PVO involvement in the area.

Current Package - At this level, one additional activity could be undertaken in the West Bank and Gaza and a small amount of additional funding provided for some of the activities included in the minimum. Additional increments for PD & S, Regional Cooperation, and PVOs would provide for an expanded level of activities.

Proposed Assistance Planning Level Package - The additional \$5.4 million increment for the West Bank and Gaza assumes that substantial progress will be made toward establishment of a self-governing authority in these areas. Three additional activities, including participation in the Wadi Far'ia irrigation project, might be undertaken. Further expansion of PD & S and PVO activities would be possible and a major effort to promote regional cooperation could be underway.

Staffing Implications - Unless a major (over \$9 million) assistance effort is undertaken for the West Bank and Gaza, all ESF regional activities would be managed from AID/W, and their staffing requirements included within the NE/Washington workforce request.

FY 81 - Projected Requirements
for the West Bank and Gaza

	FY 81 Minimum	FY 81 Current	FY 81 PAPL
Holy Land Christian Mission	.100	.150	.150
ANERA	1.000	1.300	3.100
ANERA-Birzeit Engineering Sch.	-	-	1.200
AMIDEAST	.700	.700	.700
AMIDEAST - Gaza College	-	.500	1.000
CRS - Health Education	-	-	.500
CDF	.250	.200	1.200
CARE	-	-	.500
TOTAL =	2.050	3.050	8.350