

## COUNTRY DEVELOPMENT STRATEGY STATEMENT FOR MOROCCO

FOR  
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COUNTRY DEVELOPMENT STRATEGY

STATEMENT FOR MOROCCO

March 1, 1972

A. SETTING

Morocco covers an area about the size of California. It is one of the world's largest exporters of phosphate. Morocco's modern coastal cities and urban tourist attractions such as Fez and Marrakech conceal from foreign eyes the harsh conditions of underdevelopment throughout most of the country. Though overall per capita income of \$ 525 puts Morocco within the middle income group of developing countries, in the rural areas where 62 per cent of the people live, income is closer to \$ 200. This largely agrarian and traditional sector employs about 70 per cent of the labor force but produces only 35 per cent of the goods and services. Illiteracy, lack of health care, poverty and short life spans are still prevalent.

Morocco's population, now at 18 million, is growing at the rate of 3 per cent per year and will double in about 25 years. A food exporter until the 1960s, it depends increasingly on cereal food imports to feed its growing population. If current trends continue by 1990 Morocco will be able to produce only a quarter of its total wheat requirements.

1. Economic Base

Morocco is relatively prosperous among developing countries, and its potential for development appears promising. Yet it contains stark social and economic contrasts which, if not resolved may seriously threaten the country's future.

Its present economy is a legacy of the French protectorate in which a small but advanced "modern" economy was super-imposed on the larger, agrarian, and traditional society. This basic distinction persists. The modern sector produces approximately 65 percent of GDP but employes only 23 percent of the population, with the reverse in the traditional sector.

There is reason for optimism about Morocco's future economic development. Expressed in production terms, the Moroccan economy has succeeded relatively well. During 1973-77 the average annual growth rate in gross domestic product (GDP) has been 6 percent. While somewhat limited in area containing good fertile soil and by erratic patterns of rainfall, agricultural productivity could be substantially increased by improved methods of crop production and range management practices. Morocco's industrial base, begun under the French protectorate and expanded since independence, comprises a considerable productive capacity. Its phosphate mines, with 60 percent of the world's known reserves, are a major source of wealth which, with prudent, development-oriented resource allocation, could make Morocco economically self-sufficient by the late 1980s.

During the next decade as demand for phosphate-based fertilizers grows because of an increasing demand for higher agricultural yields caused by worldwide population growth, Morocco will gradually become the pre-eminent supplier of low-cost phosphate rock. Resulting increased foreign exchange earnings can contribute to resources available for domestic capital formation, although these will be reduced as Morocco's own food import needs increase.

The longer run appears favorable to Morocco, given its world leadership in phosphate exports, its relatively good infrastructural base, its reasonably diversified economy, and its capacity to continue to borrow abroad on commercial terms without risking an overly difficult debt servicing burden. Therefore, the medium-term problem for the GOI is to find the financial resources to finance continued development during the next 8-10 years without incurring an unmanageable debt service burden.

## 2. Inequities

Despite real economic progress, the social and economic distance between the cities and the countryside is widening. As the government's push for industrialization continues, and peasants continue to move to the cities (causing an urban growth rate of 5-6 percent each year), the rapidly growing urban areas are making increased demands on government resources. The state spends 5 or 6 times as much to provide water, electricity and social services in the urban areas as in the countryside. The standard of living among the peasants has not improved at anywhere near the same rate as that of the urban population. Furthermore, the high national demographic growth rate of 3.0% tends to reduce real economic gain in the well-being of the majority. Nevertheless, the countryside has not remained untouched by outside influences. Emigration from rural areas to the cities and outside of Morocco has brought a return flow of remittances but, more importantly, has increased rural contact with modernizing influences which can be seen in the smaller rural centers of 10,000 to 30,000 people. Observers in the government and out are only now becoming aware of this social ferment in the countryside.

## 3. Government Attitude

The government bureaucracy is not well-informed about the extent of growing social and economic disparities, and it therefore has a weak basis for formulating sound policies and programs to deal with them. Moreover, recognition of the social and economic inequalities would necessitate major changes in resource allocations requiring sacrifices and adjustments which the ruling elite is not prepared to make. The result is that one finds little serious discussion or investigation of real problems and alternatives. Imported ideas and models for development brought in by Moroccans trained overseas or by foreign experts have, for the moment, little influence in stimulating policy changes that would address the more serious economic and social inequities. Outside advice may be requested to deal with specific technical problems, but is not welcomed when it questions major policies.

In the absence of a consensus and strategy for change, the government's overriding goal is to maintain an equilibrium among the different social and political forces at work so that stability can be maintained, at least for a while, along familiar and traditional lines. Government commitment to growth with equity thus remains more on the level of rhetoric and statements of principle, issued with Gallic élan and elegance rather than taking the form of effective action.

#### 4. Limited Data Base

A great deal has been written over the years on various aspects of Morocco, but hard current data which can serve as a basis for analysis and action is scant. There have been only two modern censuses in Morocco in 1960 and 1971. The census data is relatively unreliable, rated very "rough" by the UN. (On a scale of I to V, Morocco was rated V.)

A government publication stated recently that "the study of rural unemployment in Morocco is very difficult, partly because of the lack of serious investigation, and partly because of the secondary role it has been accorded under previous development plans."

The only official source of data which sheds light on income distribution and rural poverty in Morocco is the Household Consumption and Expenditure Survey of 1971. Where data exists in provincial and village records, it has seldom been analyzed. USAID will shortly be making an effort to evaluate — for the first time — some aspects of social and economic changes as a result of nearly 20 years of U.S.-Moroccan financing of irrigation works in the Lower Moulouya Basin. The National Fertility and Family Planning Survey to be implemented the latter part of 1978 will help to fix more precisely the demographic parameters affecting national social and economic development. The Ministry of Plan is planning a national study of food practices and attitudes as well as other studies of food system linkages. We plan also during the year ahead to try to encourage local research efforts by Moroccans on certain basic social and economic questions. The results of these efforts will be reflected in future revisions of this strategy statement. In the meantime, however, our planning must be based on the limited information in hand.

#### 5. Conditions of Poverty

The majority of people in Morocco are very poor, increasing rapidly in number, living a marginal (mainly rural) existence, lacking in adequate health care and educational opportunities, and in the rural areas, suffering from shortage of land and inadequate farm technology. The rapid population expansion erodes growth gains and imposes increasing demands on the system's limited capacity to satisfy the current and growing demand for food, jobs, schools, health services, and in general a more equitable society.

While the \$ 525 per capita income of Morocco is higher than in many other developing countries, serious economic and regional disparities persist. The wealth represented in the aggregate GNP figure is disproportionately held by a small social, political, and economically influential elite. Ten percent of all landowners hold 50 percent of the 8 million hectares of arable land, and for the most part it is the richest and most productive land in the country. Ownership of large industrial and business enterprises is shared among a relatively few well-to-do businessmen and state-owned corporations.

Real income seems to have increased in urban areas but there is little evidence that this has occurred in the rural sector. GDP data strongly suggest that in rural areas real income increased slightly (1.6% annually) from 1959-60 to 1970-71. For approximately two-thirds of the rural population per capita expenditures are below the national average and for at least 42% of the rural population, below the subsistence level. Thus, a tentative estimate would place the number of "rural poor", i.e., those below the mean national consumption level, at about 7.2 million of which 4.6 million live below the subsistence level of about \$150 per year.

Investment strategy and resource allocation during 1968-72 and 1973-77 Plan periods have concentrated on capital-intensive programs which, except for the construction of irrigation networks, usually do not create new productive capacity at the farm level. Thus, agricultural investment programs have been concentrated in relatively small areas and thereby exclude at least two-thirds of Morocco's 1.9 million farmers who have access to only marginal resources and opportunities for change.

One of the consequences of increasing population pressure on marginal land under the prevailing types of tenure is a marked deterioration of the nation's crop land through erosion. In areas such as the northeast, pressure on the land encourages farmers to cultivate land which would be better left in natural pasture or forest scrub.

#### 6. The Needs of the Poor

The conditions of poverty and deprivation among small and landless farmers are a function not only of inappropriate technology, inefficient cultural practices, and a lack of farm inputs, but also of ignorance, malnutrition, poor health, and population pressures.

a. Malnutrition or undernutrition is fairly widespread throughout Morocco among all age groups. The most vulnerable groups are pre-school-aged children of whom the most severely affected are among the rural poor. In 1971, a nationwide survey of the nutrition status of children under 4 years of age found that 35 percent of the sample group of children surveyed were suffering from second degree protein-caloric malnutrition (i.e., between 20% to 40% underweight) and an additional 5% were suffering from third degree malnutrition (i.e., more than 40% underweight).

The key nutrition problem from a family standpoint is lack of resources. Next in order of importance must come inadequate understanding of family nutrition needs and ways to meet these needs from low-to-moderate-cost food sources. From a national government standpoint the problem derives from inadequate production of basic foods to meet the population's needs, inadequate food distribution and marketing systems, and changing consumer preferences for processed foods. ~~in flour sold at low retail prices, and for meat and poultry products.~~

Malnutrition in rural areas reflects lack of food supplies, low purchasing power, and ignorance. The diet of the rural poor is largely cereals, barley for the most part, and vegetable stews. When vegetables are not available, bread and mint tea must suffice. While an adult can survive on a largely wheat or barley diet and obtain his minimum caloric and protein needs, a child under four has difficulty consuming enough cereals to meet his protein requirement for normal growth. Even among families with sufficient resources, foods appropriate for young growing children are not prepared and served. The still common problem of rickets, a severe form of Vitamin D deficiency, illustrates popular ignorance of the benefits of sunshine. The high infant mortality in urban as well as rural areas is a reflection of the marginal nutritional and health status of much of the population.

Lasting solutions to Morocco's nutrition problems will not be easily achieved. They will necessarily involve integrated and coordinated action to a) reduce population growth rates; b) increase local production of basic foods through more intensive cultivation, improved productivity, and applications of appropriate technology; c) increase the market availability and nutritional quality of basic staples at reasonable prices; d) increase rural and urban consumer awareness of what constitutes a nutritious diet; and e) perhaps most importantly, improve the relative incomes of the poorest groups.

#### b. Health

The health of the poor is characterized by a vicious cycle of high prevalence of communicable and debilitating disease and malnutrition and high rates of fertility and infant mortality. The infant mortality rate for Morocco is estimated to be between 120 and 150 per 1,000 live births. The rate is much higher in rural areas where it is about 170 per 1,000 as compared to urban areas where it is about 100 per 1,000 live births. While impressive gains have been made in establishing a physical infrastructure of hospitals, health centers, and dispensaries, as well as in controlling certain crippling diseases such as malaria and smallpox, there remain a host of endemic disorders which have barely been alleviated. Water-borne diseases and preventable contagious diseases together represent a continuing serious threat to the health and wellbeing of Morocco's citizens. Access of the rural poor to preventive and curative care is restricted by distance from a health facility, by overcrowding of available health centers, by the cost of seeking care, or by inadequate

outreach of government health services beyond the urban and semi-urban areas. Although the GOM invests substantial resources in the health sector (about \$125 million per year), much of the investment goes for construction and upkeep of physical facilities and curative services. In principle, preventive health is accepted as an important component in the GOM's health care package, but actual investment has been relatively low. Malnutrition, the lack of protected clean water supplies and sanitation systems, and the prevailing high fertility rate combine to create conditions favorable to high morbidity and mortality, especially among infants, mothers, and young children, sapping the manpower resources of the nation and counteracting much of the government's investment in health.

Rapid population growth is one of the primary phenomena inhibiting the development of adequate health, social, and economic systems necessary to improve the well-being of the Moroccan people. The potential for doubling or even tripling the population in the next 50 years is inherent in Morocco's youthful age structure, wherein some 48% of all Moroccans are less than 15 years of age.

c. Human Resources

Illiteracy and lack of trained manpower seriously constrain development efforts in all sectors of the Moroccan economy and within education programs themselves.

The formal education in Morocco is academically oriented and unresponsive to the country's economic and social needs. Failure rates are high and repetition common.

Despite continuous efforts undertaken by the Government since independence, 76% of the population remains illiterate. The overwhelming majority of Morocco's illiterates are found in rural areas.

The present system favors the urban areas at the expense of rural, and boys over girls. The urban illiteracy rate is 54% as compared to 67% rural. Only 2 percent of adult rural women are literate.

For the 1977/76 academic year, only 38% of school-aged children (7-14) were enrolled. The proportion of girls in primary schools is about 36% of total primary enrollments, only a fractional improvement from the 1968 percentage of 32.5. A marked variation also exists between female urban and rural primary enrollments. Causes are complex and compounded by socio-economic, demographic and cultural factors. Opportunity costs of schooling to poor rural parents are high, additional monetary costs (books and clothing) are a heavy burden, and cultural and religious tradition militates against the schooling of girls.

Unemployment

Moroccan manpower resources lie largely unexploited due to illiteracy and lack of adequate training facilities. The ever growing number of unemployed and underemployed burdens the economy.

Unemployment has reached critical proportions. The rate of unemployment among the estimated 5 million labor force is unofficially estimated at 25-30 percent. The International Labor Organization predicts that the labor force will continue to grow at 3 percent a year between 1975 and 1980, then at 3.29 percent a year until 1985 when it would total 6.5 million. Morocco will be hard pressed to create jobs to match this increase. Even if labor intensive policies of investment are followed.

No panacea is at hand. The problem is extremely complex, and the mere provision of jobs is not in itself a solution. A particular difficulty is the 60 percent of the population which is rural. Lack of work during the agricultural off-season, or simply the search for novelty, draws them to the towns where they add to the numbers of unskilled and unemployed workers already there. As soon as housing complexes are built on the outskirts of the towns to accommodate the shantytown dwellers, the shantytowns are filled with new immigrants. To halt migration, the government is building more schools, hospitals, recreation centers, and other amenities in rural areas and is attempting to relocate industry in smaller cities in the countryside.

A serious program of basic vocational training could considerably alleviate the unemployment problem and help meet existing demand for skilled and semi-skilled workers.

Emigration

Large numbers of Moroccans work in Europe and the Middle East. Emigration has two distinct advantages for Morocco: It brings in valuable remittances, a major element helping to cover the trade deficit, and it allows Moroccans to learn trades which they can repatriate. This is no permanent solution to the problem of excess untrained labor. Recessions such as recently in Europe will continue to constrain the foreign labor market's ability to absorb excess Moroccan workers.

d. Employment of Women

Unemployment is a generalized problem affecting both men and women in Morocco. However, for women, in addition to lack of training and low levels of education, there are social and traditional constraints to their entering the job market. At the same time, the transitional nature of a developing society has placed new burdens and responsibilities on the Moroccan families which in many cases make it imperative that women work. ~~and~~ With <sup>one</sup> household in every three or four headed by a woman the economic survival of its members rests with the woman's ability to obtain employment.

While the unemployment rate for men has changed little since 1960, the percentage of unemployed women seeking work has risen from 2% in 1960 to 21% in 1971.

In the cities, job opportunities for women are more diversified than in the country. Nevertheless, at present all existing categories appear to be overcrowded. In addition, they represent a very narrow market with relatively few choices for women seeking work: the uneducated work as maids or in handicrafts; educated women work mainly as secretaries or as teachers; both literate and illiterate women hold industrial jobs.

The industrial sector appears to have more potential for the development of new urban jobs for women than the other two sectors discussed. Many of these jobs do not require high levels of education and would thus provide a new, growing outlet for young women and men who are underqualified for other opportunities.

In the rural areas, the only plentiful jobs available to women are as seasonal workers in agriculture (weeding, picking fruit, gleaning and the like). These jobs require no education and pay very low wages, since the supply of workers far outweighs the demand.

B. GOVERNMENT POLICY AND CAPACITY FOR CONSTRUCTIVE ACTION

A continued high economic growth rate will be difficult to maintain in the immediate years ahead, as Morocco struggles with mounting inflationary pressures, scarcity of foreign exchange, shortage of readily implementable projects in the social sector, and growing inability to cover budgetary expenditures, especially capital expenditures.

Nevertheless, the Moroccan government is determined to pursue an aggressive program of industrial development within the limits of available resources. This is a continuation of the strategy the government has followed during the last ten years. The emphasis on industrialization means relatively fewer resources for the social sector, especially in the rural areas. It has tended to encourage the expansion of the urban population as underemployed rural dwellers gravitate toward the cities.

The GOM has yet to make key decisions for the new Five-Year Plan (1978-82). However, it appears that the overall development objectives and strategy which emerged toward the end of the 1973-77 Plan will be substantially maintained. Sectoral objectives and strategies will also be continued, especially in industry where substantial allocations will be carried over from the 1973-77 Plan for the large industrial investment programs. The government is aware, however, that lack of financial resources will be a constraint on the development effort in the next four or five years, and will dictate the adoption of more modest targets for investment and GDP growth than in the recent past.

As Morocco moves to implement its 1978-82 five-year economic development plan, hard choices on sectoral priorities will have to be made. Some projects will be stretched out or even deferred. These resource allocation choices will also have to take into account the expected continuing high level of military expenditures necessitated by the military operations in the Sahara.

1. Budget Trends

The FY 1978 budget calls for a moderate rise in operating expenditures and a major cut in investment authorization. Investments in 1978, however, are likely to approximate the 1977 actual investments. The 1978 investment budget is a more realistic assessment of needs and absorptive capacity than in previous years, when budgets have generally exceeded outlays by at least 20%. The Ministries of Education, National Defense, and Interior received the largest operating increases, while cuts in investment allocations were across the board.

Certain of the social sectors, emphasized in the government program, received increased operating appropriations in the 1978 budget. Education, in fact, received more money for operations than the National Defense Administration, a 23% increase over 1977, and Public Health's allocation rose by a quarter.

## 2. GOM Administrative Capacity

The Moroccan bureaucracy is highly structured and its operation often cumbersome. Highly centralized decision-making within Ministries discourages lateral communication among working level personnel within a single ministry and practically prohibits dialogues between ministries. Seemingly high-level commissions (for example, the High Commission on Population and the Inter-ministerial Commission on Food and Nutrition) are created to stimulate intra-governmental exchange and priority program coordination but are ineffective because of interministerial jealousies. Since the underlying governmental bottlenecks are not addressed, i.e., appropriate delegation of authority, open exchange of information, clearly defined priorities, etc., high-level commissions suffer from competing priorities, technical ignorance, and a general reluctance to either assume or share responsibility with other ministries. Under these circumstances, coordination and collaboration among ministries is difficult and planning and management are weak.

Such problems pervade the working of all ministries. Modern program budgeting and cost accounting are virtually unknown concepts. There are three budget categories: the development budget, the personnel budget, and the annual operational budget. At the center (Rabat) fiscal accounting and administrative management are services separate from technical operations. Technical managers responsible for national level programs have no idea of real program costs and little understanding of program results in terms of beneficiaries and overall development goals.

## 3. Implementation Shortfalls Against Plans

Previous five-year plans have consistently fallen short of their established program targets. While this has been due in part to the establishment of overambitious goals in the light of existing capabilities, much of the explanation lies in the separation of the planning, project formulation, and implementation functions. Broad, general investment plans are not supported by operational work plans, nor are expected results put in terms of impact on key problems or beneficiaries.

Implementation is further hampered by poor management and resource allocation, particularly in programs subject to highly centralized controls.

## 4. Agriculture

During the execution of the 1973-77 Plan, the real amount of investment achieved in agriculture was below the level planned. Notwithstanding the Government's will and ability to commit resources to the sector, the rate at which they can actually be invested and the specific purposes to which they are applied are below expectations. During the 1973-77 Plan, expenditures had dropped to an average of 60% of appropriations for the sector (excluding dam construction) as of the end of 1975. This indicates a more limited absorptive capacity than was anticipated at the outset of the Plan period.

By appearing to invest large sums in programs, the Plan obscures the true costs of achieving certain ends and the true impact of programs. As an example of this, the allocation of a sizable amount of resources for livestock

during the 1968-72 and 1973-77 Plans was not aimed at tackling the problem of land tenure, the degeneration and structural problems of grazing lands, the insufficiency of forage, and declining productivity of cattle and sheep.

A number of pivotal points of intervention can be identified, where if proper leverage is applied one can expect major improvement in the agricultural sector, particularly in terms of bringing development benefits to the poor and deprived. These can only be addressed by the GOM itself, as they entail important political decisions.

-- Agrarian reform - which has not been seriously applied - could yield a substantial long-term payoff in increased production and income for the small and landless farmers. A major effort to consolidate and redistribute the greatly fragmented land holdings into viable plots, especially in the rainfed areas, would offer much incentive for the small and the marginal farmer to raise his productivity. The break-up of productive collective tribal lands would add significantly to the pool of land for redistribution into viable plots to small farmers.

-- More rational price policies could have an important long-term effect on production and income. The GOM's current maze of price supports, controls, and subsidies tend to neutralize each other and act as disincentives to increased production of cereals, sugar, and oil crops.

-- Recognizing the continued need for foreign technical assistance to fill manpower gaps, the GOM should maximize the opportunities afforded by these technicians to train counterparts.

-- An increased effort to make farm inputs - seed, fertilizer, pesticides and credit - available to all interested farmers and encourage all farmers in their use could help achieve optimum return on land and work.

-- Research on problems affecting rainfed agriculture and the development of minimum package technology also stand to improve prospects for increasing the productivity of the majority of small farmers.

-- One important lever for affecting a change in the livestock subsector is controlled grazing to expand carrying capacity of the land and to increase meat production.

## 5. Nutrition

The extent of the Moroccan Government's commitment to improved nutrition as a national goal is not yet clear. The next five year plan 1978-82 will nonetheless contain a chapter dealing with nutrition and outlining in broad terms a general strategy for activities and interventions designed to improve the nutritional status of the population. This strategy will provide a framework for new and continuing initiatives to reduce nutritional inequities.

To the extent that new jobs can be created and income disparities

reduced in both rural and urban areas, one would expect a reduction in the extent and severity of malnutrition among the population. Existing health and social service and informational channels are being increasingly utilized to dispel food myths and upgrade public understanding of nutritional needs and available sources of key nutrients.

## 6. Health

In designing a health delivery system to deal effectively with Morocco's health problems the GOM is following a socialized medicine approach, seeking a rational balance between preventive, early diagnostic and curative services. It is integrating family planning and to a limited extent nutrition into its health service network.

For the last plan period (1973-77), a total budgetary investment of 303,025,000 DH (\$70.5 million) was earmarked for the public health sector, a threefold increase over the previous plan.

Morocco's plans for developing an effective health delivery system appear ambitious over the long run within the context of an inherited hospital infrastructure, the demands of the people, and budgetary constraints.

For the present, the existing system is inadequate for the task before it. The main problems are: (1) insufficient number and inadequate quality of health installations; (2) the shortage of medical personnel; (3) a traditional clinical medical training program that is too costly and too long to meet the country's most urgent and basic health needs; (4) less than efficient management of available resources; (5) the paucity and caution manifested in developing a fully integrated low-cost health network in rural areas that can measurably reduce the high birth and infant mortality rates, and the incidence of malnutrition and disease; and (6) inadequate health statistical analysis to support health planning.

Though USAID has indicated interest in possible health sector assistance beyond family planning, until very recently the GOM has shown little interest beyond direct grant financing of supplies and equipment. The new Minister of Health seems open to possible new health initiatives, but specific requests thus far have been wide of the mark in terms of USAID interests (radios for ambulances to respond to traffic accidents, establishment of burn centers, and treatment of eye disorders). Morocco badly needs assistance in health planning and administration, and in program evaluation. The health budget is so constructed as to make it virtually impossible to separate out real costs of individual services. A detailed budget analysis by a qualified health economist including a time-and-motion study to estimate time spent by polyvalent health workers on each of their tasks could greatly improve GOM/MOH understanding of results and available alternatives.

However, even a cursory examination of health expenditures shows the lion's share of resources going for facilities, personnel, and curative

health care. The financial implications of the present numbers of medical, nursing and health technical personnel in training (e.g., 5,000 physicians in training) are staggering, leaving one to wonder: (1) how it will be possible for the MOH to finance facilities, equipment, drugs and supplies to fully utilize the numbers of health personnel in the making; and (2) how much will be left over for outreach and preventive services which have the greatest potential for affecting vital rates?

#### 7. Human Resources

While amounts spent on education and training increased dramatically in the past fifteen years, the formal system itself, at least, can still be characterized as highly centralized, totally academic, highly selective, and in many ways unsuitable to the economic and social needs.

Yet there is evidence of progress. Particularly significant to the change process is the fact that certain key institutions, such as the Ministry of Labor's Office of Vocational Training (Formation Professionnelle), have realized solid initial successes and are eager both to expand the impact of their programs and to broaden the base of their beneficiaries. This desire is expected to be reflected in relevant portions of Morocco's next five-year plan (1978-82). The GOI has proposed to triple the size of its existing training programs over the next five years.

In recent years Morocco's educational planners, with assistance from the World Bank, UNESCO and other organizations, have begun reforms intended to (1) increase the geographical reach of Morocco's public school system, particularly at the primary school level, (2) shift some of the emphasis in secondary education toward more utilizable (as opposed to strictly academically-oriented) curricula, and (3) develop research systems capable of analyzing human resource requirements as well as developing systemic flexibility. These efforts are in varying stages of development. In large part they are supported by a series of loans from the World Bank, which is now considering a fourth education project for Morocco. This would concentrate on continued expansion of the primary system, plus emphasis on the need for change at the technical secondary education level.

From an overall human resource development point of view more significant involvement of Morocco's institutions of higher learning in the development process would be desirable. To some extent this is being addressed in the World Bank projects. Nevertheless, benefits to the poor majority from increases in the formal education system usually are indirect.

C. STRATEGY

1. United States Interests

For both security and developmental interests, the USG has maintained a relatively substantial aid relationship with Morocco since its independence in 1956. During the course of the twenty years, Morocco has built aid relationships with a number of bilateral donors and international institutions - thereby helping the USG to play a gradually reduced aid role without damage to its other interests in the country. Moreover, since 1975, Morocco has been able to borrow extensively on the Euro-dollar market. U.S. aid has thus evolved from substantial budget support (through program loans under Supporting Assistance and P.L. 480 Title I) to a relatively modest technical assistance program supplemented by a significant P.L. 480 Title II program, and periodic sales under P.L. 480 Title I.

The GOM has not made particularly effective use of its own resources for economic development during recent years. Its actual rate of growth has been substantially less than its potential, partly because of a lack of competence in planning and executing development projects, but perhaps, in part, because of a deliberate political decision to go very slowly in carrying out development policies and programs which would demand sacrifices from economically powerful elite groups.

Moroccan development progress also suffers from a limited absorptive capacity. Unfortunately, the GOM has not taken full advantage of U.S. willingness to provide technical assistance to expand its absorptive capacity and increase the effectiveness of its economic development programs, particularly in the fields where the U.S. has something to offer - agriculture, population, human resources, health.

However, more effective economic development in Morocco requires priority attention to policies and programs in agriculture, population, and human resources development. It is U.S. policy to encourage developing countries to attain a greater degree of food self-sufficiency, and Morocco has substantial undeveloped potential in this direction. Greater GOM attention to the interests of the poorer members of the population could reduce the rate of population growth and migration flow to the cities and increase economic and political instability.

U.S. development assistance for Morocco is not intended to provide a substantial transfer of resources. Sufficient investment resources are available from other donors, bilateral and multilateral, and from private international borrowing. Technical assistance, while available from a multiplicity of sources, is limited in particular areas.

We believe, however, that a program of bilateral U.S. concessional assistance to Morocco can, during the next few years, strengthen the Moroccan Government's capacity to meet the basic human needs of its growing population. By the late 1980s when Morocco should be able to finance its development needs

with its own resources, U.S. concessional aid will have contributed to a strengthened and enduring economic relationship.

A development assistance program for Morocco must therefore be:

1. designed to assist in areas where the GOM particularly desires a U.S. involvement in its efforts to meet basic human needs;
2. understood as a component of the GOM's larger economic development strategy; and
3. time-defined.

## 2. Proposed Program Structure

The size of the AID program in Morocco is and will continue to be relatively modest - on the order of \$5 million per year of grant-financed technical assistance, supplemented by an occasional development loan for key projects closely related to our technical assistance activities and by Housing Investment Guaranties to finance low-cost housing. In addition, P.L. 480 Title I sales and Title II grant programs would continue during the transition period ahead, but at a diminishing level except in emergency situations.

A basic program of U.S. concessional assistance for the next five years should have the following characteristics:

- a bilateral concessional assistance presence in Morocco probably no longer than 1985, with a specific phase-out feature built into its structure.
- a set of specific programs worked out in detail with the GOM, which can be shown to contribute toward meeting basic human needs and a consequential impact on population growth in the context of overall GOM economic development goals.
- focused on selected areas where U.S. training and advice is likely to strengthen local human resources and institutional capacity to carry out development effectively. It concentrates on priority problems in population, nutrition, agriculture, and human resources development.

We expect that many of the project proposals included in the FY 1979 Congressional Presentation will continue to enjoy solid GOM support as the government begins to carry out the new Five Year Plan (1978-82). A new departure in population is now taking shape and promises further significant expansion. We have had recent indications of positive movement in the case of our proposed agricultural activities and in our discussions on human resources development. These are important areas in which GOM priorities and AID new directions objectives coincide.

In addition to this basic program, we propose a development training and consultants project which will provide the GOM access to U.S. technological, planning and management capability to solve problems in key development areas which impact on the poor majority.

Table II

CONTRACT STAFFING LEVELS  
(on board)

Fiscal Years:	78	79	80	81	82	83
<u>Food and Nutrition <sup>1/</sup></u>	(2)	(13)	(9)	(10)	(2)	(3)
0134- Higher Agricultural Education Phase II	4	4	2	2	-	-
0135- Nutrition Systems Study Unit	2	2	-	-	-	-
0136- Dryland Agricultural Applied Research	2	3	3	3	3	3
0145- Range Improvement	-	3	3	3	3	3
Future Activities	-	-	-	2	2	2
<u>Population and Health</u>	(0)	(1)	(1)	(1)	(1)	(1)
<u>Human Resources Development <sup>1/</sup></u>	(5)	(11)	(11)	(13)	(5)	(2)
0139- Non-Formal Education for Women	4	4	4	4	-	-
0147- Industrial and Commercial Job Training	1	4	4	4	-	-
0146- Vocational and Technical Skills Training	-	3	3	3	3	-
Future Activities	-	-	-	2	2	2
<u>Total Contract Staff on Board</u>	<u>13</u>	<u>25</u>	<u>21</u>	<u>24</u>	<u>14</u>	<u>11</u>

<sup>1/</sup> Peace Corps volunteers may take part in certain Food and Nutrition and Human Resources Development projects

We believe that there continues to be a definite rationale for a modest bilateral U.S. assistance program. In our view, the program mix we have identified for Morocco represents the basic type of AID program which should be considered for countries with a substantial domestic resource base whose economies are, therefore, moving ahead respectably toward lessened dependence on concessional aid and where the state of our relationship is such that close U.S. identification with this latter phase of their economic development is clearly warranted.

### 3. Areas for Attention

The A.I.D. program in Morocco can make a modest, but nevertheless appreciable, impact on increasing the access of the poor to: (1) appropriate agricultural technology, farm inputs, and more productive land; (2) health services for women and children, including nutrition and family planning services; (3) practical skills training; and (4) more and better food, water and shelter.

#### a. Population

USAID recently completed a Multi-Year Population Strategy (MYPS) exercise. Three important action areas were identified for U.S. attention:

-- actions aimed at making contraceptive information and services more widely available;

-- actions aimed at increasing GOM knowledge of and commitment to population programs; and

-- actions aimed at increasing the demand for services.

The full background, rationale, and strategy is set forth in the MYPS document. Following is a capsule summary of the analysis and assumptions which led to the action areas described above.

The GOM has a national family planning program administered by the Ministry of Health and assisted by USAID since 1968. Until recently, progress has been slow. The MOH has avoided bold action, lacking the political mandate and fearing a counter-reaction on the part of traditionalists and the political opposition. The Government has been slow to recognize that a substantial demand for contraceptive services already exists. Far from being intimidated by GOM family planning offerings, the public welcomes them. In Marrakech, 61% of 33,000 women in the 15-44 age group accepted five cycles of orals from visiting nurses in the first round of an on-going household distribution pilot program. Some 200,000 couples are estimated to be paying about \$1.25 to \$1.50 each month for oral contraceptives available in the country's 500 registered pharmacies.

The message is beginning to sink in, and the MOH, at least, is more willing to experiment with programs such as Marrakech which have high potential for increasing contraceptive prevalence. However, significant problem areas remain. Services are not yet fully and freely available to all

urban and rural couples who might use them. The GOM is reluctant to adopt a strong policy, backed up by real resources, in the population area, though lip service is often given and the right words appear in the country's five-year plans. Traditionalism, the lack of alternative roles (to motherhood) for women, ignorance, and the hopelessness associated with extreme poverty limit the present demand for services, though no one is sure just where limit is.

USAID plans to assist in these three problem areas as follows:

(a) Services - USAID will continue to provide contraceptive supplies and equipment, technical training, consultant services, and limited direct financing for the nation's family planning program. Of special interest are experimental and pilot activities such as Marrakech which have high potential for achieving a significant increase in the number of contracepting couples.

(b) Awareness and Commitment - The Country Team will, with USAID support and whenever opportune, use its normal contacts with host country officials to discreetly raise the subject of population in an attempt to ensure that key officials are at least well-informed on the issues so that they may make their own choices with the facts at hand. USAID plans to support, through the local family planning association and possibly the International Planned Parenthood Federation (IPPF), an information, education and communication effort aimed at the country's decision-makers, again to ensure that they at least have the relevant facts available with which to decide on population issues.

(c) Demand - Both direct and indirect approaches to a heightened demand for contraception seem indicated. Increased availability of information and services should also increase demand. In addition, USAID development efforts aimed at increasing job opportunities for women, and improving nutrition are likely to have a complementary effect on stimulating new demand for contraceptive services. USAID plans to remain sensitive to possible opportunities for involvement of other GOM ministries in population efforts, broadening the participation of GOM agencies and, hopefully, stimulating additional demand.

#### Development Consequences Expected

The MYPs suggests a 1982 target of 850,000 contracepting couples, as compared to 350,000 in 1977. A total of 850,000 contracepting couples by 1982 would represent a 2.4-fold increase in all contraceptors and would correspond to a prevalence level of about 25 percent of all married women of reproductive age. While it is technically hazardous to estimate what effect this might have on birth and growth rates, it could result in a 22 percent drop in the crude birth rate (from 45 to 35 per 1,000) and, coupled with the expected further decline in mortality, an overall growth rate of about 2 percent per annum. Although this would be impressive performance it would still mean that Morocco would by 1982 be adding more than 400 thousand new citizens to her population annually.

The social and economic consequences of an additional half-million couples practicing some modern method of contraception should be measurable in

terms of improved family health and nutrition; reduced infant, child, and maternal mortality; and investment savings to the Government in terms of reduced demand for educational, health, housing, and other social services.

The cost associated with achievement of this target has not been fully developed but is expected to be relatively low in terms of unexpected benefits, following the experience of most family planning investments. Present cost of the government program is about \$20 per new acceptor, which compares very favorably with other programs (Taiwan 1974, \$181; Thailand 1974-75, \$32; Tunisia 1973-74, \$27).

b. Food and Nutrition

(1) Nutrition: USAID activities and projects are inter-related and complementary to nutrition goals. To the extent they are successful they will contribute directly or indirectly to the provision of an adequate diet to all Moroccans.

However, four key A.I.D. program areas are directly related to improved nutrition:

(a) Agriculture - programs designed to (a) improve dryland cultivation techniques and thereby increase yields and returns to smaller farmers and cultivators, and (b) increase the research capability and pool of trained manpower needed to launch a balanced agriculture program. (Agriculture strategy is discussed in more detail in b(2) below).

(b) National Nutrition Strategy - a project of technical assistance aimed at helping the government develop and articulate a national strategy for improving nutrition involving analyses of the linkages in the food system, studies of alternative interventions and raising the national level of awareness of nutrition related problems and possible solutions.

(c) PL 480 Title II - The VolAg administered food assistance program directly reaches about 13 percent of the families below subsistence level with needed food (an income subsidy) while promoting change through nutrition education, job training or local development infrastructure food for work projects.

(d) PL 480 Title I - Concessional U.S. loan sales of wheat are increasingly aimed at stimulating GOM additional investments in activities designed to resolve problems primarily in food production and population growth.

While these four programs respond to basic nutrition needs, nutrition activities extend into a number of other GOM sector programs. The complexity of the food production, marketing, distribution and consumption systems in Morocco and the increasing burden of food imports to meet domestic nutritional needs and food deficits prompted the Moroccan government to request assistance in developing a national nutrition strategy and a nutrition planning capability. To be effective this nutrition strategy must be based upon thorough analysis of existing systems, their interactions, inefficiencies and

possibilities for improved functioning. Thus the nutrition systems study unit project was developed. Analytic activities under this project have developed more slowly than anticipated; however, a nutrition planning entity staffed by trained Moroccans is in place and, aided by a two person contract team, is making progress. The key, and heretofore lacking, element to project success is the ability of this unit to stimulate and engage Moroccan agencies and organizations in collaborative analysis, planning and evaluation. This project will terminate in May 1979.

Major improvements in nutrition can be fostered through more effective government programs. As much as 50 per cent of malnutrition among infants and children under four could be eliminated by improved child feeding practices. To eliminate all malnutrition - which would require eliminating poverty and modifying eating habits in all class groups - is unrealistic. However it is realistic to think in terms of increasing the efficiency of the food system through reducing by 10-20 per cent food losses in handling, processing and marketing; rationalizing food subsidies to impact more positively on food needs of the poor; and increasing on-farm yields by ensuring availability of agricultural inputs and supporting adequate crop marketing structures. Our strategy of assistance in nutrition is intended to (1) prevent malnutrition by helping identify and remove systemic bottlenecks; and (2) plan and evaluate cost-effective interventions to the point that feasibility for broad application in Morocco can be demonstrated.

Notional projects under discussion in the GOM for possible AID assistance include:

-- Strengthening social services administration of applied nutrition education services. With VolAg (CRS) PL 480 Title II food assistance a network of 250 self-supporting social education centers and 25 provincial area coordinators has been developed. This system is almost entirely focused on MCH category feeding (125,000 mothers) and nutrition education classes for the participating mothers. The need exists to strengthen and upgrade the Ministry of Social Affairs ability to manage and sustain the nutrition education as well as food distribution functions of this extensive system. There is also a need to increase the impact of the program on the poor in rural as well as urban areas. Discussions are underway with a VolAg and the government relative to a modest operational program grant which would respond to these needs (\$400,000 over three years).

-- Improving the nutritional quality of processed basic foods - in the area of applied food technology three types of technical intervention are under study by the Moroccan government -- adding vitamin mineral pre mixes to processed flour, using locally available grains (barley or corns) to produce mixed flour, changing or developing a more nutritious and less costly pre-cooked cereal for infants and young children. Feasibility studies including tests of consumer acceptability for these or similar interventions would cost about \$150,000 each for prototype equipment and technical assistance.

-- Improving nutritional practices through modern communications systems - perhaps as much as 50% of malnutrition among infants and children.

under 4 could be eliminated by improved child feeding practices. Existing outreach services can not effectively reach into each home. Radio and television reach families in both urban and rural areas. The U.S. is a leader in adapting mass media to socially oriented purposes. The keys to effective use of the media are designing and testing appropriate messages and careful evaluation of results. An AID project of technical assistance and training for such a project might cost \$300,000 over a period of 24-36 months with the bulk of resources being provided by the GOM.

-- Nutrition studies, applied research and training grant - The Nutrition Systems Study Unit Project has provided initial technical assistance. Effective nutrition planning is an on-going and continuous process. Further in-depth analyses of aspects of the food system linkages will be required beyond those undertaken in that project. High level nutrition manpower trained to synthesise research results and to plan and implement projects is seriously lacking. Grant assistance aimed at stimulating local research by Moroccan agencies as well as further training might make a significant difference in GOM success in ameliorating nutrition problems.

The four project ideas sketched above are speculative. Each represents a possible response to solving existing problems in meeting the nutritional needs of the Moroccan population. In the next few months we will be working with Moroccan officials to establish some priority among possible nutrition interventions and the feasibility of AID project assistance in specific instances.

## (2) Agriculture

Population growth, migration and modernization in combination with higher urban income levels have increased the food requirements of the country and also modified the traditional consumption patterns. As a result, Morocco has become a food deficit country and its dependence on food imports has been increasing.

The cost in foreign exchange to the Moroccan economy amounted in 1975 to 960 million DE (\$223 million) for wheat and 435 million DE (\$101 million) for edible oils, which together represented 40% of the value of all major agricultural commodities imported.

The demand reflected above will more likely than not continue to accelerate due to the inevitable population increase and changes in diet preferences.

### Agricultural Land Resource

Morocco's agricultural land resource includes some 10 to 12 million hectares of rangeland which are generally overstocked and producing well below their potentials and about 3 million ha. of cropland. The country is also endowed with fairly good water resources. For the past twenty years, GOM agricultural policy and investments have been directed in priority, toward the development of irrigated agriculture on a targeted area of 1 million hectares. To date half of the area has been brought under irrigation. Completion of the irrigation development program is planned for the late 1980's.

### Irrigated Agriculture

The irrigation program has absorbed considerable financial investments and much of the best-trained agricultural manpower. The primary objectives were and are to satisfy the sugar requirements of the country and increase its foreign exchange earnings through the export of citrus and vegetables. However, in general, the irrigation program has not had much of an effect on the level of food imports. Nor is it likely to make a significant impact on these imports in the foreseeable future.

Short of drastic and probably undesirable measures, little can be done to control changing consumption patterns. Therefore, ways must be found to utilize the food production potentials of the country more fully and more efficiently than is the case presently. Achievement of this objective will probably necessitate several policy and program changes. But, a more basic requirement needed to improve the ability of the rainfed farmers to increase their efficiency as food producers is that these farmers must have continuing access to improved technology and the means to use that technology.

However, two AID-financed studies have confirmed that Morocco has considerable potential for increasing both crop and animal production in non-irrigated areas. They suggest that effective and economically applicable

solutions can be found to the problems facing dryland agriculture which could increase substantially rainfed agricultural production. AID's strategy in agriculture attempts to address these problems through a cluster of projects focussed on dryland agricultural research, range improvement and training of agricultural cadres.

The Dryland Agriculture Applied Research project (0136) is to develop a permanent research program aimed at increasing food and feed production particularly in the semi-arid rainfed areas. The project will be organized into three coordinated activities:

1. an applied agronomic research program which will develop technology to increase the productivity of the dryland farmers
2. a socio-economic research program which will develop a better understanding of the behavior of these farmers in response to the high risk conditions under which they operate
3. a program of advanced specialized training to develop a cadre of competent and experienced professionals to replace the U.S. experts and thus ensure the research program continues and that its results are transmitted to farmers

To complement this pilot effort, we envisage a \$2.5 million Dryland Agriculture Development loan (0144) in FY 1979 to finance the acquisition of agricultural machinery land forming equipment, transport and construction materials and costs in support of the expansion and acceleration of dryland farming technology.

The ultimate beneficiaries of this activity will be the inhabitants of the semi-arid areas (300-400 mm rainfall) where the project will introduce appropriate farming technology. While it is difficult to determine precisely the number of people to be affected, the provinces where research centers will be located include an estimated 3.3 million rural people, including 569 000 farm units of which 76 percent have less than 6 hectares.

Recent cereal production has averaged 4.5 million tons per year during the last ten years. This means that Morocco must more than double its production if it is to reach its projected requirement of 10 million tons for the year 2000. The dryland research project area can make a substantial contribution to this goal. Current production from this area reaches approximately 1.5 million tons per annum and, on the basis of conclusions of the team that undertook the 1976 feasibility study, yields could be doubled if improved methods of cultivation were adopted and supported by other necessary inputs. This would result in a total additional production from this area of approximately 1.5 million tons which, at current world prices of wheat, would amount to \$100 million.

During FY 1978, we will continue to finance research and training to solve specific bottlenecks in areas of food and feed research, and agricultural production processing and marketing under the Agricultural Research and Training project (0122). This project will also finance a study of the country's extension services which is vital to the improvement of agricultural production.

In view of the present paucity of trained agricultural cadres needed to accelerate the country's agricultural production, the Fisher Agricultural Education project (0134) through a University of Minnesota contract will continue to develop an indigenous teaching and research capability geared to training students in soil and plant sciences and range management.

We plan to help the GOM to meet the pressing need for regeneration of the vast areas of overgrazed and badly depleted rangeland through a Range Improvement project (0145) scheduled to begin in FY 1979 which would entail a research effort to determine the best adapted species for the various range areas, the grazing practices best suited to increasing animal production on a sustained basis, and the development of a trained cadre of range specialists.

### c. Human Resources

The AID human resources strategy is directed toward segments of Morocco's population who do not now benefit sufficiently from development--most notably poor women in both urban and rural settings. The thrust of our programs is to assist in transforming the unemployed and unskilled into productive workers in subsectors required by the growing economy.

There are several major problems facing Moroccan women entering the job market: chief among these are an overcrowded traditional employment sector, and lack of practical and relevant job training. USAID proposes through project interventions a partial solution to this problem. One project, Nonformal Education for Women (0139), addresses both urban and rural women with little or no education. A second project, Industrial and Commercial Job Training for Women (0147), deals primarily with vocational education for women who are high-school drop-outs. A third, Vocational and Technical Skills Training (0146), will build on the pilot efforts of the first project (0139) to help the GOM Labor Ministry improve and expand its overall skills training program.

All three of these projects are targeted at the unemployed and indigent. Job training, job development and job placement will provide substantial economic and social benefits for the individual and the community.

Each year upwards of 45,000 Moroccan women with little or no education will benefit from the education, training and employment program of Promotion Feminine which will be substantially improved and strengthened as a result of the Nonformal Education for Women project. Initially under the pilot phase of the Industrial and Commercial Job Training project, only 300 women each year will enter the labor market as skilled workers in industry and commerce. Beginning in the third year of the project, however, the replication effect will result in the ultimate integration of women throughout the Labor Ministry's industrial and commercial training program.

Although precise quantification of benefits is not yet possible, the following indicators highlight the economic and social benefits which will result from improving vocational technical skills training (project 0146):

1. Individuals completing training will fill vital manpower gaps in the industrial and commercial skill requirements of private industry.
2. An increasing number of school drop-outs will receive training in marketable skills.
3. Individuals who would otherwise remain economic burdens on their families and society would become, after training, new income-producing members of the community.
4. The generation of employment would positively and considerably affect the purchasing power of the target group.
5. The strengthening and expansion of the GOM skills training program effected by this project and the new GOM five-year plan will have a direct influence on the economic expansion of Morocco.

The AID activities described above will help shape the expansion and development of GOM programs with a potential for assuring job skills for 100,000 Moroccans over the next five-to-six year period (assuming no additional expansion might be advanced which in itself probably is unlikely). This figure though, is significant on its own terms. It currently is estimated that at least 1 million out of a potentially active work force of 5 million can be termed unemployed. Conversion of more than 10 percent of the unemployed to employed through this program alone can be considered a thoroughly worthwhile undertaking.

Another human resources project - Development Training and Management Improvement (2149) - is intended to help improve the planning management and technical expertise of Moroccans responsible for priority development activities. Lack of modern administrative and management expertise in government organizations providing support to programs benefitting the poor inhibits their impact. This training project will increase the effectiveness of government efforts by improving the technical and administrative capabilities of the GOM's employees. Training will be concentrated primarily on economic planning, project management, statistical analysis, export promotion, and development of agriculture, rural industry, education and health. Consultant services are also provided under the project to introduce modern management practices into selected government agencies.

#### d. Food for Peace

Given the increasing food deficit situation, short term balance of payments outlook, and significant need for continued high level of cereal imports, PL 480 Title I assistance is projected at 100,000 metric tons of wheat annually.

PL 480 sales and grants greatly outweigh all other U.S. concessional aid in money terms. As long as the U.S. remains a major supplier of food aid under the Food for Peace program, we will have an opportunity to be involved in a dialogue with the GOM on self-help measures related to policies and programs not only in agriculture but in nutrition and population

matters. PL 480 Title I will thus play an increasing role in the AID program strategy. A Title III program, similarly focused, is also a future possibility.

The Title II food assistance program administered by two voluntary agencies directly reaches about 13 percent of the families below subsistence level with needed food (an income subsidy) while promoting change through nutrition education, job training or local development infrastructure food for work projects. The Catholic Relief Services (CRS) and the America Joint Distribution Committee (AJDC) have developed programs which include handicrafts cooperatives for the handicapped, day care centers, homes for orphaned and destitute boys and girls, instruction on nutrition and hygiene for some 125,000 indigent mothers, and conservation and community development food for work projects for some 67,000 unemployed.

The current program will be gradually phased out as GOM resources replace Title II contributions. To assist planning on the direction and extent of the Title II program during the next few years, we plan a comprehensive evaluation during 1978 with GOM and volar participation.

e. Housing

In response to rural/urban emigration and the increasing demands for housing for the urban poor, we propose a \$10 million Housing Guarantee Program for FY 1979 to finance a "sites and services" GOM program in selected urban communities to be followed by an additional allocation possibly in FY 80 or 81. We are beginning discussions with the GOM to determine applicability of our housing program to GOM needs.

4. Population Effects of AID Activities (Section 1049)

U.S. assistance activities can affect demographic trends in two ways:

- (1) by improving the lives and increasing the options available to the population in a general fashion; and
- (2) by satisfying current demands for contraceptive information and services.

In the first category we intend to strengthen and expand the several planned and ongoing projects which respond to basic human needs. These include:

- Dryland Agriculture Applied Research (0135)
- Range Improvement (0145)
- Nutrition System Study Unit (0135)
- Nonformal Education for Women (0134)
- Industrial and Commercial Job Training for Women (0147)
- Vocational Technical Skills Training (0146)

The dryland applied research project is designed to help improve the incomes of the smaller farmers in non-irrigated areas with less than 400 mm of rainfall per year. If successful, it will develop improved agricultural techniques to improve production thus increasing disposable

income and raising personal aspirations and options for the farmer and his family, and supporting family planning acceptance and practice.

More directly impacting on family fertility are projects increasing women's educational status and their active participation in the labor force. In 1979 USAID plans to begin the Industrial and Commercial Job Training for Women pilot project with the Ministry of Labor, to provide job training and placement opportunities initially for 300 young women annually. With the success of the pilot project approximately 1,000 women per year will be similarly trained thereafter.

The Nonformal Education for Women project will improve the skills training included in Ministry of Youth and Sports training centers (Ecoles Feminins). Activities of this kind can increase the participation of women in skilled vocations, tend to delay marriage and increase the use of family planning practices.

PL 480 Title I sales of wheat are increasingly aimed at stimulating additional GOM investments in activities designed to resolve problems mainly of food production and population growth.

The Title II food assistance program administered by voluntary agencies directly reaches about 13 percent of the families below subsistence level with needed food (an income subsidy) while promoting change through nutrition education, job training or local development infrastructure food for work projects.

D. BUDGET AND MANPOWER IMPLICATIONS

The program outlined in this strategy statement will require budget levels set forth in Table I. We would envision direct-hire staffing of about the current level of 17 American and 17 local employees, although the mix of skills would change. We anticipate the addition of a program economist and a human resources advisor, with compensating reduction of other staff. Technical assistance activities will be carried out by a combination of permanent field staff and TDY consultants, with contract staff assigned to GOM agencies, increased to the levels shown in Table II.

Operating expenses would remain at approximately the current level of \$1.5 million per year.

Table I

PRELIMINARY BUDGET FY 72-83

	Fiscal Year (\$ 000)					
	78	79	80	81	82	83
<u>Food and Nutrition</u>	<u>1,180</u>	<u>4,000</u>	<u>1,800</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
0122- Agriculture Research & Training	150	-	-	-	-	-
0134- Higher Agricultural Education Phase II	500	400	500	500	500	500
0136- Drylands Agricultural Applied Research	530	300	700	500	500	500
0145- Range Improvement	-	300	400	500	500	500
0144- Dryland Agriculture Development Loan	-	2,500	-	-	-	-
Future Activities	-	-	200	500	500	500
<u>Population</u>	<u>1,410</u>	<u>2,698</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
0112- Family Planning Support	1,410	2,698	2,000	2,000	2,000	2,000
<u>Education &amp; Human Resources Development</u>	<u>1,500</u>	<u>2,000</u>	<u>2,100</u>	<u>1,500</u>	<u>1,000</u>	<u>500</u>
0139- Non-Formal Education for Women	600	500	500	-	-	-
0147- Industrial & Commercial Job Training for Women	550	500	500	-	-	-
0149- Development Training & Consultants	350	500	500	500	500	-
0146- Vocational Technical Skills Training	-	500	500	500	-	-
Future Activities	-	-	-	500	500	500
<u>Total A.I.D.</u>	<u>4,090</u>	<u>8,698</u>	<u>5,900</u>	<u>5,500</u>	<u>5,000</u>	<u>4,500</u>
Loans	-	2,500	-	-	-	-
Grants	4,090	6,198	5,900	5,500	5,000	4,500
<u>P/L 480</u>	<u>24,231</u>	<u>20,599</u>	<u>19,000</u>	<u>17,000</u>	<u>15,000</u>	<u>13,000</u>
Title I	11,000	11,000	11,000	11,000	11,000	11,000
Title II	13,231	9,599	8,000	6,000	4,000	2,000
<u>TOTAL CONCESSIONAL AID (A.I.D. loans and grants plus P/L 480)</u>	<u>28,371</u>	<u>23,297</u>	<u>24,900</u>	<u>22,500</u>	<u>20,000</u>	<u>17,500</u>
<u>Housing Investment Guaranty</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>