

UNCLASSIFIED

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



**FIELD BUDGET SUBMISSION
FY 1975**

PAKISTAN

BEST AVAILABLE

**DEPARTMENT
OF
STATE**

JULY 1973



UNCLASSIFIED

FY 75 Field Budget Submission

Table of Contents

	<u>Page</u>
PART I - THE DEVELOPMENT BACKGROUND	
A. Introduction	1
B. FY 1973	2-5
C. Current Problems	6-8
D. Pakistan's Development Strategy	9-10
E. The FY 1974 Development Plan and U. S. Assistance	11-13
F. Agriculture	14-15
G. Population and Health	16-23
H. Nutrition	24
I. Education	25-27
J. Summary of Conclusions	28-29
PART II - THE FY 75 BUDGET REQUEST	
A. Areas of Primary Concentration	30-35
B. Projects Outlined Areas of Concentration	36-37
C. Development Lending Planned for FY 1974	38-40
D. Proposed Development Lending in FY 1975	41-45
E. Technical Assistance Activities	46-61
F. Title II Program	62-64
G. Program Evaluation Section	65-78
PART III - PROGRAM ASSISTANCE NEEDS	
A. Introduction and Summary	79
B. The Economic Development Setting	80-98
C. U. S. Commodity Import Assistance	99-101
D. PL 480 Title I Food Aid	102-112

	<u>Page</u>
PART IV - SUMMARY TABLES	
TABLE I - Summary of Commitments by Appropriation Category	114
TABLE II - Summary of Commitments by Worldwide Area of Emphasis	115-116
TABLE III - Excess Currency Requirements Under Mondale Allocation	117
TABLE IV - Summary of Commitments by Area of Concentration	
a. Food Production and Nutrition	118
b. Population and Health	119
c. Education and Human Resources	120
d. Program Support	121
TABLE IV a - Activities Outside Area of Concentration	122-123

Technical Assistance and Population Projects Budget Tables

Agriculture Research

TABLE V - Project Budget	124
TABLE V b - PASA/Contract Back-up Budget	125-128
TABLE VI - Project PASA/Contract U. S. Personnel	129-130
TABLE VII - Project Participants	131

Nutrition Research and Planning

TABLE V - Project Budget	132
TABLE V b - PASA/Contract Back-up Budget	133
TABLE VI - Project PASA/Contract U. S. Personnel	134

Pakistan Expanded Population Scheme

TABLE V - Project Budget	135
TABLE V a - Population Project Budget Supplement	136
TABLE V b - PASA/Contract Back-up Budget	137-138
TABLE VI - Project PASA/Contract U. S. Personnel	139
TABLE VII - Project Participants	140

		<u>Page</u>
	<u>Population Planning</u>	
TABLE V	- Project Budget Table	141
TABLE V a	- Population Project Budget Supplement	142
TABLE V b	- PASA/Contract Back-up Budget Table	143-144
TABLE VI	- Project PASA/Contract U. S. Personnel	145
TABLE VII	- Project Participants	146
	<u>Family Planning</u>	
TABLE V	- Project Budget	146
	<u>Family Planning - Technical Support</u>	
TABLE V	- Project Budget	147
	<u>Institutional Grant</u>	
TABLE V	- Project Budget	148
	<u>Low Cost Books</u>	
TABLE V	- Project Budget	149
TABLE V b	- PASA/Contract Back-up Budget	150
TABLE VI	- Project PASA/Contract U. S. Personnel	151
	<u>Government Administrative Staff Improvement</u>	
TABLE V	- Project Budget	152
TABLE VII	- Project Participants	153
	<u>General Technical Support</u>	
TABLE V	- Project Budget Table	154
TABLE V b	- PASA/Contract Back-up Budget	155-157
TABLE VI	- Project PASA/Contract U. S. Personnel	158-159
TABLE VIII	- Commodity and Other Cost Budget	160
TABLE IX	- PL 480 Title I Agreement and Shipments	161
TABLE X	- Direct Hire Personnel	162

PART I

DEVELOPMENT BACKGROUND

A. Introduction

Guidance for this FY 1975 Field Budget Submission requires of the field only limited narrative comment to the budget recommendations, unless there are substantial changes in the proposed approach to U.S. assistance. While the approach outlined last year remains for the most part unchanged, we believe that the evolving economic and development situation in Pakistan merits further comment and analysis.

Accordingly, we have, as last year, prepared our submission in three parts. Part I reviews changes which have taken place on the economic and development front. It updates last year's presentation with respect to planning for U.S. assistance for FY 74, FY 75 and beyond. Part II presents the annual budget request for FY 75 with the myriad tables required for exposition and management of the program. It describes the areas of concentration proposed for U.S. assistance, and projects and activities outside these areas. We have added this year a review of our program evaluation process. Part III analyzes requirements for commodity and PL 480 food assistance.

For the busy reader we note, in summary, that: a) FY 73 was a better year than last. There was substantial recovery in the economy and in development; b) serious problems remain which make it difficult to judge how steady the development process will be; c) Pakistan's new government is deeply committed to economic and social development. Prospects are good that problems can be overcome and progress made towards growth and a better life for the people; d) U. S. and Consortium assistance is important in the development picture; and e) the proposed U. S. assistance in FY 74 and FY 75 will be concentrated in agriculture, population and health, and in support of the trade liberalization program which Pakistan has adopted with the advice of the World Bank and the Consortium.

B. Developments in FY 73*

In our submission last year, we described the radically changed economic situation which Pakistan faced after the political and military events of 1971. In this context we projected FY 73 as a year of transition. For Pakistan, it was a year of difficult adjustment to new

* Readers may also wish to refer to the "Pakistan Economic Survey for 1972-73," dated June 3, 1973; to the GOP "Memorandum for the Consortium, 1972-73," dated March 1973; to the GOP "Annual Plan, 1972-73," dated June 1972, and to the "Annual Report of the State Bank," July 1972.

economic, financial, social and political realities in which a major effort would be required to get the economy moving again. It was a year following a virtual two-year hiatus in the development effort, in which the Government would need to reactivate the whole process of development. But this reactivation was seen to be with the difference that the new government--the first civilian regime in 14 years--was deeply committed, to itself and to the electorate, to place much more emphasis on social justice, on employment problems and income distribution, as well as on growth.

For the Aid-to-Pakistan Consortium, too, FY 73 was involved in moving from a period in which Pakistan had found itself obliged to declare a moratorium on debt repayments and the donors in turn had had, largely, to suspend assistance commitments, to the resumption in FY 73 by the GOP of debt servicing, and by donors of development assistance.

For the United States, it was expected that FY 73 would see its development assistance resumed after a 17 month halt. We expected to engage in a process of forward planning with the Government to direct future U. S. assistance increasingly along the lines of the new A. I. D. strategy. We wanted to focus our aid on a few critical development problems and in functional areas which most affect the

lives of people. We anticipated that the sectors of agriculture, population, and private enterprise and trade would be our primary areas of emphasis in FY 1974.

We also hoped in the course of the year to formulate a formal development assistance program (DAP). By this was meant an integrated program which, in understanding with the GOP, would define problem areas and functional sectors where U. S. assistance would be concentrated for a period of several years. This program formulation process was seen as dependent on the GOP's ability to frame a revised long-term development plan reflecting its true development priorities.

As is discussed more fully in Part III, Pakistan has experienced a large measure of economic recovery during FY 73. While many problems remain and will preoccupy policymakers of the Government in FY 74 and after, the economy registered a growth of about 6 1/2 percent, in contrast to a decline of 0.5 percent in FY 71 and an increase of 1.4 percent in FY 72. The growth has been largely spurred by excellent performance in agriculture and exports, reflecting good weather and buoyant world markets.

During the year, relations with aid donors were normalized by the signing of short-term debt relief agreements in the fall and winter

of 1972. Foreign assistance commitments were resumed shortly thereafter. The 1972-73 Annual Development Plan resulted in actual expenditures of about Rs. 4,300 million. It increased public development expenditures over the previous year by close to 30 percent in real terms, and by much more in the less developed provinces of Baluchistan and the NWFP, which it had been decided to favor. Approximately two-thirds of these development expenditures were financed from local currency generated by foreign assistance.

The GOP's development strategy in 1972-73 was an effort to stabilize the economy in the face of the economic shock experienced in the previous year, and to bring about a revival of economic activity by fuller utilization of existing production capacity. In terms of the development budget, this policy meant funding limited mainly for on-going projects. New development schemes and efforts were for the most part postponed.

GOP priorities for foreign assistance were for debt relief and commodity lending. PL 480 food aid to help stabilize consumer prices and generate budget revenues came a close third. Short-term debt relief and high levels of commodity lending were viewed by the GOP as transitional in the sense of providing time: a) to reap the benefits of the May 1972 devaluation; b) to develop a long-term debt rescheduling

program (which it had been urging upon Consortium members for several years); and c) to reorient industry dependent on East Wing markets to international trade.

These short-term GOP aims for foreign assistance were largely achieved. Agreements were reached for \$234 million (of which \$50 million from the United States) in debt relief to be repaid over the three year period, 1974-76. And agreements were reached with Consortium members for new commitments of project, commodity and food assistance.

In line with World Bank and Consortium recommendations, U.S. assistance was directed primarily at commodity aid and food assistance for the following purposes: a) to permit the economy to redirect trade and exports; b) to stimulate domestic production and commerce; c) to support the import liberalization program; and d) to help Pakistan restart its development effort.

C. Current Economic Problems

Despite some economic recovery, serious problems persist. Although industrial production increased in FY 73, the improvement was in use of existing plant capacity, and in small scale industry and housing. There have been few signs of improvement in the climate

for private investment in larger scale manufacturing. Progress in this sector is important in terms of exports, increasing employment, and increasing production of goods for the home market. Revitalization of private investment will certainly be an important factor in economic performance over the next two years.

The increase in consumer price levels (over 20 percent) in the past year is of increasing concern. It adversely affects the cost of living of low income groups, and continuing price rises threaten to erode the benefits of last year's rupee devaluation.

The GOP's ability to mobilize domestic resources for development remains in question. Some increases in taxes and total savings have taken place in FY 73. But reliance on foreign aid to generate local currency for the development budget remains heavy. The GOP has undertaken to improve tax administration and levy new taxes on imports and exports. It is bearing down on tax evasion. But a task for the future will be reforms which make the tax system more elastic to increases in income, and which encourages a higher rate of domestic savings. Many domestic critics as well as foreign observers maintain that taxation of larger land holdings is long overdue. (The Punjab Provincial Government has recently declared it will take measures to increase agricultural taxation of larger holdings.) Tax reform has

been and still is under study. And the GOP is encouraging private savings. Improvements in resource mobilization will, however, be of increasing concern not only to the Government but to foreign donors as well.

In response to these problems, the GOP has undertaken various measures to dampen increases in the prices of consumer staples and to increase domestic revenues and savings. It has also publicly declared at high levels support and encouragement for private sector investment in industry. But to date business confidence has not been restored. The private sector is so far limiting investments to maintain or improve the efficiency of existing plants.

Recognizing the impact of liberal imports on industrial growth, inflationary pressures, and on revenue generation for development, the GOP announced late in June further measures for liberalization of imports. The Government has also commenced a campaign to increase export earnings to the \$1 billion level.

The set of economic measures being put into operation constitute a high import, high export policy. This policy should work to support the private sector, to generate more public revenues, to foster more rational use of resources, to increase employment, and to help dampen current inflation.

D. Pakistan's Development Strategy

In the wake of the war with India and the delinking of the East Wing, the first priority of the new government was survival. But it did not hesitate to plan, in consultation with the IMF, the IBRD and the Consortium, a major package of economic reforms which it is now implementing, and to announce its intention to embark on a series of social and welfare policies and programs which it must now plan for. The announced reforms and the two budgets and annual development plans the GOP has prepared give a clear indication of its priorities and strategy.

The Government is seeking to expand trade as much as possible for a variety of sound economic and developmental reasons. Domestically, the development effort will be based on agriculture, where gains in food and field crop production through increased use of fertilizer and high yielding seeds will be consolidated and more widely distributed. The GOP seeks self-sufficiency in foodgrains, further gains in cotton production and vegetable oil production, and larger exports of rice.

To expand the land and water base for agricultural development, the GOP plans call for measures to reclaim soil from waterlogging and salinization and to provide more water for irrigation. The Tarbela Dam, to be completed in 1976, will provide both increased water in the dry season and badly needed power for more tubewells.

At the same time, attention is to be given to putting Pakistan's ample supply of labor and underutilized urban manufacturing capabilities to work producing for export (and for domestic consumption), taking advantage of the opportunities which the new foreign exchange price for the rupee has opened. The Government also hopes to encourage foreign investment in labor intensive industries. It has announced that procedures for duty free entry of intermediates and components of such exports are being developed, and confirmed profits may be repatriated. To date, however, the GOP's policy of welcoming foreign private investment has failed in its implementation. Very few positive indications of foreign investment are today visible in the offing.

Reflecting the above, the GOP has outlined the main elements of its long-term strategy in its March 1973 Memorandum to the Consortium. Briefly stated, the strategy aims to: a) emphasize agriculture and rural development, and export led growth; b) accord priority to social sectors, to less developed regions of the country, and to raising living standards of the bulk of the people; c) increase employment, investment and savings; and d) broader association of the people in the development process, especially in rural areas.

In the June 1973 budget message, the Minister of Finance announced that the Government hopes to issue its long-term, five year development

plan next year (following the completion of sectional studies which are in progress).

E. The FY 74 Plan, GOP Priorities and U.S. Support

The Annual Plan for FY 1974 provides essentially for a continuation of the FY 73 strategy, i.e., completion of ongoing projects. At the same time, more ambitious targets for growth (7 1/2 percent of GNP), investment (16.3 percent of GNP) and domestic savings (marginal savings up to 20.0 percent) are set. And there is more emphasis on social sector development starts. The plan projects a large monetary increase over last year. However, because of inflation, the real increase is of only about 5 percent. Reliance on external financing remains heavy (60 percent).

In its meeting with the Aid-to-Pakistan Consortium in March 1973, the GOP made it clear that its main objectives for foreign assistance in the short term are:

- a) debt division and debt rescheduling;*
- b) an increase in the pipeline of approved and funded development projects;
- c) continuing high level of commodity and food assistance.

*The Pakistan position is set forth at length in the "GOP Memorandum to the Consortium on Debt," dated March 1973.

The matter of debt division is a difficult and complex problem, compounded by its relationship with other outstanding problems still waiting solution (the repatriation of Pakistan's prisoners of war in India, Pakistan recognition of Bangladesh, the normalization of political, economic and trade relations on the subcontinent). As of this writing (in June 1973), the Consortium and Pakistan are working out an interim arrangement which would involve: a) short-term debt relief (of about \$112 million) to Pakistan for a year's period, and continuation of donor development assistance (which would be prejudiced in the event of a default situation); b) retention by Pakistan for liability of all debts; however, at the end of the year, Consortium members would release Pakistan from the liability for project loans disbursed in East Pakistan; c) the prospect during the year of some progress toward resolution of the debt division question by the parties concerned; and d) IBRD study of the need for long-term debt rescheduling, to be considered at a meeting of the Aid-to-Pakistan Consortium tentatively set for June 1974.

Fresh commitments for project assistance are needed because previous commitments have been drawn down considerably in the past two years. They are expected to decline even further as Tarbela Dam is completed. The GOP's target is to replenish the project assistance pipeline which stood at \$419 million on July 1, 1972, \$325 million on

July 1, 1973, and which will fall sharply in the next two years unless new commitments are provided. High on its priorities for project assistance* are additional fertilizer plant, power generation and transmission facilities, and salinity control and reclamation projects.

Discussions with the Government suggest strongly that the U. S. policy of concentrating its assistance is compatible with present GOP planning and needs. USAID is planning to focus its FY 74 and FY 75 programs in agriculture and in population and health. Cooperation in improving food and nutrition will be done in the framework of these two sectors. Cooperation in education is also planned.

Commodity lending and continued PL 480 food assistance for the next two years is planned in support of the trade liberalization effort. Part III provides an analysis of proposed program lending and food assistance requirements.

In what follows, we will treat briefly the need for assistance in agriculture, population and health, nutrition, and education. Plans to help Pakistan eliminate poppy cultivation and enforce drug control are outlined in Part II.

* Projects for which foreign assistance is needed were listed in the GOP "Summary Descriptions of projects for the Pakistan Consortium, 1972-73," dated March 1973.

F. Agriculture

As in many countries, agricultural progress in Pakistan is critical to efforts to attain food self-sufficiency, to improve nutrition, and to provide jobs and a better life for the poor. It is also the key to the maintenance of high rates of economic growth as more resources are directed to social development and welfare. Given necessary inputs, and pricing policies to provide adequate incentives, Pakistani farmers can be expected to achieve annual rates of growth equal to the 5 to 6 percent per year or more needed for the foreseeable future.

The favorable development potential of Pakistan is explained in large part by its integrated irrigation system, the largest in the world. Yet in this system, average irrigated crop yields are among the world's lowest. And cropping intensity, the extent of which is a critical factor in expanding on-farm employment, averages only about 125 percent. The 1964 Revelle report on "Land and Water Development in the Indus Basin"* concluded that Pakistan could achieve an annual growth rate of 7 percent of farm output from this system in the indefinite future, provided that a comprehensive and aggressive approach was taken to the problems of and inputs required for irrigation agriculture.

* Report of the White House-Department of Interior Panel on "Water Logging and Salinity in West Pakistan," January 1964, page 5.

Favorable prospects also exist in the rainfed farming areas of Pakistan which thus far have been by-passed by the Green Revolution. A recent survey group concluded that with proper use of improved farm technology, crop production in these areas of 10 million acres or so could be doubled in as little as five to six years.

Concentration in agriculture (defined to include related activities such as farm-to-market roads, rural electrification, and other forms of rural social overhead capital) makes a great deal of sense for U.S. assistance because of the extent of experience, know-how and skills available in the U.S. under similar agricultural circumstances, both for arid and semi-arid zone irrigation, and for rainfed farming.

The present Government of Pakistan, as past governments, continues to place priority on agriculture, but the emphasis is changing. Aggregate increases in production of basic food cereals are still ranked high but there is increasing recognition that development emphasis must be broadened and balanced: a) to include other commodities in short supply; b) to include geographical areas and socio-economic groups by-passed by past progress; and c) to take advantage of the opportunities which exist to expand exports and increase raw materials for domestic industry.

From discussions with Central and Provincial Government officials, farmers and others concerned with agriculture, a program is being worked out aimed at the basic problems underlying this slow and unbalanced agricultural growth and suboptimal use of agricultural resources. This program involves a systematic and expanded approach to agricultural research and outreach designed to improve technology and to extend research results to the ultimate users--the farmers. In addition, it addresses the problem of insuring farmer access to necessary inputs of improved and certified seed, pesticides, fertilizer and of farm tools and equipment adapted to Pakistan's agricultural needs. Attention is being focused on water management problems in the irrigated areas, and on soil conservation and farm improvement in the rainfed areas. It is also expected to include activities leading to the development of livestock production and improved marketing, and rural works programs.

G. Population and Health

The rationale for concentration of U.S. assistance in population and health is also persuasive. Population, because the longer it takes Pakistan to get its population growth under control, * the dimmer will be

* The population has doubled in the last decade. The U.S. Bureau of Census has estimated that if fertility rates are maintained at current levels, and mortality rates continue to decline, the population of West Pakistan will increase to about 247.4 million people by the year 2010, only 37 years away.

its prospects for reaching self-sustaining, self-reliant economic growth and eliminating the appalling poverty in the country. Health, because the country cannot remain indifferent to the disease and illness of its citizens, nor the world to so much of humanity, and because it may make a difference to family planning.

Population

The Government and USAID have been working on a program in population which involves the following main elements:

1. Planning and Information

The GOP has decided that the implications--economic, political, social and developmental--of population growth need to be kept under regular review and study and kept before policy-makers, planners and program managers. With U.S. assistance, it has arranged in the past year for the semi-autonomous Pakistan Institute for Development Economics (PIDE) to carry out a continuing program of study, research and information-disseminating activities. The Institute will function as a major center for study and information on public policy as regards the population issue.

2. The "Supply" Side of Population Planning

After thorough review, the GOP decided in December 1972 to give population planning top priority. During the year it

formulated a five year "Expanded Population Planning Program" designed to augment greatly the family planning effort. The renewed effort has as its core a system of continuous motivation (CMS) by family planning workers. The new CMS program holds promise of multiplying the effectiveness of the previous program and is designed to reach virtually all the fertile couples in the country. It will involve the expenditure of resources of about Rs. 500 million (about \$50 million) during the period FY 74-78. Participation in the program is expected to be broadened to include the UN and other donors.

3. The "Demand" Side of Population Planning

As noted in A. I. D. 's guidance for program planning for FY 1975, individual interest in or actual resort to family planning tends to increase when more effective, convenient family planning services are available. But it is also recognized that such interest and use depends, in addition, on a variety of other influences--economic, legal, social, cultural--which may offset the attractiveness to parents of larger or smaller families. In Pakistan, large families with several boys are considered highly desirable. Sons are seen as providing old age security to their parents. The Population Planning Division of the Ministry of

Health is currently exploring feasible policy measures in areas like social insurance, life insurance and taxation capable of influencing this factor. It is expected that a scheme to test the operation and impact of some sort of insurance to increase security of couples who plan for smaller families will be tried out at the district level starting in FY 75. Assistance in this area is programmed for FY 75.

Health

Most of the people in Pakistan do not have access to adequate facilities for health care. Programs aimed at the prevention and control of disease are inadequate, so the incidence of disease is much higher than it need be. Widespread malnutrition works to debilitate the population and make it less resistant to infection and illness. Total expenditures for health last year were less than Rs. 300 million, a very small percentage of the national budget and too small to finance the resource inputs necessary to attack the problem effectively.

Within this framework, the GOP announced last year that a People's Health Scheme would be carried out. Over a seven year period, the scheme involves establishment of a network of rural health centers, subdistrict clinics, district and division hospitals according to traditional notions for the design of health delivery systems.

Considering the few facilities now in existence and the limited number of medical and paramedical personnel, considerable increases in public investment will be required to implement this plan. *

However, the Government is still formulating its planning under the announced health policy and is moving cautiously. The major thrust of the Government's effort in health in FY 1973 was legislation and governmental action to implement a countrywide system of generic name drug designation and distribution in the hope that this would lower costs substantially. (It is still too early to judge results.)

The long-term desirability of bringing preventive and curative medical facilities to all its citizens is not in question, but the short- and medium-term ability of the GOP to mobilize resources to do so is in doubt.

A. I. D. 's policy has been to suggest various approaches to expand and improve the delivery of family planning, preventive health and nutrition resources --in combination or separately--at costs that limited developing country budgets can absorb. A. I. D. does not wish to advocate high cost Western style medical systems which would fail to reach most segments of developing country populations.

*It has been estimated that this scheme would involve a total expenditure of close to Rs. 4,000 million over a seven year period.

The Mission has felt its approach to programming in the health sector should be selective, related to the population and nutrition problem and very carefully tailored to the likely ability of Pakistan to increase funds for operating health services in future years.

D. E. I. D. S.

In order to explore different possibilities, the Ministry of Health and A.I.D. are now discussing a pilot rural health program to be carried out in one district to explore ways to meet better the health needs within existing budgetary allocations. This experimental program, known as DEIDS, or Design and Evaluation of Integrated Delivery Systems, is expected to begin in FY 74.

One possible element in the pilot scheme might be to upgrade or otherwise use the traditional indigenous village health system already in place. In Pakistan, every village has one or more local medical practitioners, known as Hakims. These men are usually not trained in modern concepts or practice of medicine, but they are highly respected. And for most of the people, it is to the Hakim that they turn when afflicted with disease or illness. The country should, therefore, consider how these persons could be utilized in the process of providing for better health.

The Malaria Problem

FY 73 saw a sharp resurgence in actual cases of malaria (see accompanying chart). A.I.D. and WHO malariologists studied the situation in April 1973 and estimate that in FY 74 incidences may rise from an indicated 643,000 cases in the summer of 1972 to 1 to 2 million in the summer of 1973. Mortality, mainly in children, could run as high as 10 percent in badly afflicted villages. The rise of malaria to epidemic proportions is explained by several factors including several years of inadequate local currency funding, increasing mosquito resistance to DDT and the disruption of the eradication effort in the past two years.

The Government of Pakistan is aware of the problem and has plans to intensify its spraying campaign. The U. S. is prepared to assist, in coordination with WHO, particularly by the provision of commodities through the commodity loan program.

Village Water Supply and Sewage Disposal

The health situation in Pakistan is greatly influenced by lack of safe drinking water and of facilities for sewage and waste disposal in the villages of the country. Without safe drinking water and environmental sanitation, it is unlikely that the general incidence of disease can be reduced. This is a problem for training and education and

local action. The DEIDS program is expected to provide insights into practical approaches to it. To the extent that the villages are motivated to do something about their water supply and sewage disposal problems, the Government has set up a framework for assistance through both the Integrated Rural Development and People's Works Programs. As noted in Part II, the Mission is considering assistance for rural works programs, including the matter of village water supply and disposal.

Maternity Child Health

The group most vulnerable to sickness and malnutrition in Pakistan is the pregnant or lactating mother and the preschool age child. They number about 20 percent of the population. To help deal with the problem, the Government of Pakistan has in operation approximately 800 MCH centers. UNICEF and CARE have been providing modest amounts of assistance, including food provided under the PL 480 Title II program. In addition, the GOP has recently decided to incorporate a degree of maternal child health care in addition to contraceptives and family planning advice in its family welfare clinics (initially, in some 60 of the more than 600 clinics).

On the grounds that good development policy is to make what you have work, we have been discussing with the GOP ways to improve

existing MCH centers so that they can reach a greater percentage (60 or 70 percent compared to 10 percent now) of the mothers and infants in their areas with improved health and nutrition care and guidance. A major element in this program would be the development and use of weaning foods through these centers (and possibly through the national system of ration shops). At the same time, the MCH centers would be furnished with family planning services.

H. Nutrition

Over half the people in Pakistan are malnourished.* The problem is greatest among the urban poor, young mothers and infants. The problem is primarily insufficient calorie intake. Protein deficiencies occur mainly because protein is often diverted by the body to other uses. Vitamin A, iron and riboflavin deficiencies are said to be common.

Over the long run, rising family income and increased food production will largely resolve the nutrition problem, but still leave

*GOP sources estimate that low income groups--defined to be those with incomes between Rs. 15-60 per capita per month--have an inadequate diet based heavily on wheat. Over 80 percent of the urban population (and one-third of the rural population) is said to have a daily calorie intake of less than 1,900 calories, compared to the FAO/WHO recommended minimum rate of 2,350 calories. There is, thus, a serious calorie deficiency among low income groups who make up the bulk of the population.

a generation of children and people to suffer debilitation from malnutrition. In the medium-term, much can be done to insure better nutrition for more people and for the more vulnerable group. The Mission's approach has been: a) to encourage and support more recognition of the problem among the Pakistan decision-making community; b) to take nutrition into account in programming for agriculture and health; and c) to look forward to some specific programs such as the addition of Vitamin A to tea, support for increased pulse production, and milk and meat production, the development and adoption of weaning foods, and the inclusion of nutrition training and education in the proposed MCH program.

I. Education

Pakistan faces a major challenge to provide better education and training to more of its people. *

* The problem of education in Pakistan is highlighted by the simple statistic that over three-quarters of the people of the country who are five years of age or older have never attended school. Although school enrollment in the past 10 years has doubled from about 5 to about 10 million, less than half the school age children are in school. The dropout rate in grades 1-5 is 40 percent. Only 20 percent of the people (over five) can read and write. There is a labor surplus, but a shortage of skilled labor. High schools and colleges are adequate for only a few percent of the 14-22 year old age group.

In March 1972 the GOP enunciated a policy to provide for universal free education by an accelerated increase in school facilities and enrollment, by a national literacy program, and by a "People's Open University" to provide correspondence courses and other types of training for those who missed school or want further training. This program will require at least a doubling of education budgets, which are a low 2 percent of GNP.

A. I. D. 's policy in education looks to ways to improve the development impact of education on low income groups. Taking into account cost effectiveness, A. I. D. wants to encourage experimentation in employment-related, nonformal education, including nonformal programs in population, nutrition and health. It also looks for new education technology which emphasizes "software" and output. A. I. D. does not want to support investments in traditional education which, because they are too expensive, cannot possibly reach the masses of the people.

Pakistan is also looking for ways to reach out and provide training and education for the low income groups and for those who missed school completely, and the Mission has had many indications that the GOP would welcome U. S. assistance and collaboration in its efforts to provide better education and training for more of its people.

The GOP is now pursuing its long-term planning in this field. A. I. D. plans to cooperate by providing planning help in the design of the longer-term education package now being prepared. Thus (reference our TOAID A-112) the Mission has recently recommended that AID/W associate with the UNESCO team scheduled to visit Pakistan in the fall of 1973. The team is to jointly identify problems and review possible assistance. The Ministry of Education has also expressed its interest in U. S. assistance to help establish a People's Open University and a National Instructional Technology Unit in Pakistan. It has requested help to review both the plans, which have been transmitted to the U. S. Academy for Educational Development for comments (TOAID A-89 and 99).

In FY 1974 we also plan to continue assistance to the Ministry of Education and the newly established National Book Foundation in publishing reprints of American textbooks for use in colleges and universities throughout the country. There is little doubt that high-quality low-cost textbooks can contribute materially to improved quality of education in schools and colleges and eventually in the Open University. It is expected that the Ministry of Education and the Provincial Departments of Education will request U. S. assistance centered around textbook publication and other audio-visual aids. We have provided for this contingency in

FY 75. It is also planned over the next two years to sponsor institutional linkages among Pakistani and U. S. universities.

J. Conclusion

FY 1973 has seen a substantial recovery in the economy and in restarting the development process. Prospects for FY 74 and FY 75 are good that high rates of economic growth can be maintained, particularly if the GOP can contain inflationary forces in the economy and if private sector investment can be restored to previous levels. The GOP's determination to improve the welfare and standard of living of the poor holds promise of more progress in equitable distribution of income and of the social benefits of development.

Foreign assistance will be an important factor during the next several years in the ability of the GOP to mount and maintain an effective development effort. The U.S. assistance program is being framed in consonance with GOP planning and priorities and with the Pakistan Consortium. Over the next two years, our approach is to focus very largely on help in agriculture and in population and health, two areas of most importance to the pace and quality of development in Pakistan and very high on the GOP's own priorities. We also plan continued commodity and food assistance in support of the expanded and liberalized trade program of the Government.

A good deal of what we are proposing for the next two years will relate to fertilizer: contributions to its supply through commodity assistance, contributions to increased domestic production capacity in cooperation with other donors, and broader distribution in areas where it is yet to be introduced.

Many of the activities being programmed are still in the planning and design stage. In the implementation of these activities, some may be readied to come on stream more rapidly than we now anticipate, and others more slowly. Accordingly, we anticipate the usual need for some flexibility in scheduling project funding and implementation in the period ahead.

The GOP now plans to publish a new five year plan in the course of 1974. We have decided to defer formulation of a formal development assistance program (DAP) until the GOP's longer-term priorities and planning are firmer. Our work in the coming year in agriculture and population and health will firm up important components of a DAP which we would expect to prepare in the course of 1974.

PART II - BUDGET REQUEST

A. Areas of Primary Concentration

In our FY 1974 Field Budget Submission, we described the new development environment in Pakistan which had emerged following the political and military events of late 1971, and projected FY 1973 as a year of transition which would be devoted primarily to planning future year assistance within the new AID strategy for sectoral concentration. At that time, we identified the following sectors as those having the strongest potential for concentration of AID resources in Pakistan: Agriculture, Population and Private Enterprise and Export Development.

Over the year that has passed since that time, substantial progress has been made in developing with the GOP a coordinated program for U.S. assistance in the first two of these sectors -- Agriculture and Population.

Agriculture

In the Agriculture area we have in FY 1973:

- (1) Assisted the central and provincial governments to draw a five-year master plan for the development of Pakistan's agricultural research capabilities. This we expect to result in an \$8 million sector loan early in FY 1974. Formal request for this was received from the GOP in June, 1973.

(2) Assisted the Central Government and the Provincial Governments of the Punjab and the Sind to design a pilot demonstration and research project for precision land levelling. A Project Agreement was signed in June 1973 and implementation will start during the first quarter of FY 1974. It is anticipated that this project will provide the basic information necessary to enable the GOP to launch a major land levelling effort -- possibly with U.S. assistance -- during FY 1975 or FY 1976.

(3) Discussed with the GOP the need for rapid construction of new fertilizer plant capacity. The GOP has several projects in the planning stage and is in the process of working out financing with the help of the IBRD, the ADB and bilateral donors. We expect a request for a loan of \$15 million to \$20 million during FY 1974 to help finance the foreign exchange costs of the needed new plant capacity. We expect a similar loan request for an additional \$15 million to \$20 million in FY 1975.

(4) Developed with the GOP a preliminary course of action for increasing production and incomes in the barani (rainfed) areas of Pakistan. A draft Project Agreement -- providing for three long term advisors to assist the GOP in developing innovative ways to introduce known agronomic techniques for improving production in these areas -- is being discussed with the GOP. We expect signature early in FY 1974. We expect to formulate and agree on a major sub-sector activity and assistance for Barani during FY 1975.

(5) Conducted a continuing dialogue with the GOP on the problems of

infrastructure in rural areas and the need for ways in which to increase the opportunities for rural employment. The GOP has indicated particular interest in a program of employment and rural uplift focussed on the construction of rural connector (farm to market) roads and other forms of infrastructure. We see strong possibilities of a sub-sector loan amounting to \$2-3 million in FY 1974 and a further loan of \$5-10 million in FY 1975.

(6) Are proceeding with a pre-feasibility study of the potential for improved forage utilization and increased livestock production with a view toward improved nutrition standards at home, as well as expanded exports of meat and meat products to world markets.

Based on these developments, we see our planning efforts in the Agriculture Sector resulting in programs of concentration and provision of U.S. assistance in the following sub-sectors between now and the end of FY 1975:

(1) Agriculture Research Sub-Sector -- A major Research Loan plus continuation of grant Project 296.

(2) Water Management and Irrigation Sub-Sector -- A new land levelling grant project, a future loan for an extensive land levelling effort and a loan for water course improvement as a part of a FY 1975 rural infrastructure loan and financial assistance for salinity control and reclamation projects.

(3) Barani (Rainfed Farming) Sub-Sector -- A preliminary technical assistance research and demonstration effort in Barani areas,

to be followed by a major loan to finance more extensive efforts.

(4) Agriculture Requisites Sub-Sector -- Loan financing for fertilizer imports together with separate loans for the construction of additional fertilizer plant capacity.

(5) Infrastructure Sub-Sector -- Loans to help finance rural works programs including improvement of rural roads, drainage works, village water supplies, water courses and similar labor intensive works which can be undertaken to utilize surplus rural labor.

Population and Health

There has been a genuine breakthrough in population and the GOP has a new readiness and determination to move forward vigorously in the field of family planning. The reluctance of the previous government to actively and openly promote family planning has given way to an extended country-wide campaign (just starting) which has, in its core, the expansion of the continuous motivation system from nine districts covering roughly 20% of the total population to a massive effort which will serve 93% of the population.

USAID support is being given to this effort for commodities and to help defray a portion of the local costs. In addition, the GOP and USAID have agreed to collaborate in making important management improvements to the program in five critical areas: (1) Information Feedback, (2) Oral Contraceptive Delivery, (3) Communications and

Publicity, (4) Vehicle Maintenance, and (5) Training.

With USAID assistance, the GOP is also in the process of establishing within the Pakistan Institute for Development Economics (PIDE) a Population Cell to study population in Pakistan as a constraint in determining public policy.

In addition to the above, we have discussed with the GOP the improvement of its existing system of maternal-child health centers so that they can provide a greater percentage of the mothers and infants in their respective areas with health, nutrition and family planning services. The GOP has recently announced its decision to include a strong family planning element in the services offered by these centers, and, we believe, will strive to strengthen nutrition and health aspects as well. During FY 1974 we have programmed under PL 480 Title II an increase in funds for these centers and also expect to negotiate sub-sector loans in FY 1974 and FY 1975 to support this improvement of MCH services.

During FY 1975 we have made provision for new population initiatives on the "demand" side (as noted in Part I, Section F and discussed below under Technical Assistance).

Private Enterprise and Export Development

In the third area mentioned above -- Private Enterprise and Export Development -- we have provided during FY 1973 and will

continue to provide in FY 1974 and FY 1975 commodity loans which go principally to finance raw and semi-finished goods for Pakistan's private industrial sector. The lagging rate of new investment together with the slowness of the Government in moving decisively on private sector problems have inhibited more specific planning in this sector. As we move more deeply into Agriculture Sector programming, we see our assistance in the private enterprise area also bent toward agriculture through assistance to agro-business type enterprises such as financing for new fertilizer plant capacity as mentioned above. The UNDP, in the meantime, has begun a program of assistance in Export Promotion which draws on planning previously accomplished by GOP and USAID. We expect that limited amounts of assistance in this field -- such as the provision of product specialists on a consultancy basis -- will be requested of USAID from time to time; we plan to meet these through our Technical Support project.

Potential Sectors of Concentration for the Future

1. Nutrition -- Over the past year, the government has shown a growing interest in Nutrition as one means of directly affecting the lives of its poorer citizens. The government has announced national nutrition goals in terms of wheat consumption per capita which it hopes to achieve and has indicated an increasing readiness to investigate areas in which particular deficiencies (e. g. deficiency of vitamin A)

cause a high incidence of specific kinds of disease.

As a step in the process of analyzing needs, setting priorities and developing plans for achieving desired results, we have discussed with the GOP a small technical assistance project in Nutrition Planning and Research. This project, which we expect to get underway in FY 1975, will follow quite naturally from the less formal support and encouragement we have given the GOP during the past year through the provision of short term consultants and through continuing dialogues between USAID and GOP Nutrition Planners. We would expect the technical assistance project to be followed in future years by a comprehensive action program which could be partially financed through AID sector lending.

2. Education -- Education is being given an increasingly high priority by the Center as well as the Provincial Governments. However, to fully realize the aspirations announced in the new Education Policy of March, 1972, Pakistan will need a substantial amount of assistance from external sources. We would see a good possibility for further collaborative U.S. assistance in the area of textbooks in perhaps FY 1975 as a follow-on to the current Textbook project.

B. Projects Outside Areas of Concentration

We have in progress or planned four projects which are outside

our present areas of concentration:

1. Low Cost Textbooks -- which is scheduled to terminate in FY 1974 and which we believe could lead to an additional sector of concentration in FY 1975.
2. Nutrition Research and Planning -- which will commence in FY 1975 and which we expect to lead in the future to a new sector program in Nutrition.
3. Government Administrative Staff Improvement (GASI) -- which is focussed principally on the improvement of development planning capabilities at the provincial level. This is an area crucial to the success of the GOP's development efforts and we see GASI as a continuing project.
4. Technical Support -- which is a continuing project utilizing principally for a support to existing sector efforts and the planning of new ones.
5. Narcotics -- In addition to the projects discussed above, we plan assistance during FY 1974 and FY 1975 on the problem of eliminating illicit opium production in Pakistan. Our discussions with the GOP over the past year and a half have reached a stage at which the GOP has come to recognize the problem it faces and has begun to develop plans on the enforcement side and to give thought to programs to open alternate

income possibilities for opium growers. We expect these programs, with USAID assistance, to get underway in FY 1974.

C. Development Lending During FY 1974

1. Agriculture and Rural Development Sector of Concentration

a. Research Sub-Sector -- Plans for a comprehensive loan to cover the development of facilities, training of staff and provision of technical expertise were completed in FY 1973 by the GOP and USAID (see loan paper submitted to AID/W). The GOP has requested a loan amounting to \$8 million, which we expect to authorize during the first quarter of FY 1974.

b. Agricultural Requisites Sub-Sector -- We estimate that the GOP will have to import \$50 million to \$60 million worth of fertilizer during FY 1974 and at least this amount again in FY 1975 if it is to meet the growing demand for chemical fertilizer in the country. We propose to help meet this import need with development loan funding of \$20 million each year. At the same time we expect the GOP to move ahead expeditiously in arrangements for the construction of new plant capacity. A number of possibilities are already in the discussion and/or feasibility study stage (including

a study now underway by the Fauji Foundation, plans for a government plant at Multan and possibility of an expansion of the Hercules plant). It is likely that the U.S. will be asked to assist in the financing for one or more of these plants which are badly needed as evidenced by the rising levels of fertilizer imports. We would foresee a loan of \$15 to \$20 million -- i. e., about one quarter to one third the cost of a ^{\$60}/million plant -- in FY 1974.

As a part of this sub-sector, we also expect to continue to finance limited amounts of pesticides under the regular commodity loan. This is an element, which may in the future develop into a separate plant protection loan including the financing of pesticides as well as technical assistance to deal with geological as well as management considerations.

c. Agriculture Infrastructure Sub-Sector -- As a part of the priority it places on Agriculture in its development planning, the GOP has emphasized the importance of infrastructure needed to facilitate marketing, import flows and communications. An important part of this is the improvement of rural feeder roads

and the construction of "markazez" -- marketing and administration centers. The GOP hopes to mobilize currently underemployed manpower resources in rural areas through labor intensive works programs which will address, at the same time, the infrastructural needs of the countryside. This will be an extensive program which will require a large commitment of resources. We would see an FY 1974 sub-sector loan of \$2 million to \$3 million which would concentrate on roads and which would include a minimal amount of equipment (such as rollers for which hand labor cannot be substituted) together with funds for the payment of local costs.

2. Population/Health

In this sector we envisage, during FY 1974, a \$2 million to \$3 million loan to assist in provision of equipment, vehicles and medical supplies for the nearly 1,000 MCH centers (including 800 government and 200 private or municipal) which exist in Pakistan but are ineffective because of management and budgetary shortcomings and because of a shortage of equipment and supplies. We would see this loan also providing some technical assistance to help in the training of MCH workers.

3. Feasibility Loan

Loan No. 142 which was signed in FY 1970 has proven to be a useful tool in making immediately available to the public or private sector American consultants to investigate and help on special problems. In looking toward future industrial recovery, the quality of management will be a continuing concern to the GOP with regard to both privately run and government run industries. Loan 142, originally for \$3 million, now has less than one million remaining. We plan to replenish this during FY 1974 with a loan of \$2 million.

4. Program Loan

Finally, in FY 1974 we see the need for a commodity loan of \$20 million, which is discussed in Part III.

D. Proposed Development Lending in FY 1975

1. Agriculture Sector

Within this sector we propose the following loan program:

(a) Agriculture Requisites Sub-Sector

As discussed above we see the need for an additional \$20 million for imported fertilizer plus a second loan of \$15 million to \$20 million to help finance additional new plant capacity for domestic manufacture of fertilizer.

(b) Water Management Sub-Sector

During FY 1974 we expect the World Bank, with assistance from other donors, to conduct a comprehensive review of water resource

development and management. This will be a follow-up to the major study which they carried out in the mid-1960s. We expect that this review will include an updated evaluation of the Salinity Control and Reclamation Project (SCARP) concept. (The SCARP technique consists essentially of the development of tube wells in areas in which waterlogging and the accumulation of surface salts have rendered land unproductive. These tubewells serve to lower the water table in these areas and permit the leeching of salts from the surface soil.) Dependent on the results of the evaluation, we see a strong possibility that the GOP will move forward with additional SCARPs which would require a USAID loan of approximately \$10 million in FY 1975.

(c) Barani Sub-Sector

By the middle of FY 1975 we believe the technical assistance efforts in Barani Agriculture (financed under project 296, Agriculture Research -- see technical assistance section below) will have crystallized a plan for extensive work in the Barani areas -- a plan which can be partially financed under a sub-sector loan. We would see this loan assistance amounting to \$10 million to \$15 million.

(d) Agriculture Infrastructure Sub-Sector

As a logical follow-on from the FY 1974 sub-sector emphasis on rural feeder road construction, we envisage an additional and larger loan in FY 1975 of \$5 million to \$10 million which would help to finance:

- i. additional road construction and improvement

- ii. work on the re-alignment and lining of water courses which are needed as water conservation measures. By FY 1975 we expect to have results from experiments currently underway by the GOP, with assistance from Colorado State University (CSU) in the MONA project area, on the relative effectiveness of various types of canal lining. The results can be applied directly to this aspect of the Infrastructure Sub-Sector.
- iii. work on drainage ditches.
- iv. initial work on village water systems. We would also expect that GOP proposals for drainage works would be in hand. While this facet of rural infrastructure has only an indirect impact on agriculture production, it has a very great effect on the quality of life in rural areas, the prevention of disease and, in the longer run, the willingness of talented and able people to reside and work in rural areas and contribute to their development. Environmental sanitation in rural village is a long neglected area which has a great deal of importance in relation to nutrition, malaria control, and other programs in which the GOP at the present time has great interest.

2. Population and Health

Assuming successful implementation of the FY 1974 loan for improving existing MCH facilities in Pakistan, we would need a follow-on loan in FY 1975 to expand the number of MCH centers from 1,000 in FY 1974 to perhaps 2,000 by 1977. For this, we envisage a FY 1975 loan of \$3 million to 5 million which we would expect to be supplemented by a proportionate increase in GOP financing and loans or grants from other donors -- e. g. UNFPA, UNDP, Sweden, all of which have interest in the Health Sector.

3. Education

By and large, we expect that most of the assistance required by the GOP to implement its new Education Policy can, and will, be provided by other donors. This is especially true in such costly areas as school construction, teacher training and vocational education. However, it is believed that the USAID can be of assistance to Pakistan in planning and in the import, reprint, local production and distribution of books, an area in which the United States is well qualified. Between now and FY 1975, we contemplate the development of a sectoral approach in Education based essentially on books and to some extent on the preliminary groundwork which will have been accomplished under the Low Cost Textbook project.

While it is not possible at this time to define the elements which might go into a FY 1975 Education Sector loan, we presume that this loan would include such elements as: advisory services from library experts

needed in conjunction with the GOP pledge to establish 50,000 village libraries: imported books for collections in these libraries, information management specialists and training for the establishment of National archives; educational materials and technologists needed in implementing the planned Open University; and various forms of assistance in creating and producing materials for non-formal as well as formal education systems.

4. Commodity Loan

As discussed in Part III we also see the need for a Commodity Loan amounting to \$15 million in FY 1975.

E. TECHNICAL ASSISTANCE

As is the case with the larger development lending program, grant technical assistance will be focused on those areas which the GOP and USAID have singled out for concentrated effort.

The largest program in terms of grant funding will be the Population project which has as its objective the development of an effective and extensive motivational and delivery system for family planning services in the country. This is a large and comprehensive project which spans the total population front -- from support to a population planning effort in the Pakistan Institute for Development Economics (PIDE) to supply of contraceptives for use in the program and expertise for the development of management systems. It is expected that during FY 1974 and beyond USAID and the GOP will be joined in this effort by UNFPA and possibly other donors such as Sweden.

In its non-population portion, the technical assistance program is designed principally to support the larger sector programs in Agriculture and to provide the means for investigating -- through consultant contracts and pilot activities -- the potential for additional sub-sector loans in Agriculture, in Nutrition and in Education.

During FY 1975 it is proposed that a new project in Nutrition Planning be established as a means of helping the GOP to develop a systematic approach to the study of nutrition problems and to search

for solutions to particular nutritional deficiencies through the conduct of small experimental programs.

A description of project activities during FY 1974 and FY 1975 follows together with an identification of specific ways in which we see funds being utilized.

Population

USAID will continue to support the GOP in its endeavors to reduce population growth as it has done during the past seven years. Pakistan has a population of approximately 65 million and GOP estimates current growth rate at about 3 % annually. These facts apparently have inspired the GOP to accelerate and expand its Family Planning activities moving from^a program with a rupee budget level of Rs. 30.000 million in FY 1973 to Rs. 81.56 million in FY 1974.

FY 1974 will be a year of expansion for the Family Planning Program in that the GOP plans to expand its program by installing a more intensive system of service and motivational delivery to cover about 74% of the people in the more densely populated areas and a somewhat less intensive system to deliver motivation and sources to an additional 19% of the population. During FY 1974 USAID plans to obligate \$1.9 million plus about Rs. 30.0 million in Mondale Rupees for support of the Expanded Population Planning Program. This will assume a continuing flow of contraceptive commodities, consultant

services, and local currency support to the Expanded Population Program.

In FY 1975 we plan to continue the support to the Expanded Population Program with grant financing for commodities, participants, short term consultants, American direct hire population advisors and local currency support. We expect also to provide U.S. based advisory services to the Pakistan Institute for Development Economics, and some limited funds for purchase of books and other reference material.

Our FY 1974 programming and request for FY 1975 are predicated on the assumption that the GOP will continue to make the needed improvements in the Expanded Population Planning Program. It assumes that a workable system of vehicles maintenance will be established, that an improved system of supply management is introduced, that a more liberal distribution system of oral contraceptives will be undertaken, that family planning procedures and benefits will be publicised utilizing national media, and a major effort will be undertaken to upgrade the training and quality of the continuous motivation teams. It further assumes that the establishment of a Data Feedback System will be undertaken in order to continually monitor and evaluate the effectiveness of the program.

Mission has programmed in technical assistance grants \$1.9 million for support of the Family Planning project in FY 1974. An additional \$63,000 (beyond the \$175,000 obligated in FY 1973 for direct hire

salaries in FY 1974) will be needed to meet direct hire costs. \$409,000 will fund various short term consultants/advisors in the fields of management, information system and such other areas as social insurance, etc. \$1,071,000 million will provide for commodities and \$35,000 for participants. \$3.0 million in other costs will be provided from U.S.-owned, U.S.-use PL 480 generated rupees for support of local currency funding and will assist the GOP in financing the continued expansion of the Family Planning Program. To this amount we propose to add \$257,000 as a dollar offset for local costs in accordance with our general understanding with the GOP on financing of this project (see PROP). In addition, \$56,000 will be required for follow-on funding for participants and commodities under the Population Planning project # 384.

The above funding includes 6 direct hire American family planning experts.

\$2.7 million is requested for FY 1975. \$220,000 for the salary of six direct hire population/family planning personnel. \$289,000 for the services of short term consultants/advisors, \$35,000 for funding participants and \$891,000 for commodities. We expect that about \$3.0 million U.S.-owned/U.S.-use PL 480 generated rupees will be required plus \$140,000 that portion of the local costs to be met through dollar grant (see PROP).

In addition, we have programmed for FY 1975 \$1 million under Other Costs as a notional level of U.S. support to new GOP initiatives which we would hope to see take place in the creation of structural disincentives to child bearing. Many discussions within GOP circles have taken place over the past year on programs such as the "tea plantation scheme"; social insurance schemes; government transfer payments rewarding non-birth; local low-cost production of contraceptives; developing formal courses on FP in medical schools and universities. We assume that such programs would require external assistance and that the U.S. would be willing to help financing a well thought out program which demonstrated strong potential for lowering birth rates.

In addition \$140,000 will be required to fund for participant, commodities and follow-on funding for contract costs.

Agriculture Research

Beginning with FY 1974 and with the signing (expected momentarily) of a major sector loan in Agriculture Research, we view this project as working in tandem with the loan to provide for those technical services which we see as necessary to prudent loan implementation, but which GOP would be slow to obtain on a loan basis because of their relatively high cost and a basic GOP predisposition toward maximizing commodity

and other non-service elements of the loan. We see, in short, this project as the grant element in the Agriculture Research sector package and therefore recommend its extension from the current FY 1975 termination date to FY 1979 -- which will carry it through the entire period of loan implementation.

The services of one direct hire Research Administration Advisor will continue in FY 1974 and FY 1975. In FY 1974, the project will fund the first 18 month period of long term contracts for three specialists: (1) a wheat research advisor to assist the GOP to organize and plan its wheat research program over the next several years; (2) a specialist in research station development who is needed to guide plans for the physical plant of the National Research Center; and (3) a commodity procurement specialist who is needed to develop in the GOP a know-how and capacity for intelligent procurement of needed research equipment. \$224,000 is provided in the FY 1974 budget for these contracts and an additional \$54,000 will go toward special consultant services which will most likely be required during the course of the year.

Also to be financed under the project in FY 1974 will be an effort in Barani agriculture designed to test out in selected areas of the Northwest Frontier and the Punjab known agronomic techniques for preserving

moisture and varying cropping patterns and rotations as the first steps in the development of a strategy for increasing the productivity of Barani areas. Dollars 235,000 will fund the first 18-month period of a 2 year contract for 3 long term specialists -- viz. an agronomist (crops), an agronomist (forage) and an agricultural engineer (soils) -- plus 3 man months of consultants time.

In FY 1975, \$70,000 will be required for continuation costs of the Barani team and \$70,000 for continuation costs of the 3 research advisors discussed above. Dollars 75,000 will be needed for 25 man months of short term consultant services in the Barani and Research areas.

Dollars 140,000 will be required to finance initial 18-month contracts for two additional Research advisors, the first in Sorghum research and the second a Production Systems Advisors who will assist in the establishment of a long term program for experimentation with various production systems for application in Barani areas.

Dollars 264,000 will also be needed for follow-on costs of the Precision Land Levelling Team, the initial obligation for which was made in FY 1973.

Government Administrative Staff Improvement (GASI)

This is a continuing program designed to improve, through advanced training abroad, the ability of key central and provincial governments officials to plan and execute development projects. Implementation of this

project has been hampered in the past because of the inability of co-operating agencies within the GOP to fund the international travel costs of the participants. We hope to overcome this problem beginning in FY 1974 through the establishment of a central fund for this purpose administered by the GOP and financed through "Mondale" rupees. Preliminary discussions with the GOP on this have been promising. We are budgeting \$228,000 for GASI in FY 1974 and \$227,000 in FY 1975. This amount will finance 22 new starts plus 7 extensions in FY 1974 and 25 new starts plus 4 extensions in FY 1975. Details are given in Table V and VII.

Institutional Grants

This is a new activity in FY 1974 (initially planned to begin last year) designed to renew and reinforce particular U.S. -Pakistani institutional relationships by providing grant funding to install a system of professional exchanges, exchanges of research information, short-term training in the U.S. of Pakistani faculty, and acquisition of books and materials. During FY 1974 two grants of \$40,000 each will be provided to finance exchanges between the following institutions: (a) University of Peshawar, College of Engineering and Colorado State University; and (b) University of the Punjab, Institute of Education and Research and Indiana University. During FY 1975 additional grants of \$40,000 each will be given for the above exchanges and in addition two further grants

of \$40,000 are programmed for (a) University of Karachi, College of Business Administration and the University of Southern California and (b) University of the Sind and the University of New Mexico.

Nutrition Research and Planning (new project)

Over the past two years USAID has fostered the development of nutrition consciousness and nutrition planning in Pakistan both through informal exchanges with concerned officials and through the provision of short term nutrition consultants who were able to offer new insights and stimulate interest in the multitude of possibilities which exist for improving nutritional standards in the country. Examples of the latter, were the visits by Dr. James Levinson of MIT which centered on nutrition planning, the visit of Mr. Paul R. Crowley of USDA which centered on tea and atta fortification and the recent visit of Dr. Martin Forman of TAB.

Through these informal exchanges and dialogues there has developed within the Government a growing awareness of the importance of nutrition to its realization of development objectives and a desire to develop a systematic strategy for dealing with nutrition and nutrition-related matters in the context of future multi-year Economic Plans.

The formation of a "Nutrition Syndicate" within the Planning Commission and the recent assignment of permanent staff to the Syndicate has created an important organizational focus for nutrition planning and

and offers opportunities in the planning field which have not existed heretofore.

USAID plans to continue its informal work with the Syndicate during FY 1974, but sees the need for a more formal and concerted effort in FY 1975 through a technical assistance project directed specifically toward nutrition research and planning.

Accordingly, the Mission envisions development of a Nutrition Planning PROP during FY 1974 under which a contract would be developed with a qualified American university providing for the full-time services in Pakistan of a U.S. specialist who could call forward, in consultation with the GOP and the Mission, other short-term skills as required. We anticipate the contract would also call for: (a) provision of limited equipment and supplies required for pilot projects potentially within the replicative capability of GOP; (b) rupee support for selected field probes or experiments; (c) and training exposures for Pakistanis to relevant activities in the U.S. or third countries.

Without attempting at this time to develop the cost of GOP inputs into such an effort, we would see the PROP as calling for roughly the following technical grant contributions from AID:

	<u>FY 1975</u>	<u>FY 1976</u>
A) Full-time U.S. advisor in Nutrition	\$80,000	\$10,000

Planning for 24 months.

	<u>FY 1975</u>	<u>FY 1976</u>
B) Short-term advisors in selected support fields including fortification, weaning foods development, MCH systems, mass communications, food technology, environmental sanitation, etc. for total of approximately 9 man months.	\$20,000	\$25,000
C) Dollar-procured pilot equipment and material (such categories as e. g. feeders, mixers, agitators, extruders; fortificants, pre-mixes chemical stabilizers, information materials and simple new low cost hardware).	\$5,000	\$10,000
D) Participant training and observational training in U.S. or third country	\$5,000	-
E) Total	\$110,000	\$45,000
F) U.S. owned rupees for international and domestic travel and locally financed experiments and studies		Rs. 300,000

We anticipate that this Nutrition Planning Project would be strengthened by other external inputs, including resources from Mission Agricultural and Population & Health programs; provision of Title II foods through Pakistan's 1,000 Maternal-Child Health Centers; and the involvement of CARE, UNICEF, FAO, WHO and other external agencies in an expanded

effort in rational nutrition planning and programming.

We would plan to obligate \$110,000 of this during FY 1975 with the remainder in FY 1976.

Narcotics

The consumption of narcotic drugs is not as serious a problem in Pakistan as it is in the United States and in other countries. But Pakistan has recognized that drug trafficking and consumption is a matter of international concern and cooperation. The Government has agreed in United Nation forums to end poppy cultivation, and President Bhutto has pledged to President Nixon Pakistan's cooperation with the United States in narcotics control. The GOP has recently instituted a National Narcotics Control Board which is in the process of strengthening intelligence, control and enforcement procedures and programs.

While addiction within the country is only a limited problem, Pakistan faces a major problem in eliminating poppy production. Illicit or uncontrolled production of poppies is concentrated in the poorer, non irrigated areas of the country, mostly in the settled and tribal areas of the Northwest Frontier Province. In the tribal areas, direct access by enforcement agencies is currently ruled out by long standing arrangements between the Government and tribal authorities. Moreover, poppy production is spread out in small plots in hundreds of impoverished rural communities. The elimination of poppy production will cause economic hardship to these communities. High

value crop substitution appears to be ruled out in most areas. The only alternative open to the Government is to develop programs designed to raise the production and income of the communities involved by rural "uplift" programs. This will involve measures such as the development of local water supplies by small irrigation projects and tubewells development, the construction of local roads, village electrification, the introduction of improved seeds and fertilizer for field crops and the introduction of new practices for livestock production and horticulture.

While the elements of the planned narcotics enforcement program are quite well defined, planning for the rural uplift program is just starting. We have indicated a willingness to assist in this planning and, subject to availability of funds, that the U.S. would be prepared to contribute resources required for the program. Achieving a significant impact in the rural areas involved will, it is known, require a large transfer of real resources over a period of several years. Based on preliminary analysis we have programmed a U.S. contribution tentatively estimated at \$3 million for FY 1974 and also for FY 1975. We also plan to provide Title II food to help initiate a viable improved grazing livestock feeding program in these areas. The rural uplift effort will fit into a major and comprehensive development effort which the GOP is planning for all the barani (rainfed farming) areas and which is expected may be initiated in FY 1975.

Technical Support

This project provides for the basic salaries and support of USAID technical support staff and for consultant services required by USAID and the GOP in the development of programs and in solving specific implementation problems.

Estimated cost during FY 1974 (for positions which will total 13 at end of fiscal year) are estimated at \$625,000; in FY 1975 these costs (for an end of fiscal year total of 13 positions) are estimated to \$502,000. In both fiscal years, commodities (including automobile replacements, spare parts, household furnishings and equipment, and office equipment) will amount to \$85,000. Each fiscal year the SAS cost is estimated \$83,000.

Consultant needs are programmed under Technical Support as follows:

FY 1974

Agriculture -- Dollars 50,000 is programmed for FY 1974 for: short term engineering services to the Governments of the Northwest Frontier and Baluchistan to assist in developing solutions to basic water management problems (\$40,000); consultant services in area of forage development and livestock marketing (\$10,000).

During FY 1975, \$50,000 is programmed for consulting services to assist with planning of programs to improve water courses (\$15,000);

follow on consulting services for water management problems in the Northwest Frontier and Baluchistan (\$20,000); and further consulting services in livestock management and marketing (\$15,000).

Public Administration and Education -- \$60,000 is programmed in FY 1974 for consultant services in the following areas: two man team to survey existing GOP in-service training programs and provide the recommendations for/future in way of facilities and organization (\$20,000); one man for about three months to assist in the development of a strategy to implement new career development proposals being set forth by the Establishment Division (\$10,000); one man to assist with a study of resource mobilization and taxation at the local bodies level of government (\$10,000); one to two men for a period of up to six months to assist in the installation of reforms in Pakistan's examination system and for a similar team to work with the GOP on plans for establishment of the "Open University".

For FY 1975 \$60,000 is programmed for the following consultant services: 3 man months of services to assist the GOP in implementing proposed civil service reforms (\$10,000); approximately 6 man months to study existing revenue systems, both a central and provincial levels, and recommend improvements (\$20,000); one specialist in instructional technology (\$10,000); a curriculum specialist to work with the Education

Ministry on modernization of syllabus and curriculum (\$10,000); a specialist in educational finance and measurement (\$10,000).

General -- \$45,000 is programmed in FY 1974 for the following consultant services: one to two man team to work with the Nutrition Syndicate in developing further the proposal for a Nutrition research and planning of the Nutrition project which will be undertaken in FY 1975 with a U.S. institution (\$20,000); short term team of 2-3 consultants in the area of industrial strategy to assist the GOP in developing a policy toward encouragement of industrial growth (\$25,000).

In FY 1975, \$70,000 is programmed for the following: Product Specialists to work with UNDP and GOP personnel in the adaptation of particular Pakistani industrial products to U.S. markets (\$40,000); 2 to 3 consultants for 6 to 9 months to assist the GOP in the development of long range strategy for dealing with labor and wage problems in industry (\$30,000).

F. TITLE II PROGRAMS

Over the past years, there has been a continuing program of Title II assistance to Pakistan through voluntary agencies -- viz. CARE and UNICEF. This has gone principally for school feeding programs and for the provision of food to maternal child health centers.

During FY 1973 there was, in addition to these regular programs, a large commitment of Title II foods through the World Food Program for the relief and rehabilitation of persons displaced from their homes during the December 1971 war with India. This large program, amounting to approximately \$13 million consisted of emergency feeding as well as food for work (road construction) projects.

Arrivals of wheat and oil under this program will continue through at least the first six months of FY 1974, since feeding programs for the DPs will be required until April, 1974 when these people will achieve their first wheat harvest. It is assumed that programming of this food by WFP will consist partially of food for work projects as an important part of the overall rehabilitation effort and partially simple distribution to needy persons unable to work.

Beginning in FY 1974, in order to concentrate scarce Title II resources on the most vulnerable groups (infants and pregnant and nursing women) and in line with USAID efforts to improve the quality

of the MCH centers (as discussed above), we project an increase in the amount of Title II funds going into maternal-child feeding programs and some consequent decrease in other feeding programs.

We are requesting two additional Title II Programs, one beginning in FY 1974, the other in FY 1975:

First, as a part of the rural uplift (income substitution) aspect of our Narcotics Program (as discussed above), we intend to work toward the expansion of individual livestock holdings in Hazara District, a District in which there presently is widespread dependence on illicit opium production for cash income. Most of the land in Hazara District is suitable for expanded forage cropping and livestock breeding is already within the experience of most opium farmers. Furthermore, it is expected that the program to increase livestock production in Hazara District will fit into a national effort underway to improve the efficiency of livestock marketing and develop new export markets.

In order to temporarily bridge the gap in forage availabilities until new land is put into forage production we plan to request 20,000 tons of sorghum or corn during FY 1974 and 50,000 tons in FY 1975 under Title II financing.

In addition, by FY 1975 we anticipate that overall availabilities of Title II commodities will be improved and that Title II wheat might be utilized in conjunction with dollars and rupees under the Agriculture

Infrastructure Sub-Sector to further needed works in rural areas through food for work projects. We have projected 100,000 tons of wheat for this purpose in FY 1975. This program could be implemented on either a direct government to government basis or through the World Food Program.

G. EVALUATION

FY 1973 Evaluation Activities:

Over the past year the Mission has devoted considerable time and effort in evaluating assistance programs in Pakistan. Indeed, an entire sector planning effort during the year was, in every sense, also an evaluation effort. Our planning and evaluation was accomplished by means of internal reviews/ ^{and} through consultancies and drawing of expertise from AID/W. This has involved identifying key developmental problems evaluating individual project and sectoral and sub-sectoral activities, together with special studies. In addition, in order to review overall program direction to evaluate effectiveness and increase interdisciplinary coordination, a workshop was organized represented by AID/W policy level personnel and field Mission implementors in April 1973. All these efforts put together have largely contributed in defining key problem areas within selected 'areas of concentration'; recognition of fundamental constraints, development of strategies and tests of various problem solving approaches, their significance and effectiveness as well as implications for current and future programming.

Another important feature related to these evaluation efforts has been the collaboration of host government agencies in the conduct of joint reviews signifying identity of views regarding priorities and programming goals. Among the most noteworthy of our collective

evaluation efforts have been in Family Planning, Agriculture Research, and Water Management.

The recognition of constraints in terms of limiting Mission resources both financial and manpower has given a new programming perspective for focussing on selected developmental problems within manageable interest and capability and mobilizing the country resources and encouraging self help efforts to a maximum extent.

Following is the list of selected studies papers reports which resulted from planning and evaluation activities during FY 1973:

Agri culture

"A Water Harvesting Plan for Barani Lands of Pakistan"(Oct. 72)

The study was made by Messrs. A. Alvin Bishop, AID/TAB/AGR Washington, Charles Hood, Soil Conservationist, USDA (retired), Rex Nielson, Utah State University, R.O. Wheeler, Agriculture Economist, USDA. The report focussed on the major constraints which limit agriculture growth in barani areas and examined different problem solving approaches through adoption of existing technology. The report concludes that additional water can be made available for plant growth and that substantial increases in agriculture productivity can be obtained through available water harvesting techniques; and it forms the basis of Mission Barani agriculture development program.

"Framework for a Detailed Action Program for Barani Agriculture Development" (December 1972)

A Mission Committee headed by Mr. Baron (AD/DP) conducted an indepth review of the Barani Agriculture which resulted in the above paper. The study identified key development problems of the area; prospects and potentials for a Barani strategy and; elements of an action program for Barani Agriculture Development.

"Pakistan's Potential for Exporting Fruit, Vegetables and Vegetable Products". (December 1972)

This report was prepared by Mr. Marion F. Ward, Marketing Advisor to the Government of Turkey. The report recommended (a) creation of an institutional framework for integrating the different agencies involved into a single market system, (b) concentration on selected fruits and vegetables now surplus in Pakistan, (c) developing and exploring markets keeping in view the constraints such as transportation, etc. and (d) provision of technical assistance to local processors for quality control and removing constraints such as packaging material.

"Barani Wheat Production in Pakistan" (February 1973)

Dr. Holmer M. Hepworth and Mr. Thomas G. Zinn of Oregon State University now working in Turkey conducted this study. The team concluded that a potential exists for increasing wheat production in the barani areas of Pakistan which could be tested through applied research. The report recommended the development of a research and training institute for barani agriculture.

"Barani Agriculture and Precision Land Levelling" (March 73)

The report was prepared by Mr. Kenneth E. Grant, Administrator of the USDA Soil Conservation Service and John T. Phelan, Director of the SCS Engineering Division. This study was conducted following Mission/GOP request to evaluate project proposals and GOP plans for (1) Barani Agriculture and (2) Precision Land Levelling.

The authors recommended that initial efforts for Precision Land Levelling should be applied in Punjab and Sind, and a Research Program should be developed to support an operational program in the barani area. Initial efforts should emphasize applied research. The efforts should initially focus on those farm lands in barani having the highest potentials for improvement and returns.

"Agriculture Research in Pakistan" (March 73)

The report was prepared by a high level joint AID/GOP team comprising the following:

AID

A. A. Moseman

Guy B. Bard - AID/Washington

Colvin C. Murray

GOP

Israrul Huq, Vice Chancellor, University of Agriculture, Lyallpur.

Heshamul Haq, Director General, Agriculture Research Council

Abdul Rehman M. Memon, Director of Agriculture Research Institute, Tandojam.

The team made a detailed survey of the existing institutions engaged in Agriculture Research, looking into problems and issues facing the country in this area. The report made several basic recommendations for improving the research capability of Pakistan, which included:

- A clear statement of policy by Government of Pakistan respecting its support to Agriculture Research efforts.
- Development of an effective national capability.
- Research priorities should be related to national development goals.
- Maximum use of present resources and institutions.

The report was accepted by the Government of Pakistan and forms the basis of Mission Agriculture Sector Loan Paper submitted to AID/W for approval.

Nutrition

"Nutrition Planning in Pakistan and the Role of the USAID Programs"

Dr. F. James Levinson, Director, International Nutrition Planning Program Massachusetts Institute of Technology visited Pakistan in January 1973, as consultant to examine the possibility of developing a nutrition strategy in the context of the existing Mission nutrition programs. The report recommends that the Mission should consider the possibilities for active U.S. advisory involvement in the newly created Nutrition Syndicate

in the Planning Commission, GOP. The author has also supported the Mission interest in utilizing the MCH network as an integrated nutrition/health/family planning system, as a potentially effective means of dealing with the most serious components of the malnutrition problems.

"Food Fortification in Pakistan" (December 1972)

The above report was prepared by Mr. Paul R. Crowley, Office of Nutrition Technical Assistance Bureau AID/W. The recommendations included:

That, to overcome general vitamin and mineral deficiencies, fortification of staple food items with vitamins and minerals by tested e. g. fortification of tea with vitamin A and wheat flour with vitamins and minerals are feasible.

Additional fortification possibilities such as fortification of salt with iodine and sugar with vitamins and minerals may be examined.

"A Study of the UNICEF PL 480 Maternal/Child Feeding Program" (September 72)

The study was conducted by Mr. Burlin B. Hamer, FFP/Washington.

The study covered the whole spectrum of Title II activities in Pakistan implemented by UNICEF and CARE. A sample survey of MCH was also conducted by the author. The report included several

recommendations for improvement and expansion of Title II programs. The report constitutes a basic planning document for these activities.

Population and Health

"DEIDS Reconnaissance Visit to Pakistan" (August 1972)

A four-man team sponsored by AID/W visited Pakistan and proposed the above report. Following were the team members:

1. Dr. Thomas R. Hood, APHA staff
2. Dr. Donald T. Rice, APHA staff
3. Dr. John Gerletti, APHA consultant
(University of Southern California)
4. Dr. Lloyed J. Florio, AID W

The report recommended that active consideration of a DEIDS projects in Pakistan be continued pending: (1) reconnaissance visit to other countries so that comparisons as to suitability can be made; and (2) additional information regarding the final form of the people's health scheme and the rate of its phasing, funding and implementation.

The team also recommended USAID/Islamabad to move to consider: (1) exploration of the possibility of the demonstration area in a less developed area; (2) flexibility in staffing pattern job assignments, and training plans with the project area; (3) continuity in leadership; and key positions for the duration of project; (4) pooling budget and equipment of the Department of Health, the Family Planning Program and the Malaria Eradication Program within the demonstration area; (5) allowing the

project under direction of the District Health Officer; (7) permitting flexibility in the use of budget.

"Project Management Program for Medical and Allied Equipment" (December 72)

A three-man team from ^{the} American Hospital Association visited Pakistan and submitted its report in December 1972.

The survey was conducted at Jinnah Postgraduate Medical Center and the National Institute of Cardiovascular Diseases at Karachi. The major recommendations included; (1) all major equipment to be maintained and operated by the Medical Center and Cardiovascular Institute, (2) organization and staffing patterns to be developed, (3) training program requirements for operations and maintenance personnel to be initiated, (4) the development of a plan for the shop facilities needed including servicing and repair of equipment hand tools and testing instruments, (5) the establishment of an equipment spare parts stores and (6) the listed plan of operations.

"Survey Report of Automotive Operations and Maintenance in Pakistan" (February 1973)

A three-man consultants team was contracted to survey the Family Planning program vehicles operations and maintenance in Pakistan and make recommendations for improvements.

The team observed that 40-50% vehicles are constantly deadlined mainly due to budgeting problem and manpower and physical facilities.

The team recommended following major actions:

1. Establishment of adequate physical facilities for implementing effective preventive maintenance and repair of FPP vehicles.
2. Recruitment and on job training of mechanics.
3. Scheduling of vehicles addition and major overhead.
4. Establishment of procedures for adequate budgeting of FPP's transport operations.

Education

"Low Cost Text Book Project"

A substantive review of the project was carried out in December 1972. Based on the experience of the project operation in the first year, a need for modification in the future scope of work was identified. The review resulted in a PROP addendum which was transmitted to AID W under TOAID A-173 dated December 15, 1972.

"Institutional Grant"

Two short term consultants Dr. Maurice L. Albertson of Colorado State University, Fort Collins and Dr. Chri stain W. Jung of Indiana University came to Paki stan during March 1973. The visiting professors reviewed the potentials for an institutional development relationship between Colorado State University and University of Peshawar, College of Engineering, Peshawar, and Indiana University and IER, University of Punjab, Lahore.

Separate reports were rendered for each pair of universities which included detailed plans of action for utilizing institutional grants jointly with the cooperating Paki stani institutions. The program is in the

nature of a pilot activity, in order to measure the success of the program. The reports also recommended a built-in evaluation system.

FY 1974 Planned Evaluation Activities

During the forthcoming year the Mission plans to continue these activities directed towards strengthening its programming process and minimizing monitoring deficiencies. A special effort has been made in the designing of new programs (e. g. Family Planning, Precision Land Levelling, Agriculture Research) to identify benchmark data and establish specific evaluation schedules and targets. The participation of host government and other donors in the evaluation process is expected in all of these areas. Systematic scheduling of annual reviews of all on going activities will result in an objective and critical analysis of problem areas and will provide a mechanism for resolving implementation or design issues as they arise. PARs will be prepared on the basis of these reviews.

Mission plans to continue the use of feasibility studies and consultancies in specialized areas relative to program development in the fields of agriculture, nutrition, population and education.

In order to increase acceptance and usage of Agency program designing (Logical Framework) and evaluation techniques, the Mission plans to organize workshops bringing in GOP and other donor participants. Agency expertise may be requested for this activity.

The following specific activities are scheduled for substantive review during FY 1974:

Government Administrative Staff Improvement (GASI)

The project, basically a training activity, has been implemented ^{the} over/last four years. The present framework does not provide for measurement of success or failure, as no specific targets are stipulated for this activity. An in-depth review is planned for FY 1974 to evaluate the utilization and the effectiveness of the project; and to redefine objectives and improve implementation based on review results.

Colorado State University Water Management Activities

The CSU Team under a regional contract with AID/W is engaged in 'On-Farm-Water-Management Research in Pakistan'. A joint evaluation (Mission/GOP) is planned to review the status of research programs developed by the CSU Team with particular emphasis on Mona and Shadab projects.

Population Cell (PIDE)

The first annual joint USAID/GOP evaluation is scheduled in FY 1974 to review the progress made in the establishment, staffing and functioning of the Population Cell, and also to determine needed future programmatic actions.

Precision Land Levelling

A preliminary evaluation of the PLL project is scheduled for

May 1974 (See PERT schedule included in PLL Project Agreement).

Title II Program

The regular feeding program has been historically implemented through CARE and UNICEF. WFP also received commodities for the war affected persons under this program. MCH centers have been the basic outlets in addition to school feeding programs. A comprehensive MCH survey is in progress as a follow up of the Burlin Hamer Study conducted in September 1972, in order to explore alternative program possibilities and the feasibility of expansion of the MCH system and other forms of food for work activities.

Salinity Control and Reclamation Program (SCARP)

The need for an examination of the SCARP and its role in the development of ground and surface water resources has been felt for several years, but lacked an initiative due to the extraordinary situation in the country. A number of issues have surfaced overtime including: (a) GOP operating and maintenance problems, especially in the tube-well program, (b) cost versus benefits, (c) feasibility of high capacity, deep drilled public tube-wells and, (d) degree of coordination required between surface and ground-water, and the influence of Tarbela.

The World Bank is taking the lead in this direction, and the Mission expects to participate fully in this review.

Local Currency Project

The terminal review of the following two local currency research

project is scheduled during FY 1974:

Comprehensive Education Research - Under the terms of the agreement eight research programs have been undertaken by the Institute of Education and Research, University of the Punjab, Lahore, to study the development and testing of functional literacy teaching materials and methods. The eight studies viz. (1) Primary School Teachers Supply and Demand, (2) Secondary School Teachers Supply and Demand, (3) School Facilities, (4) Causes of Dropouts in Primary Schools, (5) Private Expenditure of Parents on their Children's Education, (6) A Functional Literacy and Programmed Instruction, (7) Use of Television for Teachers Training and (8) Analysis of 10 years Old Illiterates; are expected to be completed by the end of June 1973. An evaluation is planned in FY 1974 to review the methodology used in the sampling and the statistical base of the data collected in these reports. The examination will enable the relevance of the data and the conclusions reached by the researchers and its applicability in the country's functional literacy programs.

Oxidation Pond - Under the project four experimental pond units for different hydraulic loading rates and detention period are planned to be constructed. The research/being implemented in cooperation with the University of Engineering and Technology, Lahore and WHO. A terminal review is planned to examine accomplishments and conclusions reached which will be made available to the Department of Public Health and Engineering for possible adoption.

PARs

PAR submission schedule is being established and will be submitted in response to AITO CIRC A-561. The PARs will be prepared and reviewed as part of annual program reviews and as a continuing evaluation process for improved management decisions.

PART III - PROGRAM ASSISTANCE REQUIREMENTS

A. Introduction and Summary

Our analysis of economic and balance of payments prospects points to a continuing need in FY 1974 and FY 1975 for help to Pakistan in financing commodity imports through program assistance. The IBRD's review of the economy published in February 1973 also concluded that - considering the desirable growth pattern for Pakistan and the increased level of imports that these growth patterns imply - donors should provide a substantial proportion of their foreign assistance to Pakistan in the form of commodity aid or as local currency project financing.

Taking into account its annual debt service burden, the gap in trade, and its import liberalization, the GOP in its March 1973 memorandum to the Consortium projected commodity assistance (from all sources) requirements of \$200 million in 1973/74. Our analysis indicates a similar level of commodity assistance will be needed in 1974/75.

High on the agenda of the GOP for commodity aid is help to finance essential imports of fertilizer. It estimates that increasing demand will necessitate imports of up to \$100 million annually over the next two years. We estimate more conservatively that import require-

ments are at least \$50 - 60 million in 1973/74 and probably somewhat more in 1974/75.

We believe that continuation and extension of the trade liberalization and expansion policy of the GOP, which is directly supported by the availability of commodity credits, will be essential for supporting continued growth and recovery in the next two years, and will be an important factor in strengthening private sector performance.

We are proposing U.S. assistance to help meet commodity import needs via loans for fertilizer supply of \$40 million over the next two years - these loans also respond to our objective to concentrate more assistance in the agriculture sector. We are also proposing general commodity assistance totalling \$35 million over the next two years.

Assistance to meet food import requirements, in particular wheat and vegetable oils under PL 480 sales agreements, is also proposed, totalling a recommended \$60 million in FY 1974 and \$64 million in FY 1975.

B. The Development Setting

The economy of Pakistan is now poised to move back into a period of strong development. Development will be directed to improve the

quality of life by more equitable income distribution and more employment opportunities, while achieving self reliance in key areas. The process of recovery commenced soon after the trauma of national dismemberment. As an essential element in recovery, the GOP agreed, in the Spring of 1972 with the IMF and the World Bank to carry out the most significant set of economic reforms in the twenty-five year history of Pakistan.

Not all of the reforms agreed upon have been fully implemented, but work on all of them has begun. The Government of Pakistan (GOP) has taken radical steps to rationalize its foreign exchange practices, and has adopted measures to liberalize imports, simplify tax administration, and impose a more equitable distribution of land and income. Banking regulations have been tightened. Renewed steps have been taken to make bank credit more available to small farmers and businessmen. The GOP clearly recognizes the need for further fiscal reforms to increase the low level of public savings (but a variety of political and economic factors make this difficult to achieve).

National Income Growth

During fiscal year 1972/73, per capita income registered an increase for the first time in three years. Bumper foodgrain and continued good cotton harvests accompanied by large export shipments of cotton, cotton manufactures and rice led the economy to a growth of about 6 1/2 percent. Manufacturing contributed to the increase primarily through the heavily

weighted textile industry (about 26 - 30% of the large scale manufacturing sector). The textile industry, in particular, responded to strong export demand for cotton yarns. Small scale industrial production also is believed to have responded favorably to the stimulus of increased demand, although data on this sector are lacking.

Investment

Hard data are not yet available, but the available indicators all suggest that sizeable long-term industrial investment has as yet been insignificant. However, the GOP and many large private sector investors are seriously studying new investment in cotton spindles and in fertilizer*. In other industries, excess capacity and uncertainty about future nationalization, and other GOP policies, continue to discourage any sizeable private sector investments. By contrast, small scale industry investment is claimed by GOP spokesmen to be increasing significantly and scattered evidence supports this claim.** The growth in demand for cement, reinforcing steel and other construction inputs make it evident there is considerable investment in housing construction. In the rural areas private investment in tubewells, in construction, and in minor equipment is growing. As a result, despite the still hesitant investment performance in large manufacturing industry, the low ratios of investment to GNP of 1970/71 and 1971/72 clearly improved.

* More recently we have heard that the GOP is considering authorizing new investments in the edible oil and sugar industries.

** National accounts data show an investment rate in FY 73 of about 15.7%, compared to 14% in FY 72. However, it is felt that the FY 73 estimate may be understating investment in small scale industry.

Domestic Resource Mobilization

The mobilization of domestic resources* for development continues to be hobbled by the lack of public savings which it should be noted are constrained by the GOP's commitment to a wide range of welfare measures, and by the inelasticity of existing taxes.

Preliminary revised GOP estimates suggest that of the Rs. 4.5 billion (about \$454 million) of public and quasi-public investment in FY 1973, 62% was financed by foreign aid. Overall, according to the most recent GOP estimates the net resource inflow equaled about 20% of total 1972/73 investment. These figures illustrate the economy's heavy dependence upon external resources for investment.

Improved administration of the income and other taxes and the higher foreign trade tax base have increased total revenues despite poor sales tax collections. But this improved revenue performance could not offset the increased expenditures for refugee rehabilitation, grants-in-aid to the provinces and the higher cost of subsidized commodity operations (particularly for farm products and inputs).**

The Government is trying to cope with the problem of increasing public savings. Through its budget, the Ministry of Finance appears to be trying to hold down non-development, non-social expenditures. The

* National accounts data show a savings rate of 12.3% in FY 72 and 12.5% in FY73. The outlook is for a further increase in the real savings rate in FY 74 and in FY 75.

** The reader is referred to TOAID A-105 dated June 22, 1973 which surveys the recently approved 1973/74 Pakistan Federal Government Budget.

size of the defense budget is unchanged from the previous year (and in real terms is somewhat less). Higher electricity rates (borne by industrial users and commercial but not by other consumers), and other measures are being taken to increase the profitability of the Water and Power Development Authority and other public enterprises. The Government has increased export duties on raw cotton and cotton yarn which will help to capture the profits from the rapidly rising world prices of these exports.

With import demand increasing in response to the multiple push of industrial revival, higher agricultural income, and continuing inflationary pressure, the GOP has doubled the sales tax on imported consumer goods. All these measures are reflected in the much higher level of public savings planned in the new budget:

Pakistan's Public Sector Development Program
(Sources of Funds: Rupees Millions)

	<u>FY 1972/73</u> <u>Revised</u>	<u>FY 1973/74</u> <u>Budget</u>
Total	4,309	5,575*
Foreign Aid	3,106	3,305
Public Savings	201 (4.7%)	1,618 (29%)
Deficit Finance	1,002	652*

* In practice the budget is expected to result in actual expenditures less than indicated. The GOP has announced a gap of Rs. 652 million which the Finance Minister in his June 1973 Budget message said would not be covered.

The private sector's ability to mobilize capital will no doubt be affected by the ability of the GOP to realize the increase in public savings which it seeks - because if public savings do not increase, public borrowings are likely to go up, thus reducing credit availabilities to the private sector (assuming of course that money supply expansion is contained. The Central Bank's (State Bank of Pakistan) commitment to limit net credit creation (this commitment is an integral part of the IMF-GOP reform agreement) has undoubtedly led to some rationing of the credit needed for large scale investment. Certainly the spectre of inflation implicit in the GOP's poor public savings performance shortens the investment time horizon of the private sector and inhibits long-term investment.

Price Policy and Inflation

Price distortions remain a major problem. Many prices in Pakistan's economy (including interest rates) remain badly misaligned with the real economic costs, and sometimes are deliberately kept so by GOP actions. The exchange reform of May 1972, and related actions, cleared away many of the price distortions that existed before, but many still remain. There exists a basic conflict between the GOP's long-run development need to improve the efficiency of resource use by correcting the remaining price distortions, and the short run need to hold down prices.

Inflation which probably started before 1971, has built up steadily then. During this period, uncertainty caused by military and political events probably led significant reductions in liquidity preference, even as public expenditures rose. Subsequently, large increases in money wages, negotiated with urban workers and public servants contributed to the liquidity over-hang. Further increases in government wage and salary payments were effected in March 1972, and again in March and April 1973, and further ones are now under study. Since April 1972 the GOP has also announced a number of significant compulsory fringe and cash benefits for industrial labor.

This upward shift in the money incomes of employed urban workers has been matched by increases in rural incomes and in the money supply. The latter increased steadily throughout CY 1972. At the end of March 1973 the money supply was 21.3% greater than 12 months earlier.

The increase in the price level (about 20% in the first 10 months of FY 1973) has now become notable. Complaints about the rising prices from the public and the press have multiplied.

	Pakistan Price Indices			
	Wholesale		Consumer (Karachi)	
	General	Food	General	Food
December 1971	100.00	100.00	100.00	100.00
March 1972	106.56	110.14	102.50	103.92
April 1973	127.27	129.20	121.30	127.60

The Government's commitment to a wide range of welfare and development measures coupled with the need to firmly press for further industrial revival, increased employment and investment, limit the GOP's ability to apply the remedy of drastically reduced government spending to the growing inflation.

At the same time, the tax structure is still very inelastic. The GOP has not yet developed a politically acceptable formula for taxing agricultural incomes, and is heavily dependent upon foreign trade taxes. (Over 40% of Central Government revenues are foreign trade duties.) Other indirect taxes in the form excises produce about 37% of central tax revenue, two fifths of it from petroleum products and natural gas.

The reaction of the GOP to these problems has been to rely increasingly upon price controls for selected goods, coupled with a system of subsidized distribution of rationed consumer items, to blunt the impact of the inflation. However, it has also recognized the disincentive effects upon agriculture of a farm price too low to encourage farm investment. In order to maintain production incentives, and also in order to increase procurement for the GOP ration shops, the GOP recently increased the prices at which it purchases rice and wheat. This action makes explicit the costs of continuing the policy of supplying cheap foodgrains to urban consumers.

The GOP may however recover much of the fiscal cost of this subsidy through newly imposed development surcharges on fertilizer, and by higher export duties on rice and cotton. These taxes have the added virtue that much of the incidence should fall upon the generally undertaxed commercial farmers. But the development surcharges on fertilizer do pose problems for the fertilizer companies.

Imports

Pakistan's imports may be expected to grow rapidly in the next few years, pushed by the triplex of development investment, income growth and a domestic and worldwide inflation. To these factors also must be added the possibility of a growing quantity of imports directly required by manufacturing exports.

To date imports have grown much more slowly than exports despite the import policy liberalization that was a part of the economic reform package. When measured in units that are free of the distortions introduced by exchange rates (SDRs), imports increased by only slightly over 4% in 1972/73. Current GOP and IBRD projections are for imports of \$1 billion in 1973/74, but when converted to SDR units, the increase is only 8.4%.

We believe the increase could be much more, particularly if inflationary pressures continue to grow. Imports of reinforcing steel and other construction items have already increased, although capital goods imports remain below the artificially stimulated pre-war levels.

Import of motor vehicles and other consumer items will increase sharply as the GOP in consultation with the IMF has further liberalized their imports.* A number of items have been removed from the banned list. And although the sales tax upon imported consumer items has been doubled, the tax is unlikely to significantly dampen the growing demand. (The tax increase will also help to capture some of the increasing money income for development purposes.) The Government is now encouraging the import of synthetic fibers for the first time, a bold move to increase the competitiveness of Pakistan's textiles and to relieve the pressure on domestic prices of fabrics.**

Most significantly, imports of intermediate goods and raw materials will increase as the underutilized industrial capacity of the country responds to the stimulus of record agricultural incomes and climbing prices. Many plants are now operating at between 60 and 70 percent of capacity, and fuller operation would increase import requirements by a fourth. As new export oriented investment comes into place, this demand will increase even further. Such increased import requirements, being the complement of a diversification of non-agricultural exports, are desirable but they must be sustainable.

* Since this was written, the GOP has announced further measures to liberalize imports.

** The economy can be expected to experience a net gain as consumption of cheaper synthetic fibers releases more of the more expensive cotton fibers and textiles for export to world markets.

A partial profile of Pakistan's import requirements, built up from known requirements, past performance, and the movement of recent world prices is presented below:

Pakistan's Imports					
(Millions of US \$: Fiscal Years)					
	1970/71	1971/72	1973/74	1973/74	1974/75
	Actuals	Actuals	Preliminary Estimates	Projected	Projected
Grains	16	55	120	72	41
Edible Oils	38	24	26	28	32
Petroleum	55	47	50	66	76
Fertilizer	29	10	38	57	51
Paper	11	13	13	20	24
Motor vehicles	41	86	35	60	65
Agricultural machinery	14	10	14	18	20
Iron and steel	81	70	83	100	120
Non-ferrous metals	17	11	11	16	20
Other	425	409	460	583	752
Total	<u>757</u>	<u>735</u>	<u>850</u>	<u>1,020</u>	<u>1,201</u>
Restated in SDRs	<u>757</u>	<u>735</u>	<u>768</u>	<u>845</u>	<u>996</u>
Growth in %		2.8	4.4	10.0	17.8

Exports in Recovery and Future Development

Exports have also been an important contributor to the country's economic recovery. Since 1969/70 Pakistan's exports have grown at a compound rate of almost 30% (through 1972/73).

A variety of factors have contributed to this remarkable performance. In 1971 world demand for rice and cotton shifted sharply upward. Commodity prices have continued to hold at historic highs.

This extraordinary luck helped to redirect export sales from East Pakistan to world markets. The exchange reform* also contributed to the continuing upsurge in Pakistani exports.

In projecting ahead we have assumed that world demand and high export prices for Pakistan's basic commodities will persist through FY 1974 into FY 1975. Export earnings are projected to grow by 15%, slightly more than the World Bank's projection of 12% (or more).

Projections of Pakistan's Export Earnings
(Millions of U.S. \$)

<u>1971-72</u> <u>Actual</u>	<u>1972-73</u> <u>Prel.</u>	<u>1973-74</u> <u>Projected</u>	<u>1974-75</u> <u>Projected</u>
550	780	900	1,035

Achieving the targeted growth rate will require new initiatives that lead to a diversification as well as an expansion of the economy's capacity to export. FY 1972/73 data as of the end of April clearly show the concentration of exports on a few key commodities, primarily cotton goods.

* IBRD analysts have estimated the weighted effective merchandise export rate before devaluation was Rs. 7.43:\$1.00, compared to Rs. 11:\$1.00 immediately after devaluation. On February 16, 1973, the dollar rate changed to Rs. 9.90:\$1.00, but the SDR rate has been unchanged at Rs. 11.94:\$1.00 SDR since May 1972.

Pakistan's Exports
Percentage of Total Value by Commodity

----- of which -----

<u>Cotton</u>	<u>Cotton Raw</u>	<u>Cotton Yarn</u>	<u>Cotton Textile</u>	<u>Rice</u>
53.0	16.8	22.5	13.7	11.9

This concentration of Pakistan's exports could result in a sharp blow to the country's balance of payments when world prices return to lower secular levels. The April 1973 world market price of cotton, and therefore of cotton products, was 147% of the average price from 1965 to 1972, and 33% over the highest average price from 1965 through 1971.

Even in the event that world prices of these commodities remain high, Pakistan must diversify its exports. The correction of the previously over valued exchange rate has created scope for increased non-textile manufacturing exports. The realization of this potential for diversification must await a recovery of the business climate and investment activity, as well as the implementation of stimulative export development policies.

It is quite likely that export diversification and expansion will be tied to both agriculture related export opportunities and efforts to increase the value added gains to the economy. This can be done by developing the forward linkages of agriculture production. For example both goals will be served by increasing the

proportion of garment exports to textiles, or textiles and yarns to raw cotton exports. Processing meat and fruit products, and exporting leather products rather than hides and skins, provide other examples of opportunities at hand for expanding while diversifying the export base.

The forementioned examples are based on comparative advantage considerations. Other non traditional opportunities for expanding the export of labor intensive products could be developed to take advantage of the absolute (but declining) difference in wages between Pakistan and other South Asian exporters of manufactured items. This will require the establishment of duty-free zones for the assembly of light manufactures for exports to world markets. The application of Pakistan's entrepreneurial talent with the GOP's willingness to provide protection and encouragement to foreign investment will also be necessary to realize the economy's potential for expanding and diversifying its export base at an acceptable rate.

Foreign Assistance in Recovery

The Consortium donors played a major role in West Pakistan's recovery by providing crucial foreign exchange support for the GOP as it implemented the May 12, 1972 package of economic reforms. This support included: (a) debt relief; (b) new commodity assistance; and (c) technical and project assistance. Several debt relief agreements

were concluded in the last quarter of 1972 in which the donors agreed to reschedule \$234 million in debt service payments due over the twenty-six month period ending June 30, 1973. The U.S. provided \$50 million of this short-term relief.

In its March 1973 Memorandum for the Pakistan Consortium, the GOP noted that the pipeline of foreign assistance projects was being drawn down rapidly. Disbursements of project assistance would decline below the level required by the country's development plans unless a series of new projects could be agreed upon for funding by the donors.

However, only a few new projects, mostly minor have been agreed upon for funding so far, although a number are under discussion. On the basis of existing commitments and discussions with the GOP officials and other donors we estimate Pakistan's aid receipts as shown in the table.

PAKISTAN'S AID RECEIPTS

(US \$ Millions)

Disbursements by Fiscal Year
(Balance of Payments Basis)

<u>Donor</u>	<u>1972-73</u>	<u>1973-74</u>	<u>1974-75</u>
IBRD/IDA	04	90	110
ADB	11	15	15
Canada	19	20	20
UK	7	13	18
France	7	30	25
W. Germany	19	20	20
Japan	10	28	28
Italy	12	22	24
USA	121	143	120
Other	62	38	42
	—	—	—
TOTAL	384	425	455
Project Aid	84	102	149
Commodity Aid	200	244	199
Food Aid ^{1/}	100	79	67

^{1/} Includes FAC not allocated by donor, PL 480 and Canadian food aid.

Source: GOP Planning Commission and USAID estimates.

External Debt

The current heavy reliance of export earnings upon two volatile commodities is particularly dangerous in view of Pakistan's high debt service ratio. The recent understanding between Pakistan and the Consortium (see Section E, Part I provides for additional time needed by Pakistan and Bangladesh to arrange for a satisfactory division of

assets and liabilities. The understanding also provides that Pakistan will be relieved for liability for those project loans which are located in Bangladesh. And it provides for consideration of the need for long-term debt rescheduling.

It is clear in any case that the need to continue payments on the undivided debt would place a severe strain on Pakistan's foreign exchange availabilities, and inhibit the country's development potential.

Pakistan receives substantial invisible earnings largely from emigrant remittances and these must be added to the economy's merchandise exports when measuring the economy's debt service capability. The following table illustrates the position on the basis of current projections of future earnings. (It does not, however, take into account debt service liabilities incurred after March 1972.) It assumes very strong export performance, with export earnings rising 15% in each of the next three years. Even with such performance, and with debt division on a location basis, the debt service burden over the next two years remains a heavy 24-26% of debt service capability.

Pakistan's Debt Service Capability

(Debt Outstanding May 1972; Pakistan FY; U.S. \$ Millions)

	<u>1972/73</u>	<u>1973/74</u>	<u>1974/75</u>	<u>1975/76</u>
Exports (U.S. \$ Millions)	780	900	1,035	1,140
Invisible Earnings	120	100	100	100
Debt Service Capability	<u>900</u>	<u>1,000</u>	<u>1,135</u>	<u>1,240</u>
Debt Service Liabilities	176	267	361	363
After Debt Division on Location Basis	--	264	268	268
Debt Service Ratio				
Without Division	.20	.27	.32	.29
With Division		.26	.24	.22

Liabilities assumed after 1971 have already and will continue to increase the GOP's debt service liabilities by successive cumulative increments (e.g., an aid level of \$400 million increases debt service payments by 12 million in each successive year: 12, 24, 36, 48). In 1972/73 this is not serious (the increase is to 22% or 20%), but in the succeeding years the short term of the 1971 rescheduling increases the service burden so that by 1974/75 the service of an undivided debt will take 38% of current exchange receipts. Even service of a divided debt will require over 25% of that year's receipts.

Balance of Payments Outlook

A summary projection of Pakistan's balance of payments based on the above discussion and our estimate of aid flows is as follows:

Pakistan's Balance of Payments
Millions of U.S. \$: Pakistan Fiscal Years

	<u>1971/72</u> <u>Actual</u>	<u>1972/73</u> <u>Preliminary</u>	<u>1973/74</u> <u>Projected</u>	<u>1974/75</u> <u>Projected</u>
Payments	<u>933</u>	<u>1,116</u>	<u>1,415</u>	<u>1,696</u>
Imports	735	850	1,020	1,201
(Restated in SDRs)		(768)	(845)	(996)
Net invisibles	69	90	110	110
Debt Service <u>1/</u>	129	176	285	385
Receipts	<u>550</u>	<u>780</u>	<u>900</u>	<u>1,035</u>
Exports	550	780	900	1,035
Foreign Exchange GOP	<u>383</u>	<u>336</u>	<u>515</u>	<u>661</u>
Aid receipts	313	384	425	455
IMF	95	(5)	61	(10)
Debt Relief <u>1/</u>	-	-	108	108
Errors and Omission	14			
Use of Reserves	(39)	(43)	(79)	98

1/ Debt service for 1971/72 and 1972/73 is net of debt relief.

Source: GOP and USAID estimates and projections.

C. U.S. Commodity Assistance

We are proposing continued commodity assistance for the next two years amounting to \$40 million in FY 1974 and \$35 million in FY 1975. Of these amounts some \$20 million a year is proposed for fertilizer imports. Demand for fertilizer in Pakistan far exceeds local production possibilities, and imports of at least \$50-60 million will be required each year. This provision for fertilizer loans assumes its availability, and also responds to our objectives of concentrating U.S. assistance in agriculture and rural development.

We are also planning on a general program (commodity) loan of \$20 million in FY 1974 and of \$15 million in FY 1975. The rationale for continuing commodity assistance is found in U.S. and Consortium efforts in support of the economic and financial reform package formulated in May 1972 by the International Monetary Fund and by the World Bank Consortium. Critical elements in that package were import liberalization and a rupee devaluation to correct price distortions which had existed under the previous system of variable exchange rates. Improvements in the allocation of resources and the emergence of a more competitive economy can be expected with GOP's implementation of these measures.

The extent of commodity assistance requirements is essentially based on balance of payments analysis. In its March 1973 Memorandum to the Consortium the GOP concluded that commodity assistance of the order of \$200 million in 1973/74 would be required. The World Bank review of the Pakistan economy substantiates this analysis. The IBRD report noted that foreign assistance of the suggested magnitude would allow Pakistan to continue its liberalization program, grow at an annual rate of 7% and meet debt servicing liabilities assuming a modest debt rescheduling.

The proposed new USAID commodity lending in FY 1974 and FY 1975 will be an important part of the Consortium effort to help provide the aid flows needed to support the new economic policies of the Government. This is of particular importance given the relative slowness of disbursement under sector loans. Our BOP projections (in Section B above) suggest that Pakistan will require commodity assistance at the FY 1974 level in FY 1975. We expect that U.S. commodity loans programmed in FY 1973 will be fully committed by December 1973 and that the new loans will be utilized promptly during the balance of FY 1974 and FY 1975, respectively.

In noting the requirements for commodity assistance in the present state of the economy, account should be taken of its positive impact on: (a) continuing the import liberalization policy; (b) encourag-

ing expansion in production and employment; (c) dampening inflationary pressures; and (d) helping to generate public revenues for development.

Thus the tax receipts on additional imports raise general revenues, and more imports help increase the availability of final products to satisfy domestic demand. It should also be noted that commodity assistance will help provide imports needed to sustain past and current investments, as well as support the commercial activities, both ingredients in strengthening the climate for investment and business.

D. PL 480 TITLE I ASSISTANCE

During the past two years (FY 1972 and FY 1973) the PL 480 Title I program has represented a large and important part of the total U.S. assistance effort in Pakistan.

Both of these years were years of relatively scarce water availabilities and lower than hoped for wheat production. They were also years of crisis for Pakistan in which civil unrest in East Pakistan was followed by the December 1971 war with India, the secession of East Pakistan, and finally the gradual rebuilding of government and the economy in the newly truncated nation.

PL 480 wheat imports of approximately 1.4 million tons during the post war period after December 1971 were a crucial positive factor in enabling the Government to distribute adequate supplies of wheat atta through its system of fair price shops, to dampen the general rise in domestic wheat prices, and thereby to maintain some sense of overall stability in an atmosphere of political and economic disruption from which the country is only now emerging.

In similar fashion, imports of approximately 60,000 tons of edible oil under PL 480 Title I plus lesser amounts imported for cash during this period have assured the economy of a continuing supply of vanaspati ghee and have served to help in the industrial recovery by providing the raw materials necessary in the manufacture of vanaspati.

In FY 1972 and prior fiscal years the GOP also utilized PL 480 Title I programs to import extra long staple cotton, needed for the manufacture of high quality cotton cloth, and tobacco, needed for blending with local tobaccos in the manufacture of cigarettes.

Given the PL 480 Title I budgetary stringency which existed during FY 1973, the GOP preferred to concentrate its requests against these limited availabilities on the two commodities of paramount importance to its price stabilization efforts: wheat and vegetable oil. (There was concurrently, during this time, a decreased availability of ELS cotton and tobacco under the worldwide Title I program.) We see similar circumstances obtaining in FY 1974, during which the GOP will wish to maximize its imports of wheat and oil at the expense of other commodities which may be available under Title I programs during the year.

Beginning in FY 1975, however, and assuming adequate budgetary availabilities under Title I at that time, we foresee a desire and a need on the part of the GOP to re-establish market ties through a resumption of Title I imports of ELS cotton and tobacco. Projections for Title I imports through FY 1975 together with supply distribution tables for the commodities in question are given in Tables IX-A through IX-E.

FY 1974 and FY 1975 Requirements

Wheat

While final GOP estimates of the 1973 wheat harvest are still not in, it is generally agreed that the harvest will amount to at least 7.4

million tons and could go higher. This compares with 6.8 million tons last year, 6.5 million tons the year before and a previous record of 7.2 million tons achieved in 1969-70.

Despite this bumper crop, the GOP sees the need for sizeable wheat imports during FY 1974 (1) to meet increased consumption needs, and (2) to assist in building badly needed buffer stocks. The Government continues to view an adequate supply of wheat on the market politically essential. The GOP has therefore made strong representations at high levels in the U.S. Government for its request of one million tons of wheat under Title I in FY 1974. While we agree that import of wheat under Title I is justified this year, limitations on the U.S. supply system and the fact that more than this would decrease GOP incentives to buy domestically wheat which is available and which must be procured if prices (and consequently returns to farmers) are to hold firm, have led us to recommend that the Title I wheat program should be held to approximately 500,000 tons. In fact, since wheat is undervalued in Pakistan (as measured against world market prices) we would see some rise in wheat prices as a positive element in providing improved incentives for domestic production.

We expect that as a result of aggressive domestic procurement in 1973 (the GOP announced a procurement target of one million tons in the Punjab alone and had in early June already procured more than

500,000 tons country-wide) and the import of about 800,000 tons (see Table B), that the GOP will end the year with government held stocks of 400,000 to 500,000 tons. We see this as a minimum buffer stock level needed for efficient handling operations and for insurance against critical area shortages which could develop within the country.

We have projected next year's crop optimistically at 7.8 million tons. This projection is based on the expectation that there will be increased fertilizer availabilities and an increase in the acreage planted to high yielding varieties, but a realization that weather is unlikely to be as good as the exceptionally good rainfall experienced over the past year. Indeed, if rains and canal water availability were no better than they were during the 1970-71 and 1971-72 crop years we would expect a drop in production below the mark set this year.

On the consumption side, we have projected -- conservatively -- some moderation in the consumption spurt which occurred over the past year, on the assumption that the relative price for wheat will be allowed to rise and that the Government will contribute to this by raising its issue price (the selling price in ration shops) for wheat from the current 17 rupees per maund (about \$46 per ton) level. There will be, however, important counter forces which will tend to induce higher than ever per capita consumption rates. Among these are the fact that a significant part of the production increase this year (which will go toward consumption

in FY 1974) has been in barani areas. These are largely subsistence areas where the large proportion of production increases are translated into consumption increases. Another significant factor could be the government programs to increase employment and income among the poorest groups -- groups in which the income elasticity of demand for wheat is very high.

Given the above production and consumption probabilities, we foresee the need for Title I wheat imports of approximately 400,000 tons during FY 1975.

Looking forward to FY 1976 and beyond, we foresee significant changes in the production parameters (as Tarbella water and power becomes available starting in the 1975-76 production year, as water conserving techniques are put into practice, as more ground water is tapped, and as better balanced fertilizer applications are achieved) which hold the promise of making Pakistan independent of PL 480 imports. This will also depend, of course, on how the GOP manages its pricing and distribution policies in the years ahead.

Edible Oil

There continues to be a large reservoir of unsatisfied demand for oil in Pakistan. (This has been particularly true this year when a combination of high international prices of crude oil plus government controlled internal prices led to reduced imports and availabilities of processed oil in the market place.)

The income elasticity of demand for oil tends to be very high and thus, over the past several years, with income increases which have occurred there have been corresponding high increases in demand for vanaspati ghee (produced from vegetable oils). We see this increase in demand continuing into the future at a rate of at least 7-8% per year.

This increased demand can, we believe, be met over the long run, through increased domestic production of oils. This, however, is dependent on a number of developments, including expanded research efforts on traditional oil seeds such as rape, mustard and groundnuts and increased efforts to introduce new oil seeds such as sunflower, safflower and soybean. This expanded research effort is, in fact, an important part of the major Agriculture Research sector program for which the GOP has requested financing from the U.S.

However, in the shorter run (during, say, the next five years) the domestic supply of oil will remain largely dependent on cottonseed oil production which in turn is dependent on the demand for and production of cotton fiber. While a continuing increase in cotton production in Pakistan over the next several years is projected, we do not believe this will be adequate to meet the increased demand for oil. We thus see, over the next several years, a need to import increasing quantities of oil and a continuing increase in oil imports under PL 480 Title I financing.

ELS Cotton and Tobacco

As mentioned above, we believe the GOP will wish to concentrate its PL 480 requests on wheat and oil during FY 1974 as it did in FY 1973. However, we know that the trade does wish to import ELS cotton and tobacco under PL 480 whenever it is again made available to them. We have projected the import of limited amounts of ELS cotton and tobacco beginning in FY 1975.

Other Commodities -- Tallow and Feed

As the size of commodity loan available for import of general goods shrinks in FY 1974 and FY 1975, the GOP will wish to explore other sources of loan financing for commodity imports such as tallow. About 40,000 tons of tallow must be imported annually for the manufacture of soap and for other industrial uses. However, if tallow should become eligible for PL 480 Title I financing in FY 1975, we would recommend that this commodity be included in Pakistan's PL 480 program.

As a final item, it appears likely that the GOP will embark, during FY 1974, on an intensive effort to expand livestock production. A part of this effort will consist of the promotion of forage crops in barani areas and the development of a marketing system for forage grains. The import of a moderate amount of corn for sale to livestock breeders as a market priming device would be a logical step in the GOP's program. We have included in our FY 1975 projection, therefore, an illustrative figure of 50,000 tons of corn to be imported under Title I for feed.

TABLE IX-A

WHEAT - SUPPLY AND DISTRIBUTION (Metric tons 000)

<u>Supply</u>	<u>(Actual)</u> <u>1972</u>	<u>(Estimated)</u> <u>1973</u>	<u>(Projected)</u> <u>1974</u>	<u>(Projected)</u> <u>1975</u>
A. Beginning Stocks	766	695	825	810 ^{4/}
B. Production	6,476	6,867	7,400	7,800
C. Imports	704	1,230	822	655
1. Commercial	91	120 ^{2/}	100	100
2. PL 480	-	-	-	-
a. Sales	532 ^{1/}	820	500	400
b. Donations	10 ^{3/}	48 ^{3/}	40 ^{3/}	5
3. Other Concessional	71	212	180	150
D. Total Supply	7,946	8,762	9,050	9,265
<u>Distribution</u>				
A. Consumption	6,604	7,250	7,500	7,750
B. Feed/seed/waste	647	687	740	780
C. Exports	-	-	-	-
D. Ending Stocks	695	825	810 ^{4/}	735 ^{4/}
E. Total Distribution	7,946	8,792	9,050	9,265

1/ Includes 82,000 tons of wheat originally consigned to East Pakistan and diverted to West Pakistan.

2/ 200,000 tons from the U.S.; 50,000 tons from Turkey.

3/ Donation of wheat through WFP for relief to DPs.

4/ Assuming aggressive GOP domestic procurement from the 1973 harvest, it is assumed that at least 400,000 tons of these stocks will consist of buffer stocks in government hands.

VEGETABLE OIL - SUPPLY AND DISTRIBUTION
(Metric Tons 000)

Supply	(Actual)	(Estimated)	(Projected)	(Projected)
	1972	1973	1974	1975
A. Beginning Stocks	11.0	24.0	-	13.0
B. Production	245.0	245.0	260.0	270.0
C. Imports	69.0	42.0	93.0	102.0
1. Commercial	43.0	22.0	43.0	32.0
2. PL 480	-	-	-	-
a. Sales	26.0	20.0	50.0 ^{2/}	70.0
b. Donations	-	-	-	-
3. Other Concessional	-	-	-	-
D. Total Supply	325.0	311.0	353.0	385.0
<u>Distribution</u>				
A. Consumption	296.0	311.0	340.0	365.0
B. Feed/seed/waste	-	-	-	-
C. Exports	5.0 ^{1/}	-	-	-
D. Ending Stocks	24.0	-	13.0	20.0
E. Total Distribution	325.0	311.0	353.0	385.0

^{1/} To East Pakistan

^{2/} Including 10,000 carryover from FY 1973.

TABLE IX-C

ELS COTTON - SUPPLY AND DISTRIBUTION

Supply	(Actual) 1972	(Estimated) 1973	(Projected) 1974	(Projected) 1975
A. Beginning Stocks	3,500	3,500	500	Nil
B. Production	-	-	-	-
C. Imports	3,500	-	3,000	-
1. Commercial	-	-	3,000	-
2. PL 480	-	-	-	-
a. Sales	3,000	-	-	6,000
b. Donations	-	-	-	-
3. Other Concessional	-	-	-	-
D. Total Supply	6,500	3,500	3,500	6,000
<u>Distribution</u>				
A. Consumption	3,000	3,000	3,500	5,000
B. Feed/seed/waste	-	-	-	-
C. Exports	-	-	-	-
D. Ending Stocks	3,500	500	Nil	1,000
E. Total Distribution	6,500	3,500	3,500	6,000

UNMANUFACTURED TOBACCO - SUPPLY AND DISTRIBUTION
(Tons 000)

<u>Supply</u>	<u>(Actual) FY 1972</u>	<u>(Estimated) FY 1973</u>	<u>(Projected) FY 1974</u>	<u>(Projected) FY 1975</u>
A. Beginning Stocks	12	42	52	46
B. Production	112	100	90	90
C. Imports	-	-	-	1
1. Commercial	-	-	-	-
2. PL 480	-	-	-	1
a. Sales	-	-	-	-
b. Donations	-	-	-	-
3. Other Concessional	-	-	-	-
D. Total Supply	124	142	142	137
<u>Distribution</u>				
A. Consumption	78	85	90	93
B. Exports	4	5	6	7
C. Ending Stocks	42	52	46	37
D. Total Distribution	124	142	142	137

Country: Pakistan

TABLE I

Summary of Commitments by Appropriation Category
(Loan Authorization/Obligations PL 480 Shipments/HIG Authorization)

	<u>FY 1973</u> <u>Actual</u>	<u>FY 1974</u> <u>Estimated</u>	<u>FY 1975</u> <u>Request</u>
1. Development Loans ^{1/}	60,000	70,000 ^{2/}	90,000
- Sector Loans	-	(30,000)	(55,000)
- Fertilizer	(20,000)	(20,000)	(20,000)
- Program Loans	(40,000)	(20,000)	(15,000)
2. Technical Assistance ^{3/}	1,546	1,800	2,000
3. Population	6,248	1,891	2,715
4. International Narcotics Control	-	3,000	3,000
5. PL 480 Title I Shipment	78,500	60,000	64,000
6. PL 480 Title II Shipment	2,100	2,500	15,000
Total Commitments	<u>148,394</u>	<u>139,191</u>	<u>176,715</u>

1/ Excludes obligations against Indus Basin commitment (both grant and loan) which are projected as follows: FY 73 \$44.4 million, FY 74 \$17.2 million and FY 75 \$30.0 million.

2/ The current budget planning figure is \$60 million. To the extent that additional development loan funds cannot be made available to fund the full \$70 million projected here, the Mission would plan to carry loan funded activities over for funding in the following year. At this stage of the development process it is considered important to build up the pipeline of fundable projects.

3/ Includes technical support.

Country: PakistanTABLE II

Summary of Commitments by Worldwide Area of
Emphasis and Other Activities
(\$ thousands)

	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>
A. <u>Food Production and Nutrition</u>	<u>22,482</u>	<u>48,044</u>	<u>86,758</u>
Grant - Sub-Total	382	544	758
Agriculture Research	370	544	648
Nutrition Research and Planning	-	-	110
Special Development Activity	12	-	-
Loan - Sub-Total	20,000	45,000	71,000
Fertilizer Supply Loans	20,000	20,000	20,000
Agriculture and Rural Development.	-	25,000	51,000
PL 480 Title II Shipments	2,100	2,500	15,000
B. <u>Population and Health</u>	<u>6,264</u>	<u>4,891</u>	<u>5,715</u>
Grant - Sub-Total	6,264	1,835	2,575
Family Planning	1,173	-	-
Population Planning	342	56	140
Pakistan Expanded Population Planning Scheme	4,637	1,835	2,575
Family Planning Technical Support	96	-	-
Malaria	16	-	-
Loans - Sub-Total	-	3,000	3,000
Health and Nutrition (MCH)	-	3,000	3,000

TABLE II (Contd.)

	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>
<u>C. Education and Human Resources</u>	-	80	1,160
Grants - Sub-Total	-	80	160
Institutional Grants	-	80	160
Loans - Sub-Total	-	-	1,000
<u>D. Program Assistance</u>	<u>118,500</u>	<u>80,000</u>	<u>79,000</u>
Grants - Sub-Total	-	-	-
Loans - Sub-Total (Commodity Loans)	40,000	20,000	15,000
PL 480 Title I Shipments	78,500	60,000	64,000
<u>E. Activities Outside Above Areas</u>	<u>126</u>	<u>5,228</u>	<u>3,227</u>
Grants - Sub-Total	126	3,228	3,227
Government Admin. Staff Improvement	126	228	227
Narcotics	-	3,000	3,000
Loans - Sub-Total	-	2,000	-
Feasibility Studies	-	2,000	-
<u>F. Technical Support Grant</u>	<u>1,022*</u>	<u>948</u>	<u>855</u>
Grant - Sub-Total	1,022	948	855
Technical Support	1,022	948	855
<u>Total Commitments</u>	<u>148,394</u>	<u>139,191</u>	<u>176,715</u>
Grants	7,794	6,635	7,575
Loans	60,000	70,000	90,000
PL 480 Title I Shipments	78,500	60,000	64,000
PL 480 Title II Shipments	2,100	2,500	15,000

* Includes FY 1973 obligation for the following projects:

320 Agric. Tech. Support \$231,000
322 Education Tech. Support \$10,000

Country: PakistanTABLE IIIExcess Currency Requirements under Mondale Allocations
(Rs. 000)

<u>Project or</u> <u>Area of Concentration</u>	<u>Actual</u> <u>FY 1973</u>	<u>Estimated</u> <u>FY 1974</u>	<u>Estimated</u> <u>FY 1975</u>
A. <u>Food Production & Nutrition</u>	-	<u>142,500</u>	<u>210,000</u>
Agriculture Research		90,000	-
Barani Agriculture		-	60,000
Land Levelling		2,500	-
Rural Roads		50,000	100,000
Integrated Rural Development and People Works Program		-	50,000
B. <u>Population & Health</u>	-	<u>55,000</u>	<u>70,000</u>
Population		25,000	40,000
MCH and DEIDS		30,000	30,000
C. <u>Education & Human Resources</u>	-	<u>2,400</u>	<u>4,800</u>
University of Peshawar, College of Engineering/Colorado State University		1,200	1,200
University of Punjab, IER/Indiana University		1,200	1,200
University of Karachi, Institute of Business Administration, University of Southern California		-	1,200
University of Sind, Tando Jam, Agric. College, University of New Mexico		-	1,200
D. <u>Activities Outside above Areas</u>	-	<u>5,500</u>	<u>5,500</u>
Economic Research		5,000	5,000
Participants Travel		500	500
TOTAL:	-	<u>205,400</u>	<u>290,300</u>

TABLE IV

Country: Pakistan

Summary of Commitments by Area of Concentration
(\$ thousands)Area of Concentration: Food Production & Nutrition

		<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>
<u>Loans</u>	Total:	<u>20,000</u>	<u>45,000</u>	<u>71,000</u>
	Fertilizer Supply Loan	20,000	20,000	20,000
	Agric. Research & Rural Development	-	25,000	51,000
<u>Grants</u>	Total:	<u>382</u>	<u>544</u>	<u>758</u>
	Agriculture Research	370	544	648
	Nutrition Research & Planning	-	-	110
	Special Development Activity	12	-	-
<u>PL 480 Title II Shipments</u>		<u>2,100</u>	<u>2,500</u>	<u>15,000</u>
	MCH feeding program	(2,100)	(2,500)	-
	Expanded MCH Feeding and Health Services	-	-	(15,000)

For this Area of Concentration:

 Sector assessment is appropriate Not yet undertaken In process
Completed Sector Assessment is not appropriate.

TABLE IV

Country: Pakistan

Summary of Commitments by Area of Concentration
(\$ thousands)

Area of Concentration: Population and Health

		<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>
<u>Loans</u>	Total:	-	3,000	3,000
	Family Planning & Health (MCH)	-	3,000	3,000
<u>Grants</u>	Total:	6,240	1,891	2,715
	Family Planning	1,149	-	-
	Population Planning	342	56	140
	Pak Expanded Population Planning Scheme	4,637	1,835	2,575
	Family Planning Technical Support	96	-	-
	Malaria Eradication	16	-	-

For this Area of Concentration:

Sector assessment is appropriate.

Not yet undertaken

In process
Completed

Sector Assessment is not appropriate.

TABLE IV

Country: Pakistan

Summary of Commitments by Area of Concentration
(\$ thousands)Area of Concentration: Education & Human Resources

		<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>
<u>Loans</u>	Total:	-	-	<u>1,000</u>
	Education (National Book Foundation Program)	-	-	1,000
<u>Grants</u>	Total:	-	<u>80</u>	<u>160</u>
	Institutional Grants	-	80	160

For this Area of Concentration:

- Sector assessment is appropriate.
- Not yet undertaken
- In process.
 Completed.
- Sector Assessment is not appropriate.

TABLE IV

Country: Pakistan

Summary of Commitments by Area of Concentration
(\$ thousands)

Area of Concentration: Program Assistance

	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>
<u>Loans</u> <u>Total:</u>	<u>118,500</u>	<u>80,000</u>	<u>79,000</u>
Commodity Loans	40,000	20,000	15,000
PL 480 Title I Shipment	78,500	60,000	64,000

For this Area of Concentration:

- Sector assessment is appropriate
 - Not yet undertaken
 - In process
 - Completed
- Sector Assessment is not appropriate.

TABLE IVa

Country: Pakistan

Summary of Commitments for Activities outside Area of Concentration

Area of Concentration:

		<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>
<u>Grant</u>	Total:	<u>126</u>	<u>3,228</u>	<u>3,227</u>
	Govt. Administrative Staff Improvement	126	228	227
	Narcotics	-	3,000	3,000
<u>Loans</u>	Total:		<u>2,000</u>	-
	Feasibility Study	-	2,000	-

TABLE IVa

Country: Pakistan

Summary of Commitments for Activities outside Area of
Concentration

Area of Concentration: Technical Support (Grant)

		<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>
<u>Grant</u>	Total:	<u>1,022*</u>	<u>948</u>	<u>855</u>
	Technical Support	1,022	948	855

*Includes FY 1973 obligations for the following projects:

- 320 Agric. Technical Support \$231,000
- 322 Education Technical Support \$10,000

TABLE V

PROJECT BUDGET TABLE
(\$ thousands)

Project Title Agriculture Research

Financing Dates (FY)

Project Number 39T-17-110-296

Obligations
Expenditures

Begin	End
FY 1969	FY 1978
FY 1969	FY 1978

Appropriation TA

Area of Concentration (if appropriate) Food Production and Nutrition

Project Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN			MM			
	\$	MM	\$	MM					
FY 1973 Oblig.-Total	329	84			47	68			370
Direct	29	12			41	68			70
PASA	300	72							300
Contract									
FY 1973 Expend-Total	(14)	-			50	94			6
Direct	29	12			50	94			79
PASA	-	-							-
Contract	(73)	-							(73)
6/30/73 Unliq.-Total	300	72			19	28			370
Direct					19	28			19
PASA	300	72							300
Contract	-								
FY 1974 Oblig- Total	512	111					2		512
Direct	31	12							31
PASA	-								
Contract	511	129					2		573
FY 1974 Expend-Total	117	102							117
Direct	31	12							31
PASA	300	72							300
Contract	86	18							86
6/30/74 Unliq.-Total	125	111					2		127
Direct	-								-
PASA	-								-
Contract	125	111					2		127
FY 1975 Oblig.-Total	618	235							618
Direct	31	12							31
PASA	264	72							264
Contract	353	151							353
FY 1975 Expend-Total	611	177					2		613
Direct	31	12							31
PASA	264	72							264
Contract	316	93					2		318

Table Vb

PASA/CONTRACT BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 391-17-110-296

PASA/~~Contract~~ Name Department of Agriculture

Funding Dates By Year of Obligation

Contract No.
From (mo/yr)
To (mo/yr)

FY 1972	FY 1973	FY 1974	FY 1975
	New		
	7/73	-	7/74
	6/74	-	6/75

Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/FCM		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations	300	72	-	-	-	-	-	-	300
FY 1973 Expenditures	-								-
6/30/73 Unliquidated	300	72	-	-	-	-	-	-	300
FY 1974 Obligations	-								-
FY 1974 Expenditures	300	72							300
6/30/74 Unliquidated	-								-
FY 1975 Obligations	250	72							250
FY 1975 Expenditures	250	72							250

Table Vb

PASA/CONTRACT BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 391-17-110-296

~~FEIS~~/Contract Name New - Barani Agriculture

Funding Date By Year of Obligation

Contract No. From (mo/yr) To (mo/yr)	FY 1972	FY 1973	FY 1974	FY 1975
				New
			4/74	10/75
			9/75	3/76

Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/FCM		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations									
FY 1973 Expenditures									
6/30/73 Unliquidated									
FY 1974 Obligations	234	57					1		235
FY 1974 Expenditures	43	9					-		43
6/30/74 Unliquidated	191	48					1		192
FY 1975 Obligations	84	23					-		84
FY 1975 Expenditures	151	39					1		152

PASA/CONTRACT BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 391-17-110-296

~~XXXX~~/Contract Name (New) Agric. Research Contract(s)

Funding Dates by Year of Obligation

Contract No. From (mo/yr) To (mo/yr)	FY 1972	FY 1973	FY 1974	FY 1975
				New
			4/74	10/75
			9/75	3/76

Budget & Expenditures	Personal				Participants		Commodities	Other Costs	Total
	U.S.		Local/TON		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations									
FY 1973 Expenditures									
10/73 Unliquidated									
FY 1974 Obligations	277	72					1		278
FY 1974 Expenditures	43	9					-		43
8/30/74 Unliquidated	234	63					1		235
FY 1975 Obligations	269	74					-		269
FY 1975 Expenditures	195	54					1		196

PASA/CONTRACT BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 391-17-110-296

PASA/Contract Name New Barani Contract

Funding Date By Year of Obligation

Contract No. From(mo/yr) To(mo/yr)	FY 1972	FY 1973	FY 1974	FY 1975
				4/76
				4/77

Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TEN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations									
FY 1973 Expenditures									
6/30/73 Unliquidated									
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations	140	36							140
FY 1975 Expenditures	-	-							-

Project Number 391-17-110-296

PROJECT PASA/CONTRACT U.S. PERSONNEL TABLE
(\$ thousands)

	FY 1974 Obligations			FY 1975 Obligations		
	No.	MMS	\$000	No.	MMS	\$000
U.S. Technicians	-	-	-	6	72	264
PASA: long-term	-	-	-	-	-	-
PASA: short-term	6	108	346	8	72	210
Contract: long-term	7	21	63	8	25	75
Contract: short-term						

	Actual FY 1973		Estimated FY 1974		Projected FY 1975		Projected FY 1976	
	On-board 6/30	Ex-penditures (\$000)	On-board 6/30	Ex-penditures (\$000)	On-board 6/30	Ex-penditures (\$000)	On-board 6/30	Ex-penditures (\$000)
U.S. Personnel (PASA/Contract, implementing agent, and position title)	73	-	74	-	75	-	76	-
PASA - Dept. of Agric. (Precision Land Levelling)	-	-	-	-	-	-	-	-
Team Leader	-	-	1	38	1	38	1	38
Agric. Economist	-	-	1	33	1	33	1	33
Irrigation Engineer (Punjab)	-	-	1	33	1	33	1	33
Irrigation Engineer (Sind)	-	-	1	33	1	33	1	33
Irrigation Agronomist (Punjab)	-	-	1	33	1	33	1	33
Irrigation Agronomist (Sind)	-	-	1	33	1	33	1	33
Overhead	-	-	-	73	-	61	-	61
Travel Transportation & other cost	-	-	-	24	-	-	-	-
Total:	-	-	-	300	-	264	-	264

(for contract personnel only)

Project Number 391-17-110-296

TABLE VI (Continued)

PROJECT PASA/CONTRACT U.S. PERSONNEL TABLE
(\$ thousands)

U.S. Personnel (PASA/Contract, implementing agent, and position title)	Actual FY 1973		Estimated FY 1974		Projected FY 1975		Projected FY 1976	
	On- board 6/30/ 73	Ex- pendi- tures (\$000)	On- board 6/30/ 74	Ex- pendi- tures (\$000)	On- board 6/30/ 75	Ex- pendi- tures (\$000)	On- board 6/30/ 76	Ex- pendi- tures (\$000)
<u>Agric. Research Contract(s) (New)</u>								
Wheat Research Advisor	-	-	1	7	1	12	-	25
Specialist in Research Stn. Dev.	-	-	1	7	1	12	-	25
Commodity Procurement Specialist	-	-	1	7	1	12	-	25
Travel Trans. & other direct cost	-	-	-	14	-	-	-	7
Short Term	-	-	-	-	-	18	-	60
Overseas Overhead	-	-	-	6	-	-	-	21
Home office salaries and benefits	-	-	-	1	-	-	-	4
Home office overhead	-	-	-	1	-	-	-	1
Research Advisor	-	-	-	-	-	-	1	8 H
Production Systems Advisor	-	-	-	-	-	-	1	8 H
Travel Trans. & other direct cost	-	-	-	-	-	-	-	6
Overseas Overhead	-	-	-	-	-	-	-	5
Home office salaries and benefit	-	-	-	-	-	-	-	1
Home office Overhead	-	-	-	-	-	-	-	1
Sub-Total	-	-	-	43	-	-	-	197
<u>Barani Agriculture</u>								
Agriculture Specialist (3)	-	-	3	21	3	36	-	75
Travel Trans. & Other direct cost	-	-	-	14	-	-	-	8
Short Term	-	-	-	6	-	3	-	15
Overseas Overhead	-	-	-	1	-	-	-	20
Home office salaries and benefits	-	-	-	1	-	-	-	4
Home office overhead	-	-	-	1	-	-	-	2
Sub-Total	-	-	-	43	-	-	-	124
TOTAL:	-	-	-	86	-	-	-	321

TABLE V

PROJECT BUDGET TABLE
(\$ thousands)

Project Title Nutrition Research & Planning

Financing Dates (FY)

Project Number 39L-11-560-394

Obligations
Expenditures

Begin	End
FY 1975	FY 1976
FY 1975	FY 1977

Appropriation TA

Area of Concentration (if appropriate) _____

Project Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Oblig.-Total									
Direct									
PASA									
Contract									
FY 1973 Expend-Total									
Direct									
PASA									
Contract									
6/30/73 Unliq.-Total									
Direct									
PASA									
Contract									
FY 1974 Oblig- Total									
Direct									
PASA									
Contract									
FY 1974 Expend-Total									
Direct									
PASA									
Contract									
6/30/74 Unliq.-Total									
Direct									
PASA									
Contract									
FY 1975 Oblig.-Total	91	20			4	3	15		130
Direct									
PASA									
Contract	91	20			4	3	15		130
FY 1975 Expend-Total	43	9			-	-	7		50
Direct									
PASA									
Contract	43	9			-	-	7		50

Table Vb

PASA/CONTRACT BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 391-11-560-394

~~RIS~~/Contract Name New

Funding Dates by year of Obligation

	FY 1972	FY 1973	FY 1974	FY 1975
Contract No.	-	-	-	New
From (mo/yr)	-	-	-	9/74
To (mo/yr)	-	-	-	3/76

Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCR		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations									
FY 1973 Expenditures									
6/30/73 Unliquidated									
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations	91	20			4	3	15	-	110
FY 1975 Expenditures	43	9			-	-	7	-	50

TABLE VI

Project Number 391-11-560-394

PROJECT PASA/CONTRACT U.S. PERSONNEL TABLE
(\$ thousands)

	FY 1974 Obligations			FY 1975 Obligations		
	No.	MMs	\$000	No.	MMs	\$000
U.S. Technicians						
PASA: long-term						
PASA: short-term	1			18		59
Contract: long-term				2		6
Contract: short-term	1					

	Actual FY 1973		Estimated FY 1974		Projected FY 1975		Projected FY 1976	
	On-board 6/30	Expenditures (\$000)	On-board 6/30	Expenditures (\$000)	On-board 6/30	Expenditures (\$000)	On-board 6/30	Expenditures (\$000)
U.S. Personnel (PASA/Contract, implementing agent, and position title)	73		74		75		76	
Advisor in Nutrition Planning					1	25	1	33
Short term								27
Travel, Trans. & other cost						6		3
Overseas Overhead						7		20
Home office salaries & benefits						4		5
Home office Overhead						1		2
Total						43		90

(~~Personnel~~)

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V - 134

Project Title Pakistan Expanded
Population Scheme
Project Number 391-11-580-393
Appropriation 72-11-1103.1 PG
Area of Concentration (if appropriate) Population & Health

Obligations
Expenditures

Financing Dates (FY)

<u>Begin</u>	<u>End</u>
FY 1973	FY 1977
FY 1974	FY 1978

Project Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN			MM			
	\$	MM	\$	MM					
FY 1973 Oblig.-Total	544	181	-	-	35	25	1201	2857	4637
Direct	175	80	-	-	35	25	1201	2857	4268
PASA	32	10	-	-	-	-	-	-	32
Contract	337	91	-	-	-	-	-	-	337
FY 1973 Expend.-Total	-	-	-	-	-	-	-	-	-
Direct	-	-	-	-	-	-	-	-	-
PASA	-	-	-	-	-	-	-	-	-
Contract	-	-	-	-	-	-	-	-	-
6/30/73 Unlig.-Total	544	181	-	-	35	25	1201	2857	4637
Direct	175	80	-	-	35	25	1201	2857	4268
PASA	32	10	-	-	-	-	-	-	32
Contract	337	91	-	-	-	-	-	-	337
FY 1974 Oblig.- Total	472	107	-	-	35	25	1071	257	1835
Direct	83	-	-	-	35	25	1071	257	1465
PASA	13	4	-	-	-	-	-	-	17
Contract	396	103	-	-	-	-	-	-	396
FY 1974 Expend.-Total	560	168	-	-	35	25	800	2857	4252
Direct	238	83	-	-	35	25	800	2857	3901
PASA	28	9	-	-	-	-	-	-	28
Contract	294	79	-	-	-	-	-	-	294
6/30/74 Unlig.-Total	456	120	-	-	35	25	1172	257	2220
Direct	-	-	-	-	35	25	1172	257	1761
PASA	17	5	-	-	-	-	-	-	17
Contract	439	115	-	-	-	-	-	-	439
FY 1975 Oblig.-Total	509	149	-	-	35	25	891	1140	2375
Direct	220	72	-	-	35	25	891	1140	2286
PASA	13	4	-	-	-	-	-	-	17
Contract	276	73	-	-	-	-	-	-	276
FY 1975 Expend.-Total	633	180	-	-	35	25	1200	257	2173
Direct	220	72	-	-	35	25	1200	257	1902
PASA	17	5	-	-	-	-	-	-	17
Contract	396	103	-	-	-	-	-	-	396

POPULATION PROJECT BUDGET SUPPLEMENT
(\$ thousands)

(Expenditures against FY 1975 and earlier obligations only)

	Personnel				Participants		Commodi-	Other	Total
	U.S.		Local/TCN				ties	Costs	
	\$	MM	\$	MM					
6/30/75 Unliq.-Total	332	161	--	--	35	25	1163	1140	2670
Direct	--	--	--	--	35	25	1163	1140	2338
PASA	13	4	--	--	--	--	--	--	13
Contract	319	85	--	--	--	--	--	--	319
FY 1976 Expend-Total	524	149	--	--	20	14	1000	--	1539
Direct	230	72	--	--	20	14	1000	--	1250
PASA	13	4	--	--	--	--	--	--	13
Contract	276	73	--	--	--	--	--	--	276
6/30/76 Unliq.-Total*									
Direct									
PASA									
Contract									
FY 1977 Expend-Total									
Direct									
PASA									
Contract									
6/30/77 Unliq.-Total*									
Direct									
PASA									
Contract									

*These are unliquidated FY 1975 and earlier obligations only.

PASA/CONTRACT BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 391-11-580-393

PASA/Contract Name Bureau of Census

FUNDING DATES BY YEAR OF OBLIGATIONS

	FY 1972	FY 1973	FY 1974	FY 1975
Contract No.	-	N/A	N/A	N/A
From (mo/yr)	-	9/73	12/74	12/75
To (mo/yr)	-	6/74	3/75	3/76

Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations	32	10	-	-	-	-	-	-	32
FY 1973 Expenditures	-	-	-	-	-	-	-	-	-
6/30/73 Unliquidated	32	10	-	-	-	-	-	-	32
FY 1974 Obligations	13	4	-	-	-	-	-	-	13
FY 1974 Expenditures	28	9	-	-	-	-	-	-	28
6/30/74 Unliquidated	17	5	-	-	-	-	-	-	17
FY 1975 Obligations	13	4	-	-	-	-	-	-	13
FY 1975 Expenditures	17	5	-	-	-	-	-	-	17

Table Vb

PASA/CONTRACT BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 391-11-580-393

PASA/Contract Name Various

Funding Dates by Year of Obligation

	FY 1972	FY 1973	FY 1974	FY 1975
Contract No.	-	Various	Various	Various
From (mo/yr)	-	10/73	10/74	10/75
To (mo/yr)	-	9/74	9/75	9/76

Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TEN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations	337	91	-	-	-	-	-	-	337
FY 1973 Expenditures	-	-	-	-	-	-	-	-	-
6/30/73 Unliquidated	337	91	-	-	-	-	-	-	337
FY 1974 Obligations	396	103	-	-	-	-	-	-	396
FY 1974 Expenditures	294	79	-	-	-	-	-	-	294
6/30/74 Unliquidated	439	115	-	-	-	-	-	-	439
FY 1975 Obligations	276	73	-	-	-	-	-	-	276
FY 1975 Expenditures	396	103	-	-	-	-	-	-	396

Project Number 391-11-580-393

PROJECT PASA/CONTRACT U.S. PERSONNEL TABLE
(\$ thousands)

	FY 1974 Obligations			FY 1975 Obligations		
	No.	MMs	\$000	No.	MMs	\$000
U.S. Technicians						
PASA: long-term	-	4	13	-	4	13
Contract: long-term	6	72	300	4	48	200
Contract: short-term	13	31	96	11	25	76

U.S. Personnel (PASA/Contract, Implementing agent, and position title)	Actual FY 1973			Estimated FY 1974			Projected FY 1975			Projected FY 1976		
	On-board 6/30 73	MMs	Ex-pen- dures (\$000)	On-board 6/30 74	MMs	Ex-pen- dures (\$000)	On-board 6/30 75	MMs	Ex-pen- dures (\$000)	On-board 6/30 76	MMs	Ex-pen- dures (\$000)
PASA - Bureau of Census Data Feed Back Advisor Overhead	-	-	-	1	9	22	-	5	14	-	-	-
Total:	-	-	-	-	-	6	-	-	3	-	-	-
CONTRACT - Auto Maintenance Farm Auto Maintenance Advisor	-	-	-	1	9	25	1	12	32	1	6	16
Auto Maintenance Advisor	-	-	-	1	9	25	1	12	32	1	6	16
Auto Maintenance Advisor	-	-	-	1	9	25	1	12	32	1	6	16
Auto Maintenance Advisor	-	-	-	1	9	25	1	12	33	1	6	17
Travel Transp. & other direct cost	-	-	-	-	-	24	-	-	27	-	-	13
Overseas Overhead	-	-	-	-	-	27	-	-	37	-	-	18
Home office salaries & benefits	-	-	-	-	-	4	-	-	5	-	-	3
Home office overhead	-	-	-	-	-	2	-	-	2	-	-	1
Total:	-	-	-	-	-	157	-	-	200	-	-	100
PSC Training Specialist (Methods)	-	-	-	6	6	20	-	6	20	-	3	10
PSC Publicity Specialist	-	-	-	4	4	13	-	5	15	-	4	13
PSC Contraceptive Specialist	-	-	-	11	11	35	-	4	13	-	2	5
PSC Management System Specialist	-	-	-	4	4	13	-	2	5	-	2	5
PSC Various Fields	-	-	-	10	10	30	2	10	30	-	10	30
PSC Supply System Specialist	-	-	-	4	4	13	-	24	100	-	24	100
PSC Data Feed Back Specialist	-	-	-	4	4	13	-	4	13	-	4	13
Total	-	-	-	-	-	137	-	-	186	-	-	176

PROJECT BUDGET TABLE
(\$ thousands)

Project Title Population Planning

Project Number 391-11-580-384

Appropriation _____

Area of Concentration (if appropriate) _____

Obligations
Expenditures
Population & Health

Financing Dates (FY)

Begin FY 1973	End FY 1977
FY 1974	FY 1978

Project Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCH						
	\$	MM	\$	MM					
FY 1973 Oblig.-Total	132	38					35	175	342
Direct	-	-					35	175	210
PASA									
Contract	132	38							132
FY 1973 Expend.-Total	-	-					-	-	-
Direct	-	-					-	-	-
PASA	-	-					-	-	-
Contract	-	-					-	-	-
6/30/73 Unliq.-Total	132	38					35	175	342
Direct	-	-					35	175	210
PASA									
Contract	132	38					-	-	132
FY 1974 Oblig- Total	-	-			16	11	40	-	55
Direct	-	-			16	11	40	-	55
PASA	-	-			-	-	-	-	-
Contract	-	-			-	-	-	-	-
FY 1974 Expend.-Total	54	16			16	11	75	175	320
Direct	-	-			16	11	75	175	246
PASA	-	-			-	-	-	-	-
Contract	54	16			-	-	-	-	54
6/30/74 Unliq.-Total	78	22			-	-	-	-	78
Direct	-	-			-	-	-	-	-
PASA	-	-			-	-	-	-	-
Contract	78	22			-	-	-	-	78
FY 1975 Oblig.-Total	58	18			32	23	50	-	140
Direct	-	-			32	23	50	-	82
PASA	-	-			-	-	-	-	-
Contract	58	18			-	-	-	-	58
FY 1975 Expend.-Total	68	20			32	23	50	-	150
Direct	-	-			32	23	50	-	82
PASA	-	-			-	-	-	-	-
Contract	68	20			-	-	-	-	68

POPULATION PROJECT BUDGET SUPPLEMENT
 (\$ thousands)
 (Expenditures against FY 1975 and earlier obligations only)

	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM			
	\$	MM	\$	MM			\$	MM	\$
6/30/75 Unliq.-Total	68	20	-		-		-	-	68
<u>Direct</u>	-	-	-		-		-	-	-
<u>PASA</u>	-	-	-		-		-	-	-
<u>Contract</u>	68	20	-		-		-	-	68
FY 1976 Expend-Total	68	20	-		32	23	-	-	100
<u>Direct</u>	-	-	-		-	-	-	-	-
<u>PASA</u>	-	-	-		-	-	-	-	-
<u>Contract</u>	68	20	-		32	23	-	-	100
6/30/76 Unliq.-Total*									
<u>Direct</u>									
<u>PASA</u>									
<u>Contract</u>									
FY 1977 Expend-Total									
<u>Direct</u>									
<u>PASA</u>									
<u>Contract</u>									
6/30/77 Unliq.-Total*									
<u>Direct</u>									
<u>PASA</u>									
<u>Contract</u>									

*These are unliquidated FY 1975 and earlier obligations only.

Table Vb

PASA/CONTRACT BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 391-11-580-384

PASA/Contract Name Personal Service Contract

Contract No.
From (mo/yr)
To (mo/yr)

FY 1972	FY 1973	FY 1974	FY 1975
	Various	Various	Various
	9/73	NA	NA
	11/75	NA	NA

Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TEF		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations									
FY 1973 Expenditures									
6/30/73 Unliquidated	107	33	-		-		-	-	107
FY 1974 Obligations	-								-
FY 1974 Expenditures	49	15	-		-		-	-	49
6/30/74 Unliquidated	58	18	-		-		-	-	58
FY 1975 Obligations	58	18	-		-		-	-	58
FY 1975 Expenditures	58	18	-		-		-	-	58

PROJECT PASA/CONTRACT U.S. PERSONNEL TABLE
(\$ thousands)

	FY 1974 Obligations		FY 1975 Obligations	
	No.	MMS	No.	MMS
<u>U.S. Technicians</u>		\$000		\$000
PASA:long-term				
PASA:short-term				
Contract:long-term				
Contract:short-term				

	Actual FY 1973		Estimated FY 1974		Projected FY 1975		Projected FY 1976	
	On-board 6/30 73	Ex-penditures (\$000)	On-board 6/30 74	Ex-penditures (\$000)	On-board 6/30 75	Ex-penditures (\$000)	On-board 6/30 76	Ex-penditures (\$000)
U.S. Personnel (PASA/Contract, implementing agent, and position title)	-	-	-	5	-	10	76	(for contract personnel only)
<u>PASA U.S. BASED</u>	-	-	-	40	1	40	1	40
PSC Population Research Advisor	-	-	-	9	-	18	-	18
PSC Short Term Population Res. Adv.	-	-	-		-		-	

PROJECT BUDGET TABLE
(\$ thousands)

TABLE 7 -- 146

Project Title Institutional Grants

Financing Dates (FY)

Project Number 391-100-560-366

Obligations

Begin
FY 1974

End
FY 1976

Appropriation EA

Expenditures

FY 1974

FY 1977

Area of Concentration (if appropriate) Education & Human Resources

Project Budget & Expenditures	Personnel				Participants	Commodities	Other Costs	Total
	U.S.		Local/TCN					
	\$	MM \$	\$	MM \$				
FY 1973 Oblig.-Total								
Direct								
PASA								
Contract								
FY 1973 Expend.-Total								
Direct								
PASA								
Contract								
6/30/73 Unlig.-Total								
Direct								
PASA								
Contract								
FY 1974 Oblig.-Total							80	80
Direct							80	80
PASA								
Contract								
FY 1974 Expend.-Total							80	80
Direct							80	80
PASA								
Contract								
6/30/74 Unlig.-Total								
Direct								
PASA								
Contract								
FY 1975 Oblig.-Total							160	160
Direct							160	160
PASA								
Contract								
FY 1975 Expend.-Total							160	160
Direct							160	160
PASA								
Contract								

TABLE VI

Project Number 39L-11-690-346

PROJECT PASA/CONTRACT U.S. PERSONNEL TABLE
(\$ thousands)

	FY 1974 Obligations		FY 1975 Obligations	
	No.	MMS	No.	MMS
U.S. Technicians				
PASA: long-term				
PASA: short-term				
Contract: long-term	1	12		
Contract: short-term	3	6		

	Actual FY 1973		Estimated FY 1974		Projected FY 1975		Projected FY 1976	
	On-board 6/30	Expenditures (\$000)	On-board 6/30	Expenditures (\$000)	On-board 6/30	Expenditures (\$000)	On-board 6/30	Expenditures (\$000)
U.S. Personnel (PASA/Contract, implementing agent, and position title)	73	74	75	76	76	(for contract personnel only)		
Publication Specialist	1	38	1	32	-	-		
Publication Specialist (short-term)	-	-	-	18	-	-		
Travel, Trans & other direct cost	-	2	-	9	-	-		
Overseas Overhead	-	11	-	20	-	-		
Home office salaries & benefits	-	4	-	8	-	-	4 ^{a/}	
Home office overhead	-	2	-	4	-	-	2 ^{a/}	
Total:		<u>57</u>		<u>91</u>			<u>6</u>	
^{a/} represents contract closeout cost.								

TABLE V

PROJECT BUDGET TABLE
(\$ thousands)

Project Title General Technical Support

Project Number 391-11-990-000

Appropriation _____

Area of Concentration (if appropriate) _____

Obligations
Expenditures

Financing Dates (FY)

<u>Begin</u>	<u>End</u>
FY 1955	Continuing
FY 1955	Continuing

Project Budget & Expenditures	Personnel				Partici- pants		Cosmod- ities	Other Costs	Total
	U.S.		Local/TCH						
	\$	MM	\$	MM					
FY 1973 Oblig.-Total	557	203	34				95	95	781
Direct	533	189	34				95	95	757
PASA	11	9						11	11
Contract	13	5							13
FY 1973 Expend-Total	504	174	34		4		46	53	611
Direct	493	139	34		4		46	53	630
PASA	(2)	-							(2)
Contract	13	5							13
6/30/73 Unliq.-Total	3				12		45		60
Direct	3				12		45		60
PASA	-								-
Contract	-								-
FY 1974 Oblig- Total	780	242					85	83	918
Direct	625	197					85	83	793
PASA	10	4							10
Contract	145	45							145
FY 1974 Expend-Total	783	212			12		130	83	1008
Direct	628	197			12		130	83	853
PASA	10	4							10
Contract	145	45							145
6/30/74 Unliq.-Total	-								-
Direct	-								-
PASA	-								-
Contract	-								-
FY 1975 Oblig.-Total	687	221					85	83	855
Direct	507	163					85	83	675
PASA	15	6							15
Contract	165	52							165
FY 1975 Expend-Total	687	215					85	83	855
Direct	507	163					85	83	675
PASA	15	6							15
Contract	165	52							165

PASA/CONTRACT BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 39L-11-990-000

~~DIA~~/Contract Name Personal Service Contract

Contract No.
From (mo/yr)
To (mo/yr)

FY 1972	FY 1973	FY 1974	FY 1975
		Various	Various
		NA	NA
		NA	NA

Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TEN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations	13	5							18
FY 1973 Expenditures	13	5							18
6/30/73 Unliquidated	-	-							-
FY 1974 Obligations	145	45							190
FY 1974 Expenditures	145	45							190
6/30/74 Unliquidated	-	-							-
FY 1975 Obligations	165	52							217
FY 1975 Expenditures	165	52							217

Table Vb

PASA/CONTRACT BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 391-11-990-000

PASA/Contract Name United States Geological Survey

Contract No.
From (mo/yr)
To (mo/yr)

FY 1972	FY 1973	FY 1974	FY 1975
	NESA(1C)-21-72		
	7/72		
	9/72		

Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN						
	\$	MM	\$	MM					
FY 1973 Obligations	12	9							12
FY 1973 Expenditures	12	9							12
6/30/73 Unliquidated	-	-							-
FY 1974 Obligations	-	-							-
FY 1974 Expenditures	-	-							-
6/30/74 Unliquidated	-	-							-
FY 1975 Obligations	-	-							-
FY 1975 Expenditures	-	-							-

PASA/CONTRACT BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 391-11-990-000

PASA/Contract Name Department of Agriculture

Contract No. From (mo/yr) To (mo/yr)	FY 1972	FY 1973	FY 1974	FY 1975
			Various	Various
			NA	NA
			NA	NA

Budget & Expenditures	Personnel				Partici-pants		Commod-ities	Other Costs	Total
	U.S.		Local/TEN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations									
FY 1973 Expenditures									
6/30/73 Unliquidated									
FY 1974 Obligations	10	4							10
FY 1974 Expenditures	10	4							10
6/30/74 Unliquidated	-								
FY 1975 Obligations	15	6							21
FY 1975 Expenditures	15	6							21

Project Number 391-11-990-000

PROJECT PASA/CONTRACT U.S. PERSONNEL TABLE
(\$ thousands)

	FY 1974 Obligations			FY 1975 Obligations			Projected FY 1976					
	No.	MMS	\$000	No.	MMS	\$000	On-board 6/30	Ex-penditures (\$000)	On-board 6/30	Ex-penditures (\$000)	On-board 6/30	Ex-penditures (\$000)
<u>U.S. Technicians</u>												
PASA: long-term	--	--	--	--	--	--						
PASA: short-term	--	--	--	--	--	--						
Contract: long-term	--	--	--	--	--	--						
Contract: short-term	--	--	--	--	--	--						
<u>U.S. Personnel</u> (PASA/Contract, implementing agent, and position title)												
<u>PASA - U.S. Geological Survey</u>												
Ground Water Hydrologist		3										
SW Hydrologist		2										
GW Hydrologist		3										
Ground Water Hydrologist		1										
Overhead												
Total PASA												
<u>PSC Relief & Rehabilitation Consultant</u>												
American Hospital Association												
PSC Medical Equipment Consultant		1										
PSC Hospital Engineer Consultant		1										
PSC Nutrition & Food Science Consultant		1										
Total:												

Total: 13

TABLE VI

Project Number 39L-11-990-000

PROJECT PASA/CONTRACT U.S. PERSONNEL TABLE
(\$ thousands)

	FY 1974 Obligations			FY 1975 Obligations		
	No.	MMs	\$000	No.	MMs	\$000
U.S. Technicians						
PASA: long-term	2	4	10	3	6	15
PASA: short-term						
Contract: long-term	15	45	145	18	52	165
Contract: short-term						

U.S. Personnel (PASA/Contract, implementing agent, and position title)	Actual FY 1973			Estimated FY 1974			Projected FY 1975			Projected FY 1976		
	On-board 6/30	MMs	Ex-pen- tures (\$000)	On-board 6/30	MMs	Ex-pen- tures (\$000)	On-board 6/30	MMs	Ex-pen- tures (\$000)	On-board 6/30	MMs	Ex-pen- tures (\$000)
PASA Forage Development & livestock Mang.	73			74			75			76		
PSC Basic Water Management												
PSC Water Course Improvement												
PSC Institutional Consultants												
PSC Institutional Consultants												
PSC Institutional Technologist												
PSC Curiculum Specialist												
PSC Educational Finance Specialist												
PSC In service Training Program Study												
PSC Carrier Development Program												
PSC Resources Mobilization Study												
PSC Nutrition Syndicate Project												
PSC Industrial Strategy Study												
PSC Civil Service Reforms Study												
PSC Revenue System Study												
PSC Product Specialists												

TABLE VIII

Commodity & Other Cost Budget
(\$ thousands)

Project Title: General Technical Support Project No. 391-11-999-000

I. Commodity Budget

The following commodity requirements are estimated for FY 1974 and FY 1975:

	<u>FY 1974</u>	<u>FY 1975</u>
1. <u>Paper and Paper Products</u>	\$ <u>3,000</u>	<u>3,000</u>
Mimograph, duplicating offset, ABDick, Ozalid & other products	3,000	3,000
2. <u>Misc. Commodities & Office Equipment</u>	<u>27,600</u>	<u>27,600</u>
IBM Typewriters 6	4,800	4,800
Gas spare Heaters 12	1,700	1,700
Gas Stoves 12	3,100	3,100
Spare parts for various equipment	18,000	18,000
3. <u>Electric Apparatus</u>	<u>2,400</u>	<u>2,400</u>
Washing Machine 12	2,400	2,400
4. <u>Motor Vehicles & Spare Parts</u>	<u>36,000</u>	<u>36,000</u>
Sedans 5)		
Sport Van 1)	26,000	26,000
Station Wagons 2)		
Spare parts for existing fleet	10,000	10,000
5. <u>Miscellaneous Commodities</u>	<u>15,000</u>	<u>15,000</u>
Office supplies, field equipment, books, publications, household kits	15,000	15,000
6. <u>Rubber & Rubber Products</u>	<u>1,000</u>	<u>1,000</u>
Tires and Tubes	1,000	1,000
Total:	\$ <u>85,000</u>	<u>85,000</u>

II. Other Cost Budget

\$83,000 will be needed in each of FY 1974 and FY 1975 to cover the Shared Administrative Support Cost. \$ 83,000 83,000

TABLE IX

PL 480 TITLE I AGREEMENTS AND SHIPMENTS
 (\$ 000) (MT 000)

Commodity	FY 1973 Estimate			FY 1974 Request			FY 1975 Request			Carry-over to FY 76			
	Agree-ments MT	Ship-ments MT	Carry-over to FY 74 MT	Agree-ments MT	Ship-ments MT	Carry-over to FY 75 MT	Agree-ments MT	Ship-ments MT	Carry-over to FY 76 MT				
											\$	\$	\$
Wheat	850	820	-	46,000	500	46,000	500	-	36,800	400	36,800	400	-
Vegetable Oil	40	20	10	11,000	40	14,000	50 ^{1/2}	-	20,000	70	20,000	70	-
ELS													
Cotton (00s Bales)	-	-	-	-	-	-	-	-	1,500	6,000	1,500	6,000	-
Tobacco	-	-	-	-	-	-	-	-	2,500	1	2,500	1	-
Corn/ Grain Sorghum	-	-	-	-	-	-	-	-	3,600	50	3,600	50	-
TOTALS				57,000		60,000			64,400		64,400		

^{1/} Including 10,000 carryover for
 FY 1973.

Reference: STATE 125211

TABLE X

DIRECT HIRE STAFFING

<u>Project Title</u>	<u>On Board June 30, 1973</u>	<u>On Board June 30, 1974</u>	<u>On Board June 30, 1975</u>
<u>TECHNICAL ASSISTANCE</u>			
296 Agriculture Research	1	1	1
320 Agric. Technical Support	5	-	-
000 General Technical Support	17	13	13
393 Expanded Population Planning Schemes	3	6	6
	—	—	—
Total:	<u>26</u>	<u>20</u>	<u>20</u>