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**AGENCY FOR
INTERNATIONAL
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**FIELD BUDGET SUBMISSION
FY 1976**

PHILIPPINES

BEST AVAILABLE

**DEPARTMENT
OF
STATE**

AUGUST 1974



AGENCY FOR INTERNATIONAL DEVELOPMENT

FIELD PROGRAM AND BUDGET SUBMISSION

FY 1976

USAID/PHILIPPINES

July 1974

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SECTION ONE

NARRATIVE AND SUMMARY TABULAR MATERIAL

FOR FY76 PROGRAM DIRECTIONS AND RESOURCE REQUIREMENTS

Developments During the 1960s

The pattern of Philippine development during the 1960s was both satisfactory and disappointing when evaluated against conventional criteria. In terms of overall growth the performance of the Philippine economy was satisfactory. The economy expanded by about 6 percent a year in real terms and, despite an annual population growth of about 3 percent, GNP per capita rose from \$155 in 1960 to \$200 in 1970. In terms of social criteria, however, Philippine development during the 1960s was disappointing. The distribution of income worsened slightly over the decade, and the worsening was particularly pronounced in the rural areas. The economy also failed to generate sufficient employment for the rapidly growing labor force. The open unemployment rate increased to about 7-8 percent towards the end of the decade, while the level of underemployment also increased steadily.

Taking the 1960s as a whole, the pattern of agricultural growth did not favor a more even distribution of income. The most rapid gains in production were achieved in logs, sugar, and fruits and vegetables where small farmers are considerably less numerous. Rice output increased by only 1.3 percent per year during 1960-65 and despite significant productivity gains during the latter half of the 1960s, expanded by only 3.5 percent per year throughout the decade. Coconut, the next most important crop in terms of numbers of farmers, expanded by barely 2 percent. Additionally, most of the gains in income from increasing per hectare productivity in the 1960s accrued to landowners, whether landlords or owner-cultivators.

The basic pattern of industrial development that emerged during the 1950s - a capital intensive, import dependent, inward looking, and geographically concentrated industrial structure - was continued during the 1960s. The growth of the industrial sector was, however, sharply constrained by the inability of the primary sectors - agriculture and mining - to expand sufficiently to provide for its foreign exchange and food requirements. In response to the evolving pattern of domestic demand and fiscal incentives, the industrial sector began to shift from an easier "primary" type of substitution to a more difficult "secondary" type involving the establishment of intermediate and basic industries. Consequently, manufacturing expanded by only about 5 percent per year through the 1960s, compared to almost 10 percent during 1955-59.

Growth of the Philippine population accelerated during the post-war period to over 3 percent per year. Reflecting the high population growth, the labor force expanded by 2.6 percent per year during the 1960s. The relative neglect of the rural/agricultural sector and the slow growth of the manufacturing sector coupled with its emphasis on capital intensive technologies, greatly limited the capacity of both sectors to absorb

the rapidly growing labor force. Substantial rural-urban migration occurred and labor was increasingly absorbed, not in industry, but in the service sector and at very low levels of earnings. This migration has exercised a continuous downward pressure on urban real wages and seriously aggravated the urban unemployment and underemployment problem.

Throughout the 1960s, the balance of payments steadily deteriorated due to the slow growth of agriculture's foreign exchange earnings and the industrial sector's failure to reduce its import dependence. A large proportion of private industrial investments undertaken mostly in the latter part of the decade, was financed by heavy borrowing of foreign commercial loans with relatively short maturities. Towards the end of 1969, a serious balance of payments crisis emerged due to the sharply mounting debt service obligations and the rapid increase in liquidity and spending associated with the 1969 Presidential election campaign. In early 1970, the peso was devalued by about 40 percent, some short- and medium-term external debt was rescheduled, an external debt management program was instituted, and a post-devaluation stabilization program was implemented as part of a stand-by arrangement with the IMF.

During the 1960s the creation and strengthening of institutional capabilities supportive of development resulted in major successes, particularly in education and agricultural research (especially rice research) and extension. However, serious gaps persisted in the capabilities of the public sector to mobilize resources for development and to plan and manage development programs and projects. Tax revenues grew slowly and the ratio of tax revenues to GNP was stable at about 10 percent. Planning activities were dispersed among several government agencies, and were not effectively linked with program implementation and the actual allocation of government resources. Additionally, there were serious deficiencies in the project preparation and implementation capabilities of most government departments.

Inadequate tax revenues effectively constrained the expansion of public investment during the decade. Public investment comprised only 10 percent of total investment and its ratio to GNP rarely rose above 2-3 percent; moreover, capital expenditures accounted for less than 15 percent of total budgetary expenditures. The slow growth in tax revenues and the consequent lack of counterpart funds, in combination with the inefficiencies in project preparation and implementation, severely limited the economy's absorptive capacity for official assistance. Official loan commitments from 1965-1969 averaged only \$33 million annually and disbursements during the same period averaged only \$27 million annually.

Developments During 1970-72

Overall economic growth during 1970-72 slowed to an average annual rate of 5 percent due to a number of factors. First, agricultural growth was held to a level of only 1.2 percent per year due largely to adverse

weather. . Second, export receipts grew slowly, mainly because of a decline of 17 percent in average export prices. At the same time, import prices increased sharply. During 1970-72, the terms of trade deteriorated by 30 percent. Third, inflation increased rapidly with consumer prices rising more than 50 percent during 1970-72. These adverse production and price changes reduced real wages by 20 percent during 1970-72 and caused a further rise in unemployment.

The tax effort improved consistently after 1969 and the government adhered strictly to a policy of fiscal restraint during FY 1971-73. Between FY 1969 and FY 1973, national government revenues more than doubled, while the ratio of revenues to GNP rose from 9 percent in FY 1969 to about 11 percent in FY 1973. During FY 1971-73, the growth in (real) current expenditures was tightly controlled and averaged only 1.67 percent per year. Consequently, the ratio of current expenditures to total expenditures declined sharply from 85 percent in FY 1971 to 68 percent in FY 1973. Expanded capital expenditures were financed by an increasing current account surplus made possible through restraints on current spending and an increased tax effort, and by non-inflationary domestic borrowing as well as foreign borrowing. The rapid growth in development expenditures particularly in the agriculture and transport sectors, and the repair and rehabilitation of infrastructure facilities damaged by the summer, 1972 floods, accounted for the sharp rise in capital expenditures.

The overall balance of payments position of the economy improved moderately during 1970-72, despite a sharp deterioration in the terms of trade by 30 percent. The trade deficit was almost eliminated in 1970 but widened to \$122 million by 1972. The sharp increase in the trade deficit was offset by a reduction in the service account deficit and a considerable increase in net transfers. Additionally, the capital account of the balance of payments showed consistent surpluses due to the substantial inflows of loan capital during the period. An overall balance of payments surplus was consistently achieved during 1970-72 and the level of international reserves rose from \$118 million at the beginning of 1970 to \$282 million at the end of 1972.

A Consultative Group for the Philippines (CG) under the auspices of the IBRD was formed in 1971 at the request of the Philippine Government and upon proof of the Government's serious commitment to development as shown by its compliance with the terms of the stabilization program with the IMF, an increased tax effort, and the formulation of a realistic four-year development plan. Since 1970, "technocrats" have been recruited into high-level posts in the government and the quality of development management has improved greatly. As a result primarily of the formation of the CG, and improvements in Government project preparation and implementation, official assistance loan commitments to the Philippines rose sharply to \$178 million annually while disbursements increased to \$75 million annually during 1971-72. The increases in long-term capital inflows arranged through the CG coupled with sustained, judicious debt management, significantly improved the maturity pattern of the Philippine

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external debt. However, the burden of debt service continued to be heavy averaging about \$350 million a year, during 1970-72 or 25 percent of exports.

As noted earlier, the pattern of Philippine development in the past failed to produce mass participation in the process and benefits of growth. The distribution of income, already highly unequal, worsened. Unemployment and underemployment increased particularly in urban areas, and as a related development, real wages decreased. These results together with other serious social and political problems (graft and corruption in government, highly unequal distribution of wealth, uneven administration of justice) contributed to social and political instability which steadily increased and became widespread during the second half of the 1960s.

Concern with social and political problems led to a consensus that structural reforms in the existing order were imperative. Consequently, a Constitutional Convention was convened in 1971 to draft a new constitution. After the July-August 1972 floods the level of instability appears to have intensified. On September 21, 1972 President Marcos declared martial law. Since then, the Constitutional Convention has concluded its work and the new constitution providing for a parliamentary form of government was ratified in January, 1973.

The society and economy of the Philippines are undergoing rapid change in a number of areas affecting the environment for economic and social development. Philippine international economic relationships are being revised to reflect the expiration of the Laurel-Langley Agreement with the U.S., the continued growth in economic ties with Japan, the quickening of the Philippine interest in private foreign investment, and the rising importance of the Muslim oil producing countries. The country's internal situation has for the most part been stable throughout 1973 and 1974. Dissidence in the Muslim areas has become an increasingly serious problem since early 1973 but it does not appear likely to jeopardize the country's ability to maintain the recent pace of social and economic development in other parts of the country. As will be indicated in some detail below, the Government has made economic and social development its highest priority and has provided extensive support for needed development programs.

The Philippine Society and Economy in 1973-74

During the past two years the Philippine Government has strengthened its support for economic and social programs. Major reforms include acceleration of the agrarian reform program; reorganization of government; tax and tariff reforms to improve taxation standards for redistributive ends and to improve the investment climate; banking and financial reforms to help mobilize resources for development and to establish a more stable and better regulated financial structure; liberalization of regulations on foreign investments; reorientation of

industrial policies toward export expansion, industrial dispersal, and labor intensification of production techniques; realignment of labor laws and policies to make them more employment-oriented; and the intensification of the family planning program.

A major focus of recent reforms has been the strengthening of the government's development planning and management capabilities. Under the ongoing government reorganization, the disjointedness of previous planning activities has been remedied by merging the various agencies involved in planning into a single agency, the National Economic and Development Authority (NEDA). The NEDA effectively links policy-making and planning to program and project implementation since its Board is presided over by the President and is composed of cabinet level officials involved in formulating and executing sectoral development activities. Program planning and budget planning and allocation have also been effectively linked by the Presidential Budget Coordinating Committee (PBCC) which determines the level and functional allocation of government expenditures. The PBCC was created in 1970 and is now a permanent agency attached to NEDA. Also attached to NEDA is the Investment Coordination Committee which coordinates the investment policies of government financial institutions toward development priorities.

The ongoing government reorganization also stresses the strengthening of the planning capacities at the departmental level. This should result in a pipeline of development projects reflecting sectoral objectives and should contribute to a more balanced public investment mix. It is intended that the NEDA will operate in a review or control capacity by setting technical standards, coordinating and integrating agency plans with overall economic and social priorities, and reviewing financing implications in the light of competing needs.

Another important aim of the government reorganization is to decentralize national government operations by establishing geographical administrative regions for each major agency. The activities of the regional offices of the different agencies are expected to be coordinated by Regional Development Councils (RDCs) which have been established by the NEDA. Planning capabilities at the provincial level are also being developed and most provinces now have a "Provincial Development Staff" which is responsible for the preparation of a comprehensive provincial development plan that realistically reflects national priorities and inputs. Most provinces now have 5-year Capital Improvement Programs (CIP) that are updated on an annual basis. The CIP serves as the basis for preparation of the annual "Action Budget" which has replaced the traditional line item budget and which is a simplified performance budget that indicates how the approved appropriations will be utilized.

Economic Growth in 1973

The reforms initiated under martial law, in combination with favorable external factors, resulted in an unprecedented growth of the economy

in 1973. GNP growth was officially estimated at almost 10 percent and even skeptical observers place it at well above 7 percent. The overall expansion was broadly distributed among all sectors of the economy. Agriculture expanded by almost 7 percent, an impressive recovery from near stagnancy in 1972. Agricultural incomes in particular increased for substantial numbers of small farmers as the prices of copra, rice and other agricultural products rose to record levels. Rice production in crop year 1973-74 (July, 1973-June, 1974) increased by 25 percent to 3.6 million metric tons. Investment growth which slowed down to 2.3 percent in 1972 accelerated to almost 9 percent reflecting increased business confidence and the salutary effects of investment incentives. Investment growth was also facilitated by a greatly improved domestic savings effort, which in turn was due to higher incomes and the substantial increase in tax revenues.

Booyant conditions in export markets in 1973 resulted in extraordinarily high export prices and reversed the decline in the terms of trade since 1971. The trade surplus amounted to \$274 million and the overall balance of payments surplus to \$664 million while official international reserves rose to an unprecedented high of \$835 million by the end of 1973. Related to the improvement in the external position of the economy was the sharp decline in the debt service ratio from 23 percent in 1972 to 18 percent.

The various tax and tariff reforms introduced since September, 1972 and the high level of economic activity in 1973 resulted in an unprecedented expansion in national government revenues. Revenues in FY 1974 totalled about \$10.6 billion and were 204 and 49 percent higher than in FY 1972 and FY 1973, respectively. The expansion in revenues has enabled the government to sustain an accelerated capital spending program. The share of capital expenditures in total budgetary expenditures rose from 19 percent in FY 1972 to over 40 percent in FY 1974.

Inflation, which was moderate during the first half, worsened during the latter half of 1973 because of a rice shortage and imported inflation as well as a rise in domestic liquidity. The annual inflation rate during the last quarter of 1973 was about 28 percent though consumer prices for the entire year were only 12 percent higher than average prices in 1972.

New Four-Year Development Plan

A new four-year development plan covering the period FY 1974-77 and incorporating substantive revisions which take account of recent reforms, has been prepared by the Government. Compared with previous development plans, the new Plan lays more stress on the equity aspect of development. The development strategy spelled out in the Plan and being implemented by the Government, involves the balanced and mutually complementary development of the various sectors of the economy but has a well-defined focus on agricultural and rural development. Within the framework of this development strategy, the government is concentrating on strengthening and/or expanding selected programs in key sectors. The accelerated land

reform and food production programs, supported by the development of cooperatives and rural infrastructure, are the major programs for achieving agricultural/rural development. In industry, the major thrust of the government's development efforts is towards the promotion of exports, labor-intensive methods of production, and geographically dispersed small- and medium-scale industries. An expanded tourism program has also been mounted to exploit its foreign exchange earning potential. The major programs for social development are the family planning and health/nutrition programs, and an education and manpower development program geared to the skill requirements of agriculture and industry. The current development programs/priorities of the government have built on earlier policies. However, there are new emphases and initiatives: food production is being intensified while new approaches are being undertaken in land reform and cooperative development, family planning, and health and nutrition. Greater emphasis is also being placed on regional and integrated area development and on programs for minorities.

In response to the energy crisis and the related severe inflation, the Philippine Government is attaching the highest priority to food production and export promotion. The infrastructure program is also being realigned with highest priority being assigned to projects directly supportive of increased food production (e.g. irrigation, secondary and feeder roads) and to non-petroleum energy development projects (e.g. hydroelectric, geothermal, and nuclear power plants).

Refined estimates of the financial requirements of the government's development programs are not available at present. The estimates presented in the Plan were prepared about a year ago and are by now grossly understated, given the current high rate of inflation. Even without adjusting for inflation, however, the implementation of the various programs at planned levels will necessitate a rapid increase in total government expenditures, with capital expenditures rising faster, and with the government accounting for an increased proportion of the economy's total investment. Plans call for the rapid rise in the government's capital expenditures to be financed from an increasing current surplus made possible through an increased tax effort, and from an enlarged inflow of official assistance. The bulk of total expenditures (current and capital) will be absorbed by economic development projects (mainly land reform, food production and infrastructure) and by social development projects (mainly education, health, and family planning).

In the Mission's view, the country's strategy and priorities are appropriate within the context of the past pattern and the desired future course of Philippine development. In combination with the institutional reforms being implemented, these provide an opportunity for making a serious start in resolving the country's economic and social problems. The new strategy is also in general accord with the recommendations of the recent ILO Employment Mission calling for a shift to a more balanced development pattern involving the mobilization of the rural sector and the development of industrial exports.

Within the country's set of priorities, USAID is focussing its assistance on those priorities designed to benefit directly the Philippine poor. These priorities are in two areas: agriculture/rural development (including food production, local and area development, rural electrification, irrigation and feeder roads) and family planning, health and nutrition. The IBRD, ADB and the Japanese Government are concentrating their assistance largely on infrastructure development: major roads, power, ports, and large scale irrigation. As of December 31, 1973 the total committed but undisbursed capital assistance from the IBRD, ADB, and Japan was \$380 million including \$152 million for transport; \$95 million, power; and \$29 million, irrigation. The UNDP remains a source of technical assistance in a variety of important sectors.

Growth Prospects and Requirements for Concessional Assistance

Continued high economic growth in 1974 and succeeding years appears feasible. Based on economic trends during the first half of 1974, a growth rate of 7 percent appears likely this year. Contrary to expectations that prevailed at the beginning of the year, the balance of payments has continued to perform strongly. There was a small trade deficit during the first half of the year despite the continued uptrend in export prices. However, current invisible transactions registered a substantial surplus, and an overall balance of payments surplus of \$198 million was achieved. As of the end of June, 1974, the level of international reserves stood at \$1.2 billion.

The balance of payments performance during the second half of 1974 is expected to be less favorable. There are indications that copper, wood, and coconut product prices have started to soften and the impact of high oil prices is expected to be felt more fully during the last six months of 1974 and in succeeding periods. Payments for oil imports are projected to rise by \$500 million to \$700 million in 1974, and to account for about 30 percent of projected imports. The Central Bank is projecting an overall surplus of about \$100 million for the whole year, implying an overall deficit during the second half. Balance of payments prospects for 1975-76 do not appear especially encouraging, and the government is projecting deficits during this period. (See also "Justification for PL 480 Title I".

Good prospects exist for continuing the high level of agricultural growth achieved in 1973. Good weather conditions have generally prevailed since the start of the year, and there appear to be no major problems in meeting minimum fertilizer requirements. The recent IBRD Mission has projected that rice production in crop year 1974-75 (July 1974 - June, 1975) will approximate the preceding year's high level of production (about 3.6 million metric tons). With the objective of ensuring adequate fertilizer supplies in the future, the Philippine and Indonesian governments are firming up arrangements for the installation of additional fertilizer production capacity.

The government budget for FY 1975, as approved, continues the strong development orientation of the public sector. About 46 percent of total budgetary expenditures has been earmarked for economic development; 20 percent for social development; and only 13 percent for national defense.

A major problem of the economy at present is a continuing high inflation rate which is due principally to external pressures. For the quarter ending March 31, 1974 domestic prices rose at an annual average rate of more than 40 percent, seriously eroding real incomes particularly of urban wage earners and government workers. Real incomes in the agricultural sector appear to have been protected by increases in prices of agricultural products. The Government is trying to moderate price increases of basic commodities, particularly rice, through a system of subsidies and price controls. Its wage strategy appears to be to keep the level of real wages low in order to maintain an attractive climate for foreign and domestic investment and the economy's comparative advantage in labor-intensive manufactures, vis-a-vis Taiwan and South Korea. Thus, government leaders have opposed demands to increase the minimum wage.

The IBRD has tentatively projected that the Philippine economy will require a gross capital inflow of \$1 billion (in disbursements) annually over the next 4-5 years. The bulk of this will be required by the private sector largely in the form of new equity investments and private borrowings. The Philippine investment climate has improved markedly over the past two years. Several major investments are being effected in automobile, manufacturing, banking, mining, electronics and garment manufacture. Further major private inflows over the Plan period will be necessary to meet Philippine growth objectives. In addition, the Mission estimates that at least \$250 million in disbursements of concessional loan assistance will be needed annually from 1974-77 to maintain the debt burden at a manageable level and to support an expanded public capital development program which is being implemented at a fast pace. This estimate is consistent with the IBRD view that the public sector's concessional assistance requirements remain high, and that the annual assistance requirement of about \$200 million from 1973-77 as targeted in the 1973 IBRD economic report, is by now conservative. The recent improvements in the Philippine Government's capabilities to plan and execute development projects have increased its absorptive capacity for a higher level of concessional assistance.

The required disbursement rate of official loan assistance should rise from about \$180 million in 1974 to over \$300 million in 1977, with project assistance accounting for an increasing proportion of disbursements. To sustain this disbursement pattern, an annual commitment rate of \$400-\$450 million should be made, the bulk of which (about \$325 - \$375 million) should be in the form of project assistance. As of December 31, 1973, the pipeline of official loan assistance stood at \$425 million, including \$375 million of project assistance. There is a need to build up the pipeline of official loan assistance, particularly project assistance, in order to sustain a rapidly increasing level of

project investment over the period 1974-77. Under these circumstances an annual U.S. economic aid level of about \$100 million, including about \$75 million of development loans and PL480 Title I per year, seems both necessary and appropriate. Other donors are expected to make annual loan commitments at about the following levels: IBRD, \$150-\$175 million; ADB, \$75 million; Japan, \$80 million; and other donors, \$10-\$15 million.

USAID AREAS OF CONCENTRATION

RURAL DEVELOPMENT SECTOR

The Philippines continues to be predominantly a rural nation with more than two thirds of its population residing in non-urban areas. It also remains predominantly an agricultural-based economy with agriculture accounting for more than one third of Net Domestic Product, one half of total employment, and 70 per cent of commodity export earnings. Within the rural sector itself, agriculture is even more dominant accounting for about two thirds of total rural employment and income.

Despite the essentially rural character of the Philippines, development and modernization until recently were primarily an urban phenomenon. Government development strategy and policies until the early 1970s coupled with the influential role of the small and effective private entrepreneurial class tended to emphasize capital intensive and geographically concentrated industrialization at the expense of agricultural/rural improvement. In recent years the Philippine Government has recognized the limitations of this approach and adopted a strategy which attempts to correct the past urban bias and its tendency to increase income disparities. Since 1971 strategic and policy priority has stressed agricultural and rural development. Much effort since then has been devoted to formulating the programs and delivery systems needed to translate the general emphasis into real efforts. Thus, while some measure of success has been achieved during the past two years, particularly in terms of increasing farm income and in "gearing-up" for implementation of production and rural infrastructure programs, conditions of life in many rural areas remain basically unchanged and characterized by insufficient income, widespread malnutrition, underemployment, and limited economic opportunities. Perhaps more than 90 per cent of the rural population do not have electric services, and roads are limited in considerable measure to main routes. In addition, agricultural productivity is low and families tend to be large in size.

Approximately four million families live in the rural areas, of whom about three million live at or not far above the subsistence level. Available income information tends to confirm the view that real rural area income increased very little through the 1960s. The median income in constant 1965 Pesos in 1971 was only 1,206 (\$180) for rural families (compared to 2,592 (\$381) for families residing in urban areas). The average annual increase from 1961-1971 for median income for rural families was only 0.6 per cent (less than half the urban average annual increase). Income distribution within the rural sector worsened from 1956-1971 as the share of the bottom 60 per cent of rural families in total family income declined from 32.8 per cent of the total in 1956 to only 27.3 per cent by 1971. However, there is some expectation that this trend was reversed in 1973.

Employment opportunities in the rural areas remain extremely limited. Farming is a seasonal activity that occupies most farm

families for less than two thirds of the year. Organized non-farm opportunities are very limited, although in an effort to supplement their incomes many families do engage in some form of handicraft type work. Available evidence shows that about 19 per cent of the rural labor force is unemployed or underemployed.

The rural population generally has little capital for investment. Fixed productive assets are scarce; and, while the individual farmer is likely to have or share a carabao, powered equipment is rare.

Of the approximately 8 million hectares of farmland in the Philippines, 28 per cent, or 2.2 million hectares, is devoted to major export crops (sugar and coconuts) while 52 per cent, or 4.1 million hectares, is under rice and corn. Of the total rice land, about one million hectares can be irrigated, but only about 300,000 hectares are currently being irrigated in the dry season. The average farm family tills about 3.5 acres of land, and land ownership patterns vary radically from one part of the country to another. Among the three million subsistence level families, there are about one million tenant families, many of whom pay as much as 50 per cent of their crop for their plots.

Given the above outlined situation it is clear that rural development, in terms of improving the conditions of life of the large numbers of rural poor, will require improvement in their income situation; and this, in turn, will require improvement in agricultural productivity. The GOP has accepted this approach to development for reasons of promoting both social equity and over-all balanced economic growth. Basic plans and enabling conditions are already in place to a significant degree, and some implementation momentum has been gained, particularly during the past two years.

The Government has mounted major programs aimed at increasing provincial level development capabilities and resources; rationalizing land tenure systems and transferring rice and corn land to the small farmers who till it; increasing the involvement of small farmers in the development process; increasing cereal and other (e.g. fish) crop production to provide the small farmer increased income and improved nutrition; putting into place both the basic and the attendant provincial level infrastructure needed to serve the rural areas. In addition, the GOP is attempting to explore innovative means (e.g. integrated area programs) to speed development payoff for the rural areas. The USAID is providing assistance to one of the integrated area programs, the Bicol River Basin Development Program. External donor assistance, to a large extent following USAID's lead, has begun to be directed to support the GOP's increased emphasis on the rural sector.

Among the major factors impeding agricultural development specifically and rural development and the growth of the entire economy generally and to which attention is being or must be given are:

Transportation: Access to markets is severely hampered by limited road networks and poor inter-island transportation. Although the GOP has made considerable progress in improving the major highway systems, particularly on the islands of Luzon and Mindanao, in most provinces the feeder road network remains grossly inadequate. It is estimated that half of all rural barrios have only poor quality farm-to-market roads, which may be impassable during the rainy season, and another 20 per cent have little better than foot paths. The limited road network prevents the extension of the land transport system, and the poor quality of existing roads drives up the price of transport where it is available. Water transport is cheap but neither reliable nor of good quality.

External assistance in the transport sector is being provided mainly by the IBRD, ADB, and Japanese Government, and is focussed on the development and improvement of major road networks and arteries and ports. USAID support is for a feeder roads project to be implemented in FY 1975 plus continuation of assistance to road improvements thru the PDAP project.

Irrigation and Power: Only 40 per cent of the rice fields are irrigated, and consequently less than 20 per cent of the land is double or triple cropped. More than 90 per cent of rural families do not have access to electricity, and those who do normally pay many times the Manila rates for electricity which is generally available only 6 to 10 hours a day and then often on an irregular basis. Thus, the low cost power source needed to upgrade irrigation services or to use for small industrial or other production enterprises is not available.

Capital assistance for the improvement and development of irrigation systems is being extended by the IBRD, ADB, USAID, and the Japanese Government. The IBRD-assisted Upper Pampanga River Basin project, which upon completion in 1975 will be the largest irrigation system, is 80 per cent completed and construction is proceeding on schedule. The ADB is providing assistance for several systems in Luzon and Mindanao while the Japanese Government has recently approved loans for groundwater irrigation in Luzon and the maintenance of national irrigation systems. The USAID has recently financed the rehabilitation of several systems in Luzon under a special flood rehabilitation grant and is now planning to assist in the improvement of communal irrigation systems. The UNDP has provided technical assistance for determining the irrigation potential of groundwater in Luzon.

In the power sector, major investments in power generation and transmission are being assisted by the ADB and IBRD, with ADB concentrating in Mindanao and IBRD in Luzon. USAID is assisting the distribution phase through rural electrification and has also provided assistance for the development of geothermal energy. GOP's Rural Electrification effort, which AID is assisting, is one of the government's highest priority programs. It both introduces immediate and tangible benefits to numerous rural dwellers and functions as essential infrastructure for the growth and development of small and medium-scale industries. These in turn

help to absorb the expanding rural labor force and lessen the flow of urban migration and thus urban unemployment and underemployment.

Agrarian Reform: Inequitable distribution of land holding has been a long-standing obstacle to improving income levels for some one million tenant farmers and their families. The GOP has embarked on a major agrarian reform program with the dual purpose of transferring land to tenant-tillers and increasing their productivity through a range of supporting services provided by cooperative mechanisms. The USAID is assisting the GOP agrarian reform program by offering technical assistance in various aspects of the land transfer operation, in testing cooperative structures in the pilot provinces of Nueva Ecija and Camarines Sur, and in agrarian reform research.

Economic Services: Services, particularly credit, necessary to support intensive agriculture remain inadequate. While considerable progress has been made in this area (and in the consequent use of increased and improved production inputs and technology), much more needs to be done. A fairly extensive agricultural advisory service is available in the Philippines, principally from the public sector. Personnel are competently trained. Overall there are more than 4,000 agricultural extension workers and community development personnel. However, administrative efficiency is not good, and poor logistics support limits their capabilities.

Assistance for the expansion of rural credit has been provided primarily by the IBRD and the USAID. Rural credit, particularly to small farmers, has been expanded quite substantially in recent months to support the Government's accelerated rice production program. The expansion took place mainly through the widespread private rural banking system, using new mechanisms for credit delivery. The Japanese Government has also assisted in expanding seed production and distribution. Assistance for the improvement of extension capabilities has been mainly from the USAID and UNDP.

Applied Research: Much progress has been made in recent years in improving rice technology and in extending these technological improvements to the farmer. However, comparable progress has not been made in corn (or other feedgrains such as sorghum), the second most important staple, or in other crops which might permit the small farmer to diversify his production and thereby increase his income. A nation-wide research capability is now being established and must be channeled into activities of relevance and benefit to the small farmer.

The USAID and UNDP have been the major providers of assistance in the area of applied research. The USAID is considering loan assistance to support priority research activities which have been integrated under the organizational umbrella of the Philippine Council for Agricultural Research.

Rural Industry: Existing industry is capital-intensive, import-dependent, and heavily concentrated in the Greater Manila and other large urban areas. There is a highly noticeable lack of manufacturing activity in rural areas to absorb excess rural labor, including off-season agricultural labor, provide for basic consumer goods and farm inputs, and process agricultural output. The development of small industries, particularly in rural areas, occupies high priority in the Philippine Government's development agenda.

Limited assistance is being provided by external donors to rural industry development. The USAID has no plans at present for involvement in this area apart from the rural electrification effort, which has a close relationship to industry development.

More Effective Local Government: With USAID assistance, the Government is currently seeking to strengthen the capabilities of local governments to plan and implement local projects. This is in line with the major thrust under the ongoing government reorganization towards government decentralization and increased emphasis on regional planning and program implementation. USAID assistance, which is provided in collaboration with the Provincial Development Assistance Project (PDAP) and the Department of Local Government and Community Development, is focussed on strengthening local infrastructure (primarily roads and small irrigation systems) capabilities, development planning and fiscal management, and tax administration.

POPULATION PLANNING AND HEALTH SECTOR

In general, demographic trends in the Philippines have been unfavorable for economic growth. A high population growth rate (estimated at 3.2% to 3.4 % during the 1960s) has resulted in a skewed structure (46% below 15 years of age) and consequently a high dependency rate (about 87%) in 1970. While overall economic growth during the 1960s was satisfactory in comparison with most other developing countries, GDP per capita growth rate was limited to about 3% a year because of the high population growth.

Despite rapid growth in public expenditures for education and health during the 1960s, per capita expenditure in real terms on these two services showed practically no improvement over the period. A high population growth combined with substantial price inflation inhibited quantitative improvements in government-provided health and government services.

Because of the high densities of small farmers in parts of Central and Northern Luzon and the high growth rate of the working age population there has been considerable migration from North and Central Luzon to Mindanao as well as to urban areas, particularly Manila. The rural to urban migration rate estimated at about 5% a year has contributed substantially to the deterioration of urban conditions. Already having very high morbidity and death rates from tuberculosis and waterborne diseases, the Philippines is faced with the prospects of increased public health problems as a result of population pressures, inadequate water and sewage systems and limited availability of health services.

Philippine development prospects will be influenced over the medium term more by past demographic trends than by current ones. In the long run prospects will be increasingly influenced by ongoing population control efforts. On the basis of past demographic trends the labor force is expected to expand by about 2.7% per year in the 1970s resulting in approximately 4 million new entrants. The total population is expected to exceed 50 million by 1980 and, should the present rate of rural-urban migration continue, the urban population would increase by about 6 million. Such an increase would make it very difficult to reverse the deterioration in urban conditions. Additional demands will also be placed on the educational system (as enrollments increase by an expected 3.2 million) and health and other social services as well as on the entire agricultural system.

During the past 15 years or so the Philippines has imported food but except for a few commodities, such as wheat and milk, food imports have normally constituted only a small percentage of domestic requirements. Continued high population growth over the next 5-10 years combined with any increase in per capita income would intensify strong pressures on the food supply. Self-sufficiency in cereals (rice and corn) appears feasible within the next decade given the central role of agricultural growth in the Government's strategy and assuming anticipated reductions in the growth rate.

Malnutrition among young children - particularly in those families having large numbers of children or in families with closely spaced children - remains a serious problem. Ninety percent of Filipino children aged 1 to 14 are under-weight by age. Average completed family size continues high at almost 6 children per family.

Philippine authorities generally recognize the seriousness of the country's population problem and have moved much more rapidly than was deemed likely or even possible as recently as 1970. The Philippines has shifted from being a country with a pro-natalist policy to one supporting a comprehensive population program. This change has been achieved despite resistance from at least some elements of the Catholic church and other traditionalist elements. A recent Presidential Decree has legalized all medically accepted methods of contraception except abortion. The GOP has increased its budget support relating to family planning from a relatively insignificant amount in 1970 to \$6 million in FY74. Income tax and labor laws had been amended to encourage small families. A number of municipalities now require counselling in family planning methods before granting a marriage license.

During the last three years the Government of the Philippines has initiated and implemented numerous other population policies and programs directed to this goal. In 1970 a Commission on Population was established to develop and administer a national population program. This program provides family planning clinic services, training, information, education and communication services, and research. The program, which includes the operation of more than 2,300 family planning clinics, is implemented by forty private and government agencies.

These efforts will now be augmented by the activities of the Population Center Foundation, a private institution established recently with support of the Government of the Philippines, the Agency for International Development and the Rockefeller Foundation. The Population Center Foundation will function primarily as a grant-making foundation rather than an implementing agency and will direct its resources mainly to the private sector. It will concentrate its efforts in three areas: research, innovative programs and technical assistance.

The Philippine population control program has benefitted greatly from strong support of Mrs. Marcos and from carefully timed statements by President Marcos backing the program. However, greater support and push is desirable from other quarters. In view of the gravity of the problem and despite encouraging actions taken over the past three or four years, further efforts appear necessary to bring home to various hierarchical levels of Philippine officials a full appreciation of consequences attendant on birth rates which are not reduced sharply and in relatively near term. Toward this end, U. S. should urge IBRD, IMF, UN and other Government officials as well as U. S. Government officials and private citizens to impress on Philippine authorities with whom they deal the importance of limiting population growth. The international organizations and other Governments should also be urged to build population considera-

tions and criteria into their program and project planning and approval process; and this should be done increasingly also by the U. S. through AID, particularly, but also through the numerous other Government and private organizations who work with Philippine authorities. An increased flow of brief, graphic and easily understood material aimed at busy officials would tend to enhance their receptivity to progressive ideas regarding population matters.

The Philippines high population growth rate and its attendant problems have received attention in recent years of a large number of international organizations and agencies. The Philippines suffers neither from failure of the international community to recognize the seriousness of the problem nor from lack of external resources to attack it.

External assistance is provided by A. I. D., the IBRD, the Ford Foundation, the Rockefeller Foundation, Pathfinder Fund, The Asia Foundation, UNFPA, International Planned Parenthood Federation, Family Planning International Assistance, World Neighbors, and the Government of Japan, among others. In calendar year 1973 such assistance accounted for almost three quarters of total program costs.

While AID continues to provide the bulk of external assistance, significant contributions are being made by UNFPA to population and sex education programs in public schools and to mass communications research. Other external donors are supporting such activities as management training for program administrators (Ford Foundation); contraceptive supplies (Japan); information and motivation (Asia Foundation); and pioneering in new approaches to providing contraceptive services (FPIA, AVS, Pathfinder Fund, IPPF and World Neighbors). The Rockefeller Foundation is a major contributor to the Population Center Foundation and the IBRD will soon provide a \$25 million loan to construct or renovate facilities for improvement of family planning, health and nutrition services. WHO is providing expanded and improved maternal and child health services and training, including family planning, in 25 selected provincial hospitals and expects to extend these services to an additional 75. In addition, considerable training and consultation assistance is being provided by U.S. universities and research organizations.

A. I. D. has directed its assistance to activities providing basic family planning services. Since 1969 this assistance has totaled \$29.6 million. While continuing to provide contraceptives and related medical supplies A. I. D. will focus its resources on the solution of problems impeding progress but not addressed by other donors. With 7 out of 8 Filipinos living in outlying barrios distant from present municipal-based clinics, A. I. D. plans to assist in the development of family planning delivery systems to extend services to less accessible areas. These new initiatives will include assisting with the establishment of ten regional coordinating and resupply centers; the extension of mobile service delivery systems; the use of paramedics; the establishment of barrio contraceptive supply depots; the distribution of contraceptives through commercial channels; and the expansion and integration of private sector

clinical and motivational services with ongoing national programs such as those in nutrition, agriculture, local development and rural electrification.

While much progress has been made in providing contraceptive services, the more difficult task of persuading a large majority of child-bearing age couples to want and plan for small families lies ahead. The estimated 500,000 to 600,000 women who are practicing contraception today needs to be almost doubled if first phase program goals are to be realized. These goals call for a reduction of growth rates from about 3.2% in 1970 to 2.5% in 1976.

A joint US/GOP program evaluation will be conducted during FY75. The results of this evaluation will determine in large part the scope and nature of AID's population assistance in FY76 and future years and will provide the basis for a new joint USAID/GOP/private sector program. The plans for the program will be submitted early in CY 1975.

NUTRITION SECTOR

The Philippines is a food deficit country, depending on imports of staples, such as wheat, dairy products, red meats, feedgrains and, in most years, rice, to make up the difference between production and effective demand. Production of nutrients is also deficient in relation to physiologic requirements on a nationally aggregated basis, and, because of inequitable distribution of nutrients among population groups, inadequate consumption is acute in many families.

The food supply situation as reported by the Government and which is the basis for food balances reported by FAO reveals that the Philippines remains consistently among the lowest countries in Southeast Asia in calories available for human consumption. Some of these relationships are shown in Tables 1 and 2.

Table 1.

The Food Situation in the Philippines, 1970
(Per Capita)

<u>Nutrients</u>	<u>Supply Available</u>	<u>RDA*</u>	<u>Actual Consumption</u>
Calories	2,084	2,000	1,673
Proteins, grams	53.9	50	46.6
Fat, grams	27.8	30	21.9

* Recommended dietary allowances as developed by GOP.

Table 2

Philippine Calorie and Protein Intakes Compared to Other Asian Countries*

<u>Country</u>	<u>Year of Survey</u>	<u>Actual Consumption per day</u>	
		<u>Per Capita Calorie</u>	<u>Protein (grams)</u>
1. Iran	1962-67	2,460	68
2. East Pakistan	1962-64	2,202	56
3. Japan	1965	2,184	71
4. West Pakistan	1962-64	2,111	67
5. Korea	1970	2,105	66
6. India	1965	1,970	51
7. Philippines	1958-67	1,673	47

*Source: "Review of Food Consumption Surveys in Asia", Elena S. Quiogue, Proceedings of the First Asian Congress of Nutrition, National Institute, Hyderabad, India.

Inequitable distribution of the already short food supply intensified the problem of malnutrition in the population.

Table 3 shows that within the Philippines there are regional differences in nutritional deficiencies and again emphasizes the serious caloric deficit.

Table 3

Protein/Calories Deficiencies

	Calories % of RDA	Protein	Calories (% of households with less than 70% of RDA)	Protein
Manila and Suburbs	90	92	30	20
Southern Tagalog	79	81	28	30
Ilocos - Mt. Province	88	97	16	15
Cagayan Valley & Batanes	81	87	26	21
Eastern Visayas	68	80	47	24
Western Visayas	75	88	38	20
Southwestern Mindanao	74	86	40	16

The age-specific food intake data (Table 4) reinforce the view that infants, pre-school children, elementary school children, and pregnant and lactating mothers are at greatest risk.

Table 4

Age-Specific Food Intake Adequacy, Philippines
1959-1969

	<u>CALORIES</u>		<u>PROTEIN</u>	
	Average Intake (Cal.)	% of RDA	Average Intake (Cal.)	% of RDA
Children 1-3 years	829	64	27.3	105
4-6	1,103	69	30.3	94
7-9	1,301	68	39.0	93
10-12	1,439	63	42.2	94
Boys				
13-15	1,547	55	49.0	80
16-20	1,695	61	49.6	76
Girls				
13-15	1,547	67	35.0	58
16-20	1,352	64	45.2	75
Men	1,742	73	53.3	85
Women	1,602	89	44.8	81
Pregnancy	1,464	64	43.7	67
Lactation	1,339	46	41.7	56

Since breastfeeding is still much more common than bottle-feeding in the rural areas, it is felt that the newly-born infant is reasonably well nourished. However, from 6 months of age onward, the mother's poor nutritional state leads to inadequate breast milk, early-weaning, and nutritional deterioration of her infant.

Nutrition surveys have also detected other deficiencies. Clinical signs of Vitamin A deficiency were found in 15-20 per cent of the population while serum Vitamin A was in the deficient range in 60-95 per cent of those tested. Dietary deficiencies of Riboflavin, Vitamin C and Calcium were also noted, but clinical signs of deficiency were not widely evident. Iodine deficiency was evidenced as simple goiter in some inland and mountainous areas.

Infants, pre-school children, pregnant and lactating women and elementary school age children, in that order, are the groups most vulnerable to malnutrition. Approximately 90 per cent of Filipino children, aged 1-14 are underweight. The infant mortality rate is 70 per 1,000 live births. The number of deaths among children aged 1-4 is estimated to be 12-14 times higher than in the United States and 4-5 times higher than Taiwan. These losses occur largely because of poor nutrition. Moderate to severe malnutrition exists in about one-third of the pre-school and elementary school age population, thus increasing the morbidity-mortality rates of such common infectious conditions as TB, gastroenteritis, broncho-pneumonia, whooping cough and measles.

During the last three years the Government of the Philippines has begun to focus its efforts on the need to improve the conditions of life of the country's disadvantaged third to half of the population and thus on ways to improve their nutritional practices. Emphasis has been placed increasingly on programs to increase total food production and rural poor income levels. Within the nutrition sector proper, major attention has been focused on efforts to alleviate malnutrition thru community or family-level activities.

A significant new development in July, 1974, was the intensification of the nutrition program under the direction of the First Lady, Mrs. Imelda Marcos, with a view toward: increasing national consciousness of the present situation and the need for action to improve it; involving both the private and government sectors in better planned and coordinated programs; establishing government and private structures to facilitate improved nutrition programs. Specific actions taken toward these ends were the formation by presidential decree of a National Nutrition Council composed of 6 members of the cabinet and 3 from the private sector, and the creation of a Nutrition Center of the Philippines analogous to the Population Center Foundation. The Center is to catalyze private and public agencies toward a coordinated national education and information campaign to increase food production and to improve home or family food habits.

In a relatively short period of time considerable progress has been made. Dr. Florentino S. Solon, an internationally known clinical nutritionist with a strong interest in community health and family planning, has been appointed Director of the Nutrition Center and coordinator of the nutrition program. A massive nutrition information campaign has been initiated directed primarily at mothers of pre-school children. Between 12-15 million pesos were pledged by cabinet officers from operating funds for construction of a Nutrition Center building. Four million pesos

were allocated by President Marcos to the Department of Social Welfare to buy local foods to permit the expansion of Day Care Centers over what would be possible with PL480 Title II commodities alone. An additional P4 million were raised by Mrs. Marcos through private subscription and turned over to the Department of Social Welfare to pay for Day Care Center operators and nutrition aides. To provide seeds for home, school and community gardens the Department of Education and Culture was authorized to release P2.8 million for a green revolution seed nursery program. At the municipal level, the Mayor of Manila announced a P300,000 annual budget to provide nutrition services through that city's 41 health units.

During the next 12 months 42 provinces will participate in the GOP's expanded nutrition program. This program includes (1) nutrition training, a primary responsibility of the Department of Education and Culture; (2) nutrition education, primarily through home demonstration workers in agricultural extension; (3) increased emphasis on food production in home, school and community gardens through vocational education and agricultural extension agents; (4) hospital malnutrition wards for rehabilitation of malnourished infants and children; and (5) supplementary child feeding program for pre-school children. The latter two activities are primarily the responsibility of the Departments of Health and Social Welfare but a number of other agencies participate, such as National Red Cross, Home and Youth agents of the Agricultural Extension Program, and Tulungan, a social action agency headed by Mrs. Imelda Marcos.

Major donors to the nutrition program include UNICEF which assists with training and education programs and commodity assistance such as garden tools and equipment. WHO and FAO provide advisory and consultant services in the hospital nutritional rehabilitation program and the food production campaign.

USAID has contributed food donations (PL480 Title II) to augment the Government's efforts to alleviate malnutrition. It has also provided technical advisory services in support of nutrition program planning and implementation. It has focused its support on expanded outreach to the malnourished pre-school population largely through US Voluntary Agencies and their counterpart local religious organizations which are actively cooperating with the government agencies. All agree the U.S. food assistance should be considered as temporary or stop-gap in nature until local food production, improved incomes and improved knowledge can exert their influence upon the malnutrition problem. However, recent inflation trends and high food prices leave an estimated 60 per cent of the population without enough income to meet recommended dietary intake. The need for food assistance is expected to be strong for at least 3 or 4 more years. Also, although forward strides in food production have been made, the population pressure on the food supply is expected to increase for several years to come.

USAID will continue food assistance, if available, with increasing proportions aimed at the most vulnerable, namely, pre-school children and pregnant and lactating women. AID will also assist the Government in improving nutrition planning and implementation of project activities through the newly created Nutrition Council and Nutrition Center. Specific projects which would

improve the food supply at family level, such as low cost weaning foods, home gardens, village level food processing and preservation, will be supported by USAID as interventions that can eventually lead to reduced direct food assistance.

Other interventions that AID will support are pilot plant production of new food products from coconuts, particularly skim milk powder and coconut flour as extenders of cereal, and field testing of the nutribun converted to a ready-to-eat powder as a weaning food.

NEW LOAN AND GRANT ACTIVITIES IN FY76

RURAL ELECTRIFICATION LOAN PROPOSAL

A.I.D. first began rural electrification assistance to the Philippines in 1968 with loans totalling \$3.5 million to cover the foreign exchange costs of two pilot rural electrification projects. These two systems now supply electric service to 110,000 persons. In FY72 two Development Loans totalling \$20 million were authorized to cover foreign exchange costs of goods and services as part of the \$92.5 million program designed to supply electric service to 2½ million new consumers. As of July 1, 1974, 900,000 persons were receiving electric service from twenty-six cooperatives that are now in the early operating stages. A.I.D. is also assisting this program with grant-funded technical assistance, excess property and local currency generated from commodity loans. In FY74 an additional \$18 million loan was authorized to assist in the construction of up to 15 more coops. A \$22 million loan in FY75 and a \$20 million loan in FY76 are proposed to assist the GOP in implementing its revised program aimed at providing electric service to approximately 75 percent of the population by 1982.

Relationship to Country Program

The GOP has assigned power generating and distribution projects and projects designed to increase agriculture and small scale industrial production first development priority. The GOP has specifically stated that the NEA rural electrification program is to be treated as a highest priority project especially where it can readily tie into a National Power Corporation (NPC) grid.

Through the development of rural electric cooperatives, the project is bringing, and will continue to bring, reliable electric service to people who, heretofore, have had no such service or, at best, unreliable intermittent service -- and at prices they can afford. In addition to improved social conditions, multiple benefits in the way of increased income and employment are expected from the tie-in of rural electrification to well conceived pump irrigation projects and programs for the development of small and medium scale power use industries. The project is thus consistent with USAID's major program thrust aimed at getting development benefit down to the disadvantaged rural areas and is an integral part of that program.

The Beneficiaries

The beneficiaries of the project -- the farmers, the barrio dwellers, the rural people -- gain useful social and political experience by organizing themselves into electric cooperatives and other cooperative efforts such as the NEA-supported Barrio Irrigator's Service Association. The rural dweller is encouraged to obtain gainful employment through the promotion of small, power-use industries in the barrios once a cooperative is energized. Low-cost and readily available rural electricity can be an

important factor in enabling rural families to secure additional income, and slow the rural-urban migration. The proposed program, therefore, is expected to have a highly beneficial effect of the generation of employment both directly and indirectly during its construction phase and thereafter during the operating life of the coop's.

Relevant Activities of Other Donors

Development of the power sector prior to 1970 was on a piecemeal basis and poorly coordinated. In 1970/71 a consultative group headed by the World Bank reached agreement with the GOP concerning power sector support. The IBRD agreed to fund an orderly program of generation and transmission facilities for the NPC in Luzon while the Asian Development Bank agreed to support similar facilities in Mindanao. AID participated in the plan by allocating funds for a group of cooperatives which would distribute power furnished from the NPC grid to the rural consumers. AID also agreed to support cooperatives in other islands where small generating units would be required until such time as load development was sufficient to warrant large scale generation and transmission installations by NPC.

Since late 1972, the Government has assumed responsibility for future large scale generation and transmission systems. Plans are now underway for NPC to add geothermal power facilities at two locations on Luzon and to investigate similar possibilities in Leyte and other areas. Hydro-electric facilities are being developed and expanded in Luzon and Mindanao. NPC is now in the final stages of plans to place orders for a 600 MW nuclear unit which is scheduled for initial operation in 1984. Several small generating plants of up to 5 MW each will continue to be added by private operators and by cooperatives until loads are developed sufficiently to support the larger efficient installations. Future power supply efforts in the Philippines will be directed toward full utilization of hydro-electric and geothermal sources with NPC being the implementing agency. The sixth power loan from the World Bank (\$61 million) will finance transmission system expansion and the 100 MW hydro unit at Pantabangan Dam in Central Luzon. The Asian Development Bank is discussing further financing of the Agus River hydro-electric complex and accompanying transmission lines in Mindanao. Studies also are underway with the Japanese Government to determine the desirability of proceeding with generation and transmission systems on some of the larger islands of the Visayas.

Studies and Analysis Needed to Develop Project

NEA, as a condition of the FY74 AID loan, will begin an evaluation program to provide full qualitative and quantitative analysis of the country-wide electrification program. This evaluation will stress the improvement in the improved social and economic conditions of rural Philippines brought about by the advent of electric service.

Also as a covenant of the 1974 AID loan is a survey of the Philippine business competence in the manufacturing of electrical material equipment.

This survey will identify existing manufacturing capability and recommend development of products not now available that can be utilized in the program.

Rough Estimate of Total Cost

In late FY74 the second Rural Electrification loan for \$18.0 million was authorized to cover foreign exchange costs of goods and services for up to 15 more electric cooperatives to provide service for an additional 900,000 persons. Increased costs are limiting the amount of materials which can be procured with FY74 loan funds. Local currency requirement of \$16.0 million equivalent to support the FY74 loan is being furnished by the Philippine Government.

FY75. It is proposed that an amendment to the FY74 loan in the amount of \$22.0 million be included in the FY75 Congressional Presentation. This proposed loan amendment would bring A.I.D.'s development loan participation in the rural electrification program to \$63.5 million. It is anticipated that two additional loans of \$20 million each will be required to enable the GOP to complete its interim plan of providing at least one rural electrification project in each of the provinces of the Philippines. It will also complete the major efforts toward institutional development at the national level and at each of the organized cooperatives.

FY76. It is proposed that a development loan for an additional \$20 million be included in the FY76 Congressional Presentation to assist in the continued expansion of rural electrification in the Philippines. With this additional input the necessary momentum will be provided for the Philippines to reach its stated goal of about 75 percent electrification by 1982. AID financing of rural electrification has been totally for foreign exchange costs, but may include some local costs in the FY75 and, particularly the FY76 projects.

See the Rural Electrification grant project narrative for further information.

PROVINCIAL WATER LOAN PROPOSAL

In FY 1974, AID authorized a \$15.0 million loan to finance the foreign exchange costs and a portion of the local currency costs (on a direct reimbursable basis) for the improvement/construction of up to five provincial water systems. These five pilot projects are the beginning of a national program and were based on feasibility studies financed by AID and completed in 1973. A sixth site, Baguio, was included in the feasibility studies but requires further study. Provision for including the improvement and construction of the Baguio water system therefore was not included in the \$15.0 million FY 74 loan. However, the loan did include funds to finance additional required feasibility studies for the Baguio system. If these additional studies are completed in time for design and construction of the Baguio system to begin in FY 1975, AID will consider an additional project loan for this purpose in FY 1975 as well as for the design and construction of other systems now being studied under the Feasibility Loan Project. In FY 74 \$500,000 of grant funds were made available to finance contract services to assist in developing, at the national level, the recently established Local Water Utilities Administration, and at the local level the 5 water districts for which the loan funds are to be used.

Relationship to Country Program

During the past two to three years USAID/Philippines has been restructuring and redirecting its overall program and its project components. One of the essential features of this process has been an increased focus on getting more development benefits "downstream" to substantial numbers of the more disadvantaged elements of the population. Emphasis has been placed on formulating and implementing projects designed to deliver both short-term and lasting benefits to the lower economic strata, particularly in rural areas, including smaller towns and cities. Projects are selected for USAID assistance, to a very large extent, on the basis of their ability to improve the health and overall standard of living of the population in small towns and cities in the provincial areas. Both the GOP and USAID have recognized that the non-availability of potable water represents a serious lack in the lives of these people. This project is intended to provide accessibility to and adequate supplies of potable water for provincial dwellers, thereby, improving their living conditions, future prospects and health. The project will also help to establish a GOP capability to expand and manage the country's overall provincial potable water program.

The Beneficiaries

Since the early 1940's, very little has been done in provincial areas to improve local waterworks systems. Of the six provincial areas studied so far, only 48% of the population in the waterworks service area are served by the system. The studies conclude that with the improvements proposed by the FY 1974 loan and the possible FY 1975 loan, the percentage of population to be served by the waterworks systems will increase by 1980 to 57%, despite a 50% increase in population. The rate structure designed for these systems favors the poorer customer, with the more affluent customer paying more for the same quantity of water.

In terms of public health, these improved waterworks systems are vital to the people living in the provincial areas. The incidence of death in the Philippines from waterborne diseases is greater than that in other Asian countries such as Hongkong, Thailand and Singapore. The Philippines, as shown in the most recent World Health Organization statistics on deaths from waterborne diseases, registered in 1970 38.6 deaths per 100,000 population as compared to 19.3 for Thailand, 0.8 for Hongkong and 8.0 for Singapore. Excluding accidents and infant mortality, gastroenteritis is the fourth largest cause of death in the Philippines. These improved waterworks systems will not in themselves eliminate waterborne diseases but will make a substantial contribution towards their elimination.

Relevant Activity of Other Donors

There is a 2.5 million Danish kroner loan for the construction of a water system in Marawi City. USAID is not aware of any other donor assistance for financing waterworks improvements in the provincial areas. The World Bank has provided assistance for the improvement of the Manila waterworks and the ADB is contemplating additional assistance for a major expansion of this system.

Studies and Analysis Required to Develop Project

A water resources and waste water study must be made for the city of Baguio. The Local Water Utilities Administration, the GOP organization responsible for the project, has already contracted with an American engineering firm to conduct these studies. The city of Baguio, however, has not completed the administrative action necessary to qualify for a construction loan but is expected to do so in the near future.

Regarding a Provincial Water loan in FY 1976, AID is financing waterworks feasibility studies in ten additional provincial communities from an FY 1973 feasibility study loan. Five of the ten studies are scheduled for completion early in FY 76 with the remainder in the latter part of FY 76. The Government of the Philippines has already

indicated that it intends to request from AID a loan similar to that authorized in FY 1974 to finance the improvement/construction of additional waterworks systems as feasibility studies are completed.

Estimate of Total Cost

FY 1975 Loan Program

Depending upon the conclusion of the studies and the degree to which sewerage treatment must be considered along with waterworks improvements, the foreign exchange project costs may range from \$5 to \$15 million. USAID may need TDY assistance to prepare the Capital Assistance Paper. The loan would be drawn down in three years.

FY 1976 Loan Program

It is planned that a \$20 million development loan will be prepared for FY 1976 to finance the 5 to 10 provincial community studies which will be completed in early FY 1976. Some TDY assistance in Capital Assistance Paper preparation may be required. A project loan of this size would be drawn down in three years. It will include both foreign exchange and local costs.

Grant Funds

FY76 grant funds will be required to finance additional contract services. See the Small Irrigation Systems grant narrative for further information.

SMALL IRRIGATION SYSTEMS LOAN PROPOSAL

This project is intended to increase irrigation facilities and water for substantial numbers of small farmers on a well organized and managed, and eventually self-financed basis. The project will consist of both grant funded technical assistance to provide advisory services and training to the Philippine institutions responsible for managing the irrigation operations, and loan funds to assist in financing the construction and improvement of small irrigation facilities.

Relationship to Country Program

Rice is the principal staple food of the Philippines, and rice self-sufficiency is one of the major goals of the country's development programs. AID supports this goal. The IBRD Agriculture Sector Survey published in May, 1973 states that rice self-sufficiency for the Philippines cannot be achieved without expanded irrigation infrastructure. The survey also indicates that existing irrigation system performance falls far short of its potential, e.g. of the nearly one million hectares of irrigated land, only about two-thirds is cropped during the rainy season, and only slightly more than one-quarter is cropped during the dry season. The survey also estimated an extremely low efficiency rate -- only 15% -- for overall use of agricultural water in the Philippines. It is to the improvement of the irrigation system performance that this project is directed.

As part of its accelerated agricultural production activities, the Philippine Government is expected to request AID assistance in improving the organization and management of irrigation facilities, including the construction of new and rehabilitation of existing systems, and in establishing an organization and management structure for a national program to support these systems on a continuing basis. A.I.D. loan funds will be used to assist in financing the construction and rehabilitation aspects of the project; and grant funds will be used to help finance advisory services and limited training for the National Irrigation Administration, the Department of Local Government and Community Development, and the Provincial Development Assistance Program on the development of local ownership, operations and maintenance, and management of these irrigation systems. By helping the Philippine Government to make better use of available water for irrigation, this project will assist in increasing agricultural production and raise the incomes and standard of living for the targeted Filipino farmers.

The Beneficiaries

The beneficiaries of this project are small-scale rice and corn farmers. See the "Beneficiaries" paragraph of the Agricultural Research loan proposal for statistical information on the definition of "small farmer"

on the basis of national distribution of farm size.

Relevant Activities of Other Donors

Other donors are providing large amounts of assistance for development of large scale new irrigation development, but the other donors do not appear to be addressing the major problem retarding increased production on existing irrigation lands, which is the lack of adequate operations and maintenance (O&M) of systems after completion of construction. This is a particularly critical problem with small scale system. It is this problem which AID proposes to address. Other donor assistance in irrigation includes (amounts in million U.S. \$):

IBRD (World Bank)

1. Upper Pampanga River Basin	34.0
2. Aurora-Penaranda Trans-Basin Diversion	19.0
3. Mindoro Integrated Rural Development	25.0

Asian Development Bank

1. Cotabato Irrigation	2.5
2. Angat-Magat Integrated Agricultural Project	9.6
3. Davao del Norte Irrigation	4.2

Japanese Government

1. Groundwater Irrigation	4.1
2. Maintenance of National Irrigation	2.5

UNDP

Technical assistance (\$2.0 million) for the improvement of irrigation facilities through groundwater development in Luzon.

Studies or Analysis Required to Develop Project

The technical analysis and project development, in most part, will be undertaken by Mission staff. USAID/Manila has on its staff an Irrigation Engineer (ETA August, 1974) whose primary duty is to assist the concerned Philippine Government organizations in considering the nature and dimensions of the poor irrigation system performance and to develop action programs for improvement, including in all likelihood this proposal. It is expected that short-term advisors in the fields of Organization and Management, Education and Training, and On-farm Water Management will be required to assist the staff irrigation engineer in project formulation in the latter half of FY 1975.

A perennial problem in improving the Philippines' irrigation network has been the faulty organization and management of the systems. A pattern has developed by which the lack of maintenance discourages farmers from paying O&M charges and the lack of the latter precludes further maintenance. The results have been a deterioration of the present irrigation systems, insufficient construction of new systems to meet increased needs, failure to raise farm production sufficiently and a consequential loss of income to the small farmer. At present 50% of the irrigation systems are under national government management and the balance under communal or private management.

The Government is expected to ask A.I.D. for loan assistance to finance the technical design and some of the construction costs of these small scale irrigation systems. Provided the Philippine Government agrees to establish the necessary organization and management structure for a national program of upgrading the management of new and existing systems, a \$10.0 million loan in FY76 is proposed. Loan funds will be used to assist in the construction and rehabilitation of several systems and will be provided in part under a reimbursement scheme, whereby the United States will pay a portion of the fixed costs of a system after it has been completed and certified as having met agreed upon standards. The institutional development assistance will be provided starting in FY76 under the technical assistance aspect of the project.

FY 1976 Loan Program

An initial \$10,000,000 development loan for construction and rehabilitation of small scale irrigation systems is planned for FY76, if the Philippine Government undertakes to establish the necessary operations and maintenance farmer-organizational structure to support such a program. A substantial portion of this loan is expected to be utilized for complete refurbishing of the systems by rehabilitation of existing canals and structures, the addition of new ones, the provision of drainage and the introduction of water management. In addition, a limited amount of loan funds may be provided for new development of small pump irrigation projects in support of the Barrio Irrigators Service Association efforts, which may serve as a model for the operation of the more predominant gravity-fed systems. The assistance provided under the proposed loan will reimburse the Philippine Government for projects constructed to agreed-upon standards in selected provinces using a Special Letter of Credit procedure. Loan dollars may also be utilized to reimburse the costs of rehabilitating United States Government excess property if acquired for the project. Irrigation systems to be constructed under the program will be selected to maximize economic returns and benefits to the rural population. The \$10,000,000 development loan should be drawn down within three years of the time the CP's are met.

FY 1976 THIRD FEASIBILITY STUDIES LOAN

It is proposed that a development loan in an amount up to \$2.0 million be included in the FY 1976 Congressional Presentation to assist the GOP in effective management of its limited economic resources by providing foreign expertise needed to perform professional feasibility and other studies, analyses and similar services related to projects and activities in the GOP's economic development plans. The proposed loan will be the third AID loan to the Philippines in this area.

Proceeds of the loan will be used to finance the foreign exchange costs (GOP will be expected to provide the local currency cost financing) of prefeasibility and feasibility studies, sectoral studies, market studies and consulting services, including engineering services, directly related to capital projects in the Philippines.

Studies undertaken or assisted by earlier AID feasibility studies-loans included power development of the island of Mindanao, the multipurpose Upper Pampanga hydroelectric/irrigation project, a nationwide rural electrification program, irrigation potential of Laguna de Bay, sixteen provincial/municipal waterworks systems, the multipurpose Magat River project, and an overall water resource survey of the Bicol River Basin.

BICOL RIVER BASIN LOAN PROPOSAL

Several activities, including technical and engineering feasibility studies, are currently under way in the Bicol River Basin area as a part of the Bicol River Integrated Area Development Project. Until the results of the ongoing studies are known, suitable capital projects for development loan financing cannot be clearly identified. It is anticipated that one or more of these studies will be completed by mid FY76. Should attractive and feasible projects emerge in the Bicol in sufficient time, the Mission proposes to request funding in an amount of \$5 million. Supplemental funds beyond that amount might also be requested.

SMALL IRRIGATION SYSTEMS GRANT

For FY 1976, A.I.D. plans to provide \$250,000 for technical advisory services and participant training. Under the contract, one full-time and several short-term irrigation specialists will advise appropriate offices of the Philippine Government on irrigation associations and management, education and training, irrigation systems engineering, and on-farm water management. Short-term training for nine participants in the United States, Taiwan and Korea will be provided to develop Philippine expertise in carrying out an effective program of irrigation systems management and operations. This technical assistance activity is expected to carry forward for several years. For further information see the Small Irrigation Systems Loan narrative.

JUSTIFICATION FOR PL480 TITLE I

Introduction

The Mission proposes a PL480 Title I program for the Philippines at levels of \$20.0 million and \$25.0 million for fiscal years 1975 and 1976, respectively. The rationale for the proposed PL480 Title I assistance to the Philippines is based on the continuing need to support the Philippine development effort, particularly in view of anticipated pressures on the balance of payments during the next 2 years. PL480 assistance is also required to provide non-inflationary budgetary support for GOP activities in priority areas, especially agricultural/rural development and family planning/nutrition.

Balance of Payments Support

Despite marked changes in the Philippine economy since the Consultative Group for the Philippines was formed in 1971, the achievement of the country's development objectives at levels and within the time frame currently planned remains dependent upon external economic assistance. Under the stabilization program agreed upon with the IMF in 1970, the economy has consistently achieved over-all balance of payments surpluses since 1970 and the external debt has been subjected to careful official management. The maturity structure of the external debt has been improved, and mainly because of the unprecedented export performance in 1973, the debt service ratio has dramatically fallen from 23 percent in 1972 to 18 percent in 1973. Official international reserves have risen to the \$1.2 billion level as of June, 1974 and net reserves are currently above \$800 million. These changes reflect both the determination of Philippine officials to improve the management of the economy and favorable price trends for Philippine exports. While these changes have somewhat reduced the need for commodity assistance in 1974, a high level of commodity assistance requirements is projected for the next two years to assure an even flow of an increasing level of imports required to sustain the economy's growth.

Given the uncertainties in the world monetary and trade situation, balance of payments prospects over the next 2 to 3 years are unusually difficult to predict. Recent developments, however, appear to indicate, rather clearly, that these prospects are not encouraging. Prices of Philippine major exports which rose to unprecedentedly high levels in 1973 and continued to be favorable during the first half of 1974, appear to be weakening. Except for sugar, the export prices of the country's major exports - logs and lumber, coconut products, and copper - appear to be on a decline. Moreover, the impact of higher oil prices (which have nearly quadrupled since 1973) is expected to be felt more fully during the second half of 1974 and in succeeding periods. During the second half of 1974, the Mission projects that the Philippine economy will face growing balance of payments difficulties as the terms of trade

deteriorate further. On the basis of the same expectation, the Central Bank is projecting a trade deficit in 1974 of close to \$400 million. However, this deficit is expected to be offset by net inflows from current invisibles (services and transfers). Thus the Central Bank expects 1974 to close with an overall balance of payments surplus of \$100 million. Mission understands that the IBRD has revised its earlier and more optimistic projections showing a surplus of about \$300 million, and is now projecting a surplus of about \$100 million.

For 1975, balance of payments prospects are much less optimistic. Based on tentative projections of the CB, IMF, and IBRD, a balance of payments deficit in the order of \$200 million may occur. For 1976, a deficit in the same amount appears likely. If the economy's growth momentum is not to be constrained by foreign exchange difficulties, increasing amounts of official development assistance will be required. Tentative projections of the IBRD indicate that the economy will need a gross capital inflow of \$1 billion (in disbursements) annually over the next 4-5 years, the bulk of which will be in the private sector. Over the same period, the Mission projects that disbursements of concessional assistance will be at least \$250 million annually to allow for adequate import growth to sustain a moderately high GNP growth targeted by the Philippine Government, and the maintenance of the presently favorable debt service ratio. To sustain this disbursement rate, the commitment rate should be about \$400-\$450 million annually. Given the recent improvements in the Philippine Government's project preparation and implementation capabilities, the bulk of this, about \$325-\$375 million, could be in the form of project assistance. The rest would be most effective as commodity assistance, including PL480 Title I assistance.

Budgetary Support

In addition to providing support for the Philippine balance of payments during the next two-three years, PL480 sales could provide non-inflationary budgetary support. The peso generations will be used as non-inflationary means of financing GOP activities in priority development areas, particularly those emphasized in the new AID legislation and the GOP Four Year Development Plan: agricultural/rural development and family planning/nutrition. The joint GOP-USAID program is focussed on these principal areas, reflecting a major GOP policy objective centered on improving conditions of life of the poorest third to half of the population, the largest portion of which are small farmers. The main projects of the joint GOP-USAID program are designed to increase farmer income through agricultural productivity efforts, the extension of electricity, the improvement of development capabilities at the provincial level and of provincial infrastructure, and the improvement in the use of water resources.

The Philippines has been a foodgrain and feedgrain deficit country and, despite current targets calling for self-sufficiency by FY 1976, is likely to remain so for several years, particularly if buildup of buffer

stocks is to be achieved and if incomes continue to grow. In the past, GOP pricing policies have not been effective in promoting increased production but means to correct this situation are currently under study. The current rice price to the farmer is an incentive price to stimulate increased production. Given this consideration and the composition and size of the Title I programs proposed by the Mission, no adverse effects on Philippine farmers are expected to result from the proposed programs. Additionally, the self-help measures cited in the 1972 and FY 1974 Title I agreements and projected for the FY 1975 and FY 1976 agreements, are focussed on agricultural/rural development, with particular emphasis on the improvement of the welfare of small farmers. It is worth noting in this connection that the GOP self-help performance in 1973 was highly satisfactory.

Consistent with the US Congress' expressed concern with the need for improved nutrition, the proposed FY 1975 and 1976 agreements will present an excellent opportunity to assist the GOP in expanding the school-feeding program using its own (borrowed) resources and freeing US Title II inputs for the more important - in terms of need and expected life-long benefit - pre-school feeding program.

While the GOP development performance was generally highly satisfactory in 1973, the increased costs of imports, particularly petroleum products, and related domestic price increases, are placing a strain on domestic resources available to finance the planned development effort. This effort has expanded substantially since 1971 and to some degree, has done so in response to urgings of the US, the IBRD, and other CG members. A tight funding situation exists despite the relatively good GOP performance in tax and tariff revenue areas. While the Mission believes that the set of joint GOP-USAID projects is not in serious danger of peso underfunding, some GOP retrenchment in other high priority agricultural and related projects is likely if appropriate assistance such as peso generating PL480 sales is not provided by US and other donors at required levels. Under these circumstances, PL480 sales are needed not only to assure timely and full implementation of major GOP-USAID ventures but also to maintain the momentum and integrity of the entire GOP development effort.

Other Considerations

Beyond the purely economic considerations discussed above, other arguments exist for continuing PL480 Title I assistance to the Philippines. PL480 assistance at the proposed levels will help the US resume "fair share" participation in Consultative Group efforts to assist Philippine development. This "fair share" participation has been targeted by the Country Team at an annual level of about \$100 million over the next few years. While the FY 1973 USAID assistance of \$113 million is high (due to special inputs for flood relief and rehabilitation), the FY 1974 program at \$58 million is disproportionately low. Given the US interest in preserving the beneficial role of the CG (in maintaining donor inputs at high levels and in coordinating donor inputs), it is important that the US resume its position as a "fair share" member of the CG.

Continued PL480 assistance, as part of total US economic assistance to the Philippines, will also provide some support for the close and extensive relationship between the US and the Philippines. The US has important political and economic interests in the Philippines which have benefitted over time from this relationship. Currently, this relationship is at a critical stage of transformation involving negotiations on future arrangements for US military bases in the Philippines and on a framework for future economic relations between the two countries. Success of current negotiations implicitly depends in part on continuing Philippine confidence in the US commitment to assist Philippine economic and social development.

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PL 480 TITLE II STATEMENT

General: For an update of background material submitted in the FY 1975 budget submission see the nutrition sector narrative.

Proposed Expansion:

(a) The Targeted Maternal Child Health Program will be expanded to an additional 819 barrios in 21 new provinces through the direct participation of 273 home management technicians from the Bureau of Agricultural Extension. In selected areas, where excellent success with home and community gardens is evident, there will be total reliance upon home grown foods, and a comparison of child growth response will be made with children in centers where PL 480 Title II commodities are in use.

(b) Participation in TMCH program of day care centers operated by the Department of Social Welfare will be expanded from the present 1,316 to 3,316 to reach every municipality and city.

(c) TMCH will be integrated with other maternal child health services through the institution and field testing of a comprehensive barrio-denominated health delivery system.

(d) Vitamin A prophylaxis will be included in the TMCH program if present research and biochemical and clinical tests establish a relationship between calorie and protein deficiency and Vitamin A deficiency.

(e) Feasibility of establishing community canneries or barrio food processing centers by the Department of Food, Science and Technology, University of the Philippines in Los Banos will be studied.

(f) Weaning foods based on local resources will be developed and market-tested by the Food and Nutrition Research Center.

(g) A coconut processing pilot plant at the University of San Carlos, Cebu City, for the manufacture of skim milk for industry evaluation will be placed in operation.

Maternal Child Health: The Catholic Conference of Bishops in the Philippines, through its nationwide Social Action Directorate, has now assumed complete responsibility from Catholic Relief Services for employing professional nutrition workers in support of the highest priority aspect of the Nutrition/Title II program, feeding for malnourished infants and pre-school children together with their pregnant and nursing mothers. CRS can now devote its TMCH efforts to overall supervision and logistical support in handling and distributing Title II food.

Food For Work: The Food For Work program supports the GOP's priority effort to increase food production. Many food for work projects are in the areas of irrigation construction and repair, flood control, feeder roads, land clearing and cultivation and communal gardening. The GOP and USAID have also made FFW assistance to the squatter resettlement areas another priority. USAID, working through the US Voluntary Agencies, has utilized food for work as the essential vehicle in assisting the destitute inhabitants of the squatter resettlement areas of Carmona, Sapang Palay, and San Pedro. Since the GOP intends to accelerate the removal of urban squatters to resettlement areas, the demand for food for work assistance is expected to increase. Since FY 1973, however, the food for work program has been reduced from 1,440,000 man days to 274,800 man days in FY 75. An increase in presently approved levels for the food for work program would provide much needed assistance to the poorest of the poor of Philippine society.

School Feeding: This program has been operated to feed only the malnourished and underweight children in the public elementary schools, Grades 1-6, ages 6 to 14, especially in schools found in economically depressed areas. In FY 1975, the number of AID-assisted school feeding recipients will be decreased to 900,000 from the FY 74 level of 1.3 million. Due to this decrease in the approved recipient level for FY 1975 the program has been redirected to include only the malnourished and underweight children in kindergarten through Grade 4 (ages 5-10). Although a further decrease in commodities for the school feeding program is anticipated in future years, it is proposed that for FY 1976 there be no reduction in this program from FY 1975 levels pending a study of all supplementary feeding programs as recommended by the executive director of the National Nutrition Council.

TABLE I

PhilippinesSummary of Commitments by Appropriation Category
(\$ thousands)

	<u>FY74</u> <u>Actual</u>	<u>FY75</u> <u>Estimate</u>	<u>FY76</u> <u>Request</u>	<u>FY77</u> <u>Projected</u>	<u>FY78</u> <u>Projected</u>
I. <u>Functional Development</u>					
<u>Appropriation</u>	<u>41,259</u>	<u>54,684</u>	<u>64,435</u>	<u>57,845</u>	<u>57,850</u>
Grants	8,259	7,684	7,435	7,845	7,850
New	(-)	(867)	(250)		
Ongoing	(8,259)	(6,817)	(7,185)		
Loans	33,000	47,000	57,000	50,000	50,000
A. <u>Food Production and</u>					
<u>Nutrition</u>	<u>21,464</u>	<u>45,642</u>	<u>40,635</u>	<u>53,790</u>	<u>38,790</u>
Grants	3,464	3,642	3,635	3,790	3,790
New	(-)	(867)	(250)		
Ongoing	(3,464)	(2,775)	(3,385)		
Loans	18,000	42,000	37,000	50,000	35,000
B. <u>Population Planning and</u>					
<u>Health</u>	<u>19,521</u>	<u>8,992</u>	<u>23,750</u>	<u>4,000</u>	<u>19,000</u>
Grants (Title X)	4,021 ^{a/}	3,992 ^{a/}	3,500 ^{a/}	3,500 ^{b/}	3,500 ^{b/}
Grants (Non-Title X)	500	-	250	500	500
New	(-)	(-)	(-)		
Ongoing	(500)	(-)	(250)		
Loans	15,000	5,000	20,000	-	15,000
C. <u>Education and Human</u>					
<u>Resources</u>	<u>274</u>	<u>50</u>	<u>50</u>	<u>55</u>	<u>60</u>
Grants	274	50	50	55	60
New	(-)	(-)	(-)		
Ongoing	(274)	(50)	(50)		
II. <u>Other Appropriations</u>	-	-	-	-	-
III. <u>Other Commitments</u>	<u>15,100</u>	<u>22,600</u>	<u>28,700</u>	<u>30,000</u>	<u>30,000</u>
PL480 Title I Shipments	9,000*	17,500	22,200	25,000	25,000
PL480 Title II Shipments	6,100	5,100	6,500	5,000	5,000
TOTAL COMMITMENTS	<u>56,359</u>	<u>77,284</u>	<u>93,135</u>	<u>87,845</u>	<u>87,850</u>

a/ Excludes centrally funded contraceptives as follows: FY74, \$2313; FY75, \$2200; FY76, \$2700.

b/ Excludes centrally funded contraceptives estimated at about \$2500 a year.

* Estimate.

TABLE II

Philippines

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

Area of Concentration: Rural Development

	<u>FY74</u> <u>Actual</u>	<u>FY75</u> <u>Estimate</u>	<u>FY76</u> <u>Request</u>	<u>FY77</u> <u>Projected</u>	<u>FY78</u> <u>Projected</u>
<u>Food Production and Nutrition</u>					
<u>Loans</u>	<u>18,000</u>	<u>42,000</u>	<u>37,000</u>	<u>50,000</u>	<u>35,000</u>
1. Rural Electrification	18,000	22,000	20,000		
2. Feeder Road	-	15,000	-		
3. Agricultural Research	-	5,000	-		
4. Small Irrigation Systems	-	-	10,000		
5. Third Feasibility Studies	-	-	2,000		
6. Bicol River Basin	-	-	5,000		
<u>Grants</u>	<u>3,169</u>	<u>3,352</u>	<u>3,285</u>	<u>3,500</u>	<u>3,500</u>
1. Bicol River Basin Dev. 492-55-190-260	387	385	275		
2. Agrarian Reform 492-55-199-261	553	475	510		
3. Local Development 492-11-995-256	1,103	1,050	900		
4. Rural Electrification 492-11-220-248	648	575	597		
5. Agricultural Services 492-51-190-126	478	-	-		
6. Small Farmer Income & Production 492-55-130-259	-	585	518		
7. Aquaculture Production 492-11-180-266	-	282	235		
8. Irrigation (To be assigned)	-	-	250		
<u>PI480 Title I Shipments</u>	<u>9,000*</u>	<u>17,500</u>	<u>22,200</u>	<u>25,000</u>	<u>25,000</u>
TOTAL COMMITMENTS	<u>30,169</u>	<u>62,852</u>	<u>62,485</u>	<u>78,500</u>	<u>63,500</u>

*Estimate

TABLE II

PhilippinesSummary of Commitments by Area of Concentration
(\$ thousands)Area of Concentration: Population Planning and Health

	<u>FY74</u> <u>Actual</u>	<u>FY75</u> <u>Estimate</u>	<u>FY76</u> <u>Request</u>	<u>FY77</u> <u>Projected</u>	<u>FY78</u> <u>Projected</u>
<u>Population Planning and Health</u>					
<u>Loans</u>	<u>15,000</u>	<u>5,000</u>	<u>20,000</u>	<u>-</u>	<u>15,000</u>
Provincial Water	15,000	5,000	20,000	-	15,000
<u>Grants</u>	<u>4,409</u>	<u>3,992</u>	<u>3,750</u>	<u>4,000</u>	<u>4,000</u>
1. Population Planning 492-11-570-220	3,909 ^{a/}	3,992 ^{a/}	3,500 ^{a/}	3,500 ^{b/}	3,500 ^{b/}
2. Local Water Development 492-56-521-263	500	-	250	500	500
TOTAL COMMITMENTS	<u><u>19,409</u></u>	<u><u>8,992</u></u>	<u><u>23,750</u></u>	<u><u>4,000</u></u>	<u><u>19,000</u></u>

a/ Excludes centrally funded contraceptives as follows:

FY74 - \$2313

FY75 - \$2200

FY76 - \$2700

b/ Excludes centrally funded contraceptives estimated at about \$2500 a year.

TABLE II

PhilippinesSummary of Commitments by Area of Concentration
(\$ thousands)Area of Concentration: Nutrition

	<u>FY74</u> <u>Actual</u>	<u>FY75</u> <u>Estimate</u>	<u>FY76</u> <u>Request</u>	<u>FY77</u> <u>Projected</u>	<u>FY78</u> <u>Projected</u>
<u>Grants</u>	<u>395</u>	<u>290</u>	<u>350</u>	<u>290</u>	<u>290</u>
1. Nutrition					
492-69-560-252					
Population Planning & Health	100	-	-	-	-
2. Nutrition					
492-69-560-252					
Food Production & Nutrition	295	290	350		
<u>PL480 Title II Shipments</u>	<u>6,100</u>	<u>5,100</u>	<u>6,500</u>	<u>5,000</u>	<u>5,000</u>
1. Maternal & Child Feeding	2,500	3,600	4,600		
2. School Feeding	2,100	1,400	1,500		
3. Food for Work	1,500	100	400		
4. Other	-	-	-		
<u>TOTAL COMMITMENTS</u>	<u>6,495</u>	<u>5,390</u>	<u>6,850</u>	<u>5,290</u>	<u>5,290</u>

TABLE IIA

Philippines

Summary of Commitments for Activities Outside Area of Concentration
(\$ thousands)

	<u>FY74</u> <u>Actual</u>	<u>FY75</u> <u>Estimate</u>	<u>FY76</u> <u>Request</u>	<u>FY77</u> <u>Projected</u>	<u>FY78</u> <u>Projected</u>
<u>Grants</u>	<u>286</u>	<u>50</u>	<u>50</u>	<u>55</u>	<u>60</u>
1. General Participant Training 492-11-995-237 Education & Human Resources	55	50	50		
2. Internal Security 492-11-710-231 Education & Human Resources	219	-	-	-	-
3. Special Development Activity Authority 492-11-998-199 Population Planning & Health	12	-	-	-	-
TOTAL COMMITMENTS	<u><u>286</u></u>	<u><u>50</u></u>	<u><u>50</u></u>	<u><u>55</u></u>	<u><u>60</u></u>

PHILIPPINES

TABLE III

FY 1974 Title I Agreements and Shipments

Commodity	FY 1974 Estimate		FY 1975		Request		FY 1976		Request					
	Agreements (MT)	Shipments to FY 1975 (MT)	Agreements (MT)	Shipments (\$)										
Tobacco	1.5	1.5	2.5	0.9	2.5	0.9	-	4.5	1.6	1.7	0.6	2.8	1.0	
Cotton Bales	-	35.8 ^{1/}	7.5	30.0	7.5	30.0	-	10.0	40.0	10.0	40.0	-	-	
Corn	-	-	5.0	56.0	5.0	56.0	-	8.0	90.0	8.0	90.0	-	-	
Soy Fortified Flour/Wheat	-	-	5.0	37.0	2.5	18.5	2.5	18.5	2.5	18.5	2.5 ^{2/}	18.5	2.5	18.5
	1.5		20.0		17.5		2.5	25.0	22.2		5.3			

^{1/} Carryover from 1972 agreement.

^{2/} Wheat equivalent.

^{3/} Carryover from proposed FY 1975 agreement.

Philippines
Country or Subregion

PL480 Title II Activities

	<u>FY 1974 Actual</u>			<u>FY 1975 Estimate</u>			<u>FY 1976 Request</u>		
	<u>\$</u>	<u>lbs.</u>	<u>No. of</u>	<u>\$</u>	<u>lbs.</u>	<u>No. of</u>	<u>\$</u>	<u>lbs.</u>	<u>No. of</u>
	(millions)		Recip. (000)	(millions)		Recip. (000)	(millions)		Recip. (000)
I. <u>Child Feeding</u>									
A. <u>Maternal & child feeding</u>									
1. Govt-to-govt									
2. Voluntary agency									
CRS	2.2	30.4	316.6	3.5	49.0	510.0 ^{1/}	4.5	62.4	710.0
CWS	0.2	2.4	25.1	.1	1.9	20.0	.1	1.9	20.0
Total	2.4	32.8	341.7	3.6	50.9	530.0 ^{1/}	4.6	64.3	730.0
B. <u>School Feeding</u>									
1. Govt-to-govt									
2. Voluntary Agency									
CRS	0.6	12.3	245.0	0.3	5.2	175.0	0.4	7.0	175.0
CARE	1.5	30.0	1000.0	1.1	21.8	725.0	1.1	21.8	725.0
Total	2.1	42.3	1245.0	1.4	27.0	900.0	1.5	28.8	900.0
C. <u>Other child feeding</u>									
1. Govt-to-govt									
2. Voluntary agency									
CRS	0.1	0.8	10.0						
Total	0.1	0.8	10.0						
II. <u>Food for Work</u>									
A. Govt-to-govt									
B. Voluntary agency									
CRS	1.4 ^{2/}	22.8 ^{2/}	83.0 ^{2/}	0.07	1.4	5.0	0.3	7.2	26.0
CWS	0.1	1.4	5.2	0.03	0.5	2.0	0.1	1.4	5.0
Total	1.5	24.2	88.2	0.10	1.9	7.0	0.4	8.6	31.0
III. <u>Other</u>									
A. Govt-to-govt									
B. Voluntary agency									
Total									
A. Govt-to-govt									
B. Voluntary agency									
1. CRS	4.3	66.3	654.6	3.9	55.6	690.0	5.2	76.6	911.0
2. CWS	0.2	3.8	30.3	0.1	2.4	22.0	0.2	3.3	25.0
3. CWS	1.5	30.0	1000.0	1.10	21.8	725.0	1.1	27.8	725.0
Total	6.0	100.0	1684.9	5.1	79.8	1437.0	6.5	101.7	1661.0

^{1/} Includes 20,000 recipients provided food by the GOP.

^{2/} Includes WFP commodities equivalent to 19.4 M lbs. (\$1.2 M) and Title II local rice-corn grits of 2.0 M lbs. (\$0.33 M).

49-A

SECTION TWO

NARRATIVE AND TABULAR MATERIAL

FOR LOAN AND GRANT ACTIVITIES FOR FY75 BUDGET REQUEST

49-B

NEW LOANS IN FY75

For information on the proposed FY75 Rural Electrification Loan
see pages 25-27.

FEEDER ROAD LOAN PROPOSAL

A development loan is proposed in FY 75 to enable the Philippine Government through the Provincial Development Assistance Project (PDAP) to support a secondary and farm-to-market road program. The program will be carried out in selected PDAP provinces, including the two provinces participating in the integrated Bicol River Basin Development project. While most trunk arteries linking major population and market centers are either in place or planned for construction in the near future, the secondary and farm-to-market road network linking farm production areas with market centers is generally inadequate. The GOP is considering establishing for planning purposes a minimum standard of 1 kilometer of farm-to-market road per square kilometer of arable land. The existing national ratio is .24 kilometers of farm-to-market road for every square kilometer of arable land. The proposed loan is aimed at improving this ratio against the national standard, in order to facilitate the movement of goods and services between the farm and the market town and to reduce transport cost to the chief project beneficiaries - the small Filipino farmer.

Relationship to Country Program

The Philippine Government has recently reexamined its development programs and plans and determined to continue to assign first priority to projects that are directly supportive of food production and distribution efforts. Such projects are aimed both at increasing small farmer rice and corn productivity through the application of improved production inputs and extension services and at assuring increased benefits to the farmer by enabling him to move his production to market on a more timely and cheaper basis. At present the two-way traffic of goods and services required to implement this small farmer centered strategy is severely inhibited by the inadequacy of the transport system available to the small farmer. Accordingly, the GOP has determined that secondary and feeder roads directly supportive of the food production and distribution programs aimed at benefitting the small rice and corn producers should be pushed forward.

This loan proposal is consistent with the needs and priorities identified in both the IBRD agricultural sector study and in the GOP's current four-year agricultural plan. The new and improved feeder roads envisaged under the proposed loan are complementary to the full range of USAID-supported rural development activities and projects, such as the Agrarian Reform, Bicol River Basin Development, Local Development (PDAP), Food and Nutrition, Rural Electrification, Small Scale Irrigation Development and Water Management, Aquaculture and Small Farmer Income and Production project.

Relevant Activities of Other Donors

Other donors, such as the IBRD, ADB and the Government of Japan are providing considerable assistance to the GOP to help solve serious inland transportation problems. These donors, however, have concentrated their assistance almost exclusively on the national arterial highway network and on the major provincial road systems. Their assistance and this proposed loan are complementary.

The Beneficiaries

Nationally, about two-thirds of the rural labor force is employed in agriculture. The agricultural sector is characterized by small farm units of low productivity and consequent low income. Latest available data indicates that 40 percent of area farm units were below 2 hectares. In 1971 22 percent of all these rural, largely agricultural dependent, families earned less than ₱ 1000 per year. The beneficiaries of the feeder road projects are these rural farm families resident in the 15 provinces designated as the original participants in the project. Plans are to extend coverage of the project under a subsequent loan to a total of 23 provinces.

Studies or Analysis Required to Develop Project

Each province identified for participation in the program will prepare a feeder road network plan. To justify the overall development loan package, the respective provincial network road plan, and the individual feeder road segments, a feasibility study for the project will be conducted. The study approach to be followed will work out design and economic solutions for different possible road/bridge prototypes and then identify all projects within the respective provincial network plans according to prototype to enable determination of the economic benefits and costs for each provincial network plan. The overall benefit/cost determination for the entire project can then be determined through summation of the total expected costs and benefits of each provincial road network plan. Fundamental to this study is the need to develop a reasonably reliable but simplified method of determining costs and benefits for individual road or bridge activity to enable determination of the overall economic viability of the proposed loan. To facilitate determination of costs, unit costing will be applied for roads, bridges and structures according to design standards for each of the prototypes. To evaluate relative priorities of feeder roads which comprise each of the provincial feeder road plans a priority rating system will be established which considers cost in relation to existing traffic, traffic to be generated and social benefits arising from the project.

To develop this methodology and conduct the initial project appraisal for two PDAP provinces (Albay and Camarines Sur), a Transport Planning Group has been organized in connection with the Bicol River Basin Program. Once the methodology has been developed and tested using these two PDAP provinces, the Provincial Staffs of other participating provinces will be trained to carry out the studies in their respective provinces. The pilot study in connection with the River Basin Program will support the development of the Intensive Review Request and the Capital Assistance Paper. USAID will provide consultancy to the Bicol Transport Planning Group and as needed to the Provincial Development staffs outside the River Basin area.

Rough Estimates of Total Cost

A preliminary estimate of total cost of the project is \$15 million, of which \$10 million is proposed for Development Loan funding with the balance to be provided by the respective provincial governments. An additional follow-on loan is tentatively planned to carry the program to non-PDAP provinces after evaluation of the first effort. It is estimated that the initial program will be fully implemented within a two-year period, with final draw-down of dollar loan funds within three years. The project will largely be for local cost financing to be handled under SICs.

AGRICULTURAL RESEARCH PROPOSAL

A development loan is proposed in FY75 to enable the GOP to accelerate the development of its capability to produce a stream of field tested, multi-disciplined food production technology improvements for use by the nation's 2 million small farmers. These technological improvements will be directed toward increasing per hectare yields, while reducing per unit cost of production and thereby are expected to increase both farmer productivity and net income. The Philippine Council for Agriculture Research (PCAR) is providing planning leadership in developing a proposed USAID loan which would be focused on highest GOP priority food crops, e.g. rice, corn, vegetable legumes and feedgrains, typically grown by the nation's small farmers, and would involve development of selected research stations.

Relationships to Country Program

Both the GOP and USAID place high priority on increasing opportunities for the nation's rural population, and particularly the smaller farmers, to increase their incomes and to enjoy higher standards of living. The proposed loan could directly contribute to achievement of this goal by devising and testing production technology and farming systems that will: increase land productivity, reduce farmer risk by providing him greater biologic control of production, increase opportunities for productive use of labor through more intensive cropping and increase profitability of farm operations. Mechanization will be a concern only as required to make possible more intensive land use. Research output will directly support achievement of GOP/USAID rural development goals addressed in other projects: Small Farmer Income and Production, Agrarian Reform, Nutrition, Bicol River Basin, and Rural Electrification.

The Beneficiaries

The Philippines is a nation of small farmers as shown in the following table taken from the 1960 census. No structural changes in the economy are known to have occurred since 1960 which would alter in any major way the distribution indicated in this table.

		<u>Farms</u> <u>(000)</u>	<u>Area (ha)</u> <u>(000)</u>	<u>% Farmers</u>	<u>% Area</u>
Under	1.9 ha.	892	921	41.1	11.8
2	- 4.9 ha.	864	2,426	39.9	31.2
5	- 9.9 ha.	290	1,845	13.4	23.7
10	- 24.9 ha.	109	1,396	5.0	10.0
Over	25 ha.	<u>12</u>	<u>1,184</u>	<u>0.6</u>	<u>15.3</u>
		<u>2,167</u>	<u>7,772</u>	<u>100</u>	<u>100</u>

Most of the nation's rice and corn is produced by the smaller farmers. These smaller farmers constitute the target clientele for the expanded research effort. During the 1961-71 decade, annual growth rates of production for rice and corn came primarily from improvements in productivity.

ANNUAL GROWTH RATES IN PERCENT FOR MAIN PRODUCTS 1961-71

	<u>Palay</u>	<u>Corn</u>	<u>Sugarcane</u>
Area harvested	0.1	2.3	5.1
Yield per hectare	3.5	3.2	1.9
Production	3.6	6.7	1.2

The nation's research program is being designed first to strengthen adaptive research efforts aimed at protecting past productivity gains and assure continued growth in productivity of major crops. Present adaptive research capacity is not as well developed for other food crops as for rice and corn; therefore the second program priority will be to develop capability to produce technology that will sustain annual growth in productivity of at least one percent greater than population growth for other food crops.

The past gains in productivity secured improvements in income for adaptors. The median scale farmer now cultivates 3-5 acres and has an annual family income of from \$170 (P1,120) to \$230 (P1,500). Productivity increases full and profitable utilization of family labor; and as means are found to reduce per unit costs of production, sharp increases (perhaps 8-10% per year) of small farm family income should be possible. Where second crops can be introduced, incomes may be increased as much as 50 percent.

Relevant Activities of Other Donors

Major technical support for the rice research effort is presently provided by IRRI largely as a by-product of its Philippine location. The Ford Foundation has provided a grant to support initial operations of PCAR and also provided several man-months of technical assistance in planning that preceded establishment of PCAR in 1973. During the past three years, the Agricultural Development Council (ADC) made available the services of an internationally regarded agricultural scientist to assist with planning and "start up" of PCAR operations. Through correspondence, he continues to advise the executive director and his senior staff. UNDP/FAO supports a small soil fertility field trials program and provides technical assistance to a regional dairy research center at Los Baños to coconut research and to deep sea fisheries. The Canadian Government is funding creation of a scientific library reference service on the University of the Philippines at Los Baños campus that is being made directly available to all scientists working with PCAR-supported research. The Japanese Government has made a loan to provide equipment for Bureau of Plant Industry seed production and demonstration farms so that HYV seed supply can be rapidly expanded as plant breeders release new varieties. The GOP may approach other donors to secure assistance related to other research

areas such as forest, forest product utilization, animal production, soil and water management, and watershed management.

Studies or Analysis Required to Develop Project

During the past two months the ADC scientist and AID staff reviewed the state of PCAR planning and operations and found them all organized and progressing very effectively. PCAR staff is at work following guidance given by these advisors but now needs the assistance of an authority in national research system organization and administration to help review existing research objectives and restate them technically, where needed, and to review the detailed operation plans, including input requirements (domestic and imported) needed to achieve the research objectives. The review could also provide inputs for first an IRR and subsequently a CAP. It is estimated that 3 months would be adequate to do the review and prepare an IRR and that work could commence as early as September 1974. It is estimated that at least one month of loan officer time would be required to guide and assist with the preparation of both the IRR and the CAP.

Rough Estimate of Total Cost

A preliminary estimate of input requirements totals \$5 million. Approximately 25 percent might fund one long-term project manager and short-term consultants as required, selected U.S. training for GOP technicians and attendance at selected international workshops; the remaining 75 percent would be utilized for laboratory equipment, machinery for field operations, equipment for irrigation operation and maintenance and utilities. At this time it is estimated that the loan draw-down would be completed in three years as follows: FY75 - 5%; FY76 - 65%; FY77 - 30%. GOP is expected to commit approximately \$5 million to finance in-country staff training; land leveling; construction of roads, canals and irrigation wells; erection of administrative buildings with associated laboratory facilities; staff housing and utilities. GOP would also provide operating expenses for all salaries, research and production inputs, and utilities.

Depending upon the quality and timeliness of performance, USAID could decide in late FY76 whether there might be a Phase II loan to support the improvement of export crop research and livestock and pasture research for cattle, carabao and swine. At this point it is estimated that Phase II might also require about \$5 million and that the first draw-down would commence in FY77 to be completed by the end of FY79.

For information on the proposed FY75 Provincial Water Loan
see pages 28-30.

PROGRESS NARRATIVE AND PROJECT TABULAR MATERIAL

RURAL DEVELOPMENT

SMALL FARMER INCOME AND PRODUCTION

The goal of the Government of the Philippines (GOP) which the USAID will support is attainment of self-sufficiency in national rice and corn production, with special emphasis on increasing the productivity of small-scale farmers and developing additional sources of farm income for these farmers through crop diversification.

The purpose of the project is to establish within the National Food and Agriculture Council (NFAC), as the coordinator of activities in the national agricultural sector, a management information and communications system and an analytical/technical capability for planning and implementing the national agriculture program, which aims at producing, among other products, 7.3 million metric tons of rice and 3.0 million metric tons of corn by FY78. This project is directed toward increasing production and improving the standard of living of small farmers of the Philippines.

The management improvements will include establishment of a data base; various approaches to target setting; assessment and recommendations regarding input levels; manpower requirements; identification of policy, capital and technical constraints; and the review and use of research findings.

Under the Agricultural Services project terminated in FY74, preparatory steps were taken toward the accomplishment of some outputs established for the Small Farmer Income and Production project. For example, a direct-hire advisor assisted the NFAC and the Bureau of Agricultural Economics (BAECON) in the initial stages of upgrading an agricultural management information system (MIS); an Adaptive Research Consultant assisted in the dissemination to farmers of the latest research results in rice and corn technology; and participant training was funded for corn production and pest management.

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Small Farmer Income & Production

Financing Dates (FY)

Project Number 492-55-130-259

Obligations

BeginEndAppropriation Food and Nutrition

Expenditures

1975

1978

Estimated Total Costs: A. Per Latest PROP \$ 3,215 B. Per Current Estimate \$ 3,215

Project Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S. \$	MM	Local/TCN \$	MM	\$	MM			
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	332	87	60	a/	113	127	80		585
Direct	80	24			113	127	80		273
PASA	63	14							63
Contract	189	49	60	a/					249
FY 1975 Expend.-Total	264	71	30		98	107	70		462
Direct	80	24			98	107	70		248
PASA	50	11							50
Contract	134	36	30						164
6/30/75 Unliq.-Total	68	16	30		15	20	10		123
Direct					15	20	10		25
PASA	13	3							13
Contract	55	13	30						85
FY 1976 Oblig.-Total	295	71	15	a/	144	168	64		518
Direct	80	24			144	168	64		288
PASA	70	16							70
Contract	145	31	15	a/					160
FY 1976 Expend.-Total	298	72	45		139	163	60		542
Direct	80	24			139	163	60		279
PASA	68	16							68
Contract	150	32	45						195

a/ Non-personal services contract.

TABLE VI

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

Project Number 492-55-130-259PASA/~~Contract~~ Name Agricultural Economic Adviser (USDA/ERS)

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

Funding Periods		
Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	January 75	September 75
	September 75	August 76

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations	38	9							38
FY 1975 Expenditures	25	6							25
6/30/75 Unliquidated	13	3							13
FY 1976 Obligations	50	12							50
FY 1976 Expenditures	48	12							48

TABLE VI

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

Project Number 492-55-130-259

PASA/~~Contract~~ Name Fertilizer Development Team (PASA/TVA)

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations	25	5							25
FY 1975 Expenditures	25	5							25
6/30/75 Unliquidated	0	0							0
FY 1976 Obligations	20	4							20
FY 1976 Expenditures	20	4							20

TABLE VI

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

Project Number 492-53-130-259

PASA/Contract Name Applied Research Adviser (IRRI/FEURER)

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
492-319 a/			
	July 75	July 76	July 76
	July 76	July 76	July 77

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations	50	12							50
FY 1975 Expenditures	-	-							
6/30/75 Unliquidated	50	12							50
FY 1976 Obligations	50	12							50
FY 1976 Expenditures	50	12							50

a/ Initiated under Agricultural Services project.

TABLE VI

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

Project Number 492-55-130-259

PASA/Contract Name Corn Consultancy Team (Institutional/ CIMMYT)

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

Funding Periods		
Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	March 75	
	May 75	

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations	30	6							30
FY 1975 Expenditures	30	6							30
6/30/75 Unliquidated	-	-							
FY 1976 Obligations	-	-							
FY 1976 Expenditures	-	-							

TABLE VI

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

Project Number 492-55-130-259

~~PASA~~/Contract Name Grain Marketing and Price Stabilization (Kansas State University)

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
		January 75 June 75	September 75 February 76

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations	30	6							30
FY 1975 Expenditures	25	5							25
6/30/75 Unliquidated	5	1							5
FY 1976 Obligations	30	6							30
FY 1976 Expenditures	35	7							35

TABLE VI

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

Project Number 492-55-130-259

~~PASA~~/Contract Name Agricultural Credit Consultants (Ohio State University)

Contract No. From (mo/yr) To (mo/yr)	Funding Periods	
	Current-FY 1974	Proposed-FY 1975
	March 75	September 75
	June 75	December 75

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCM		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations	20	4							20
FY 1975 Expenditures	20	4							20
6/30/75 Unliquidated	-	-							
FY 1976 Obligations	20	4							20
FY 1976 Expenditures	20	4							20

TABLE VI

PROJECT BASA/CONTRACT/GRANT BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 492-55-130-259

~~PAC~~/Contract Name Agricultural Extension Training - Methodology

Contract No. From (mo/yr) To (mo/yr)	Funding Periods	
	Current-FY 1974	Proposed-FY 1975
		Projected-FY 1976
	January 75	September 75
	March 75	November 75

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations	15	3							15
FY 1975 Expenditures	15	3							15
6/30/75 Unliquidated	-	-							
FY 1976 Obligations	15	3							15
FY 1976 Expenditures	15	3							15

TABLE VI

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

Project Number 492-55-130-259

~~PASA~~/Contract Name Operations Research Advisor

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

Funding Periods		
Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	January 75	October 75
	June 75	March 76

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations	30	6							30
FY 1975 Expenditures	30	6							30
6/30/75 Unliquidated	-	-							
FY 1976 Obligations	30	6							30
FY 1976 Expenditures	30	6							30

TABLE VI

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

Project Number 492-55-130-259

~~PASA~~/Contract Name Rice Production Management Technician (PSC)

		Funding Periods		
		Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
Contract No. From (mo/yr) To (mo/yr)			July 75	
			July 76	

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations	14	12							14
FY 1975 Expenditures	14	12							14
6/30/75 Unliquidated	-	-							
FY 1976 Obligations	-	-							
FY 1976 Expenditures	-	-							

TABLE VI

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

Project Number 492-55-130-259

~~PASA~~/Contract Name Local Contracts (Management Audit, Baseline Survey)

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	Short-term consultancies as scheduled.		

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCH		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations			60	a/					60
FY 1975 Expenditures			30						30
6/30/75 Unliquidated			30						30
FY 1976 Obligations			15						15
FY 1976 Expenditures			45						45

a/ NA - Non-personal services contract.

TABLE VII ~~PERSONNEL~~

PROJECT PASA/CONTRACT/GRANT PERSONNEL TABLE

Project Number 492-55-130-259

(thousands \$)

FY 1975 Obligations		FY 1976 Obligations	
No. :	MMs :	No. :	MMs :
2 :	24 :	1 :	12 :
12 :	25 :	8 :	19 :
:	60 :	:	15 :

U.S. Contract Technicians
 Long-term
 Short-term
 Non-Personal Services

Personnel (PASA/Contract/Grant implementing agent, and position title)	Actual FY 1974			Estimated FY 1975			Projected FY 1976			Projected FY 1977		
	On- board 6/30/ 74	Mms	Ex- pendi- tures (\$000)	On- board 6/30/ 75	Mms	Ex- pendi- tures (\$000)	On- board 6/30/ 76	Mms	Ex- pendi- tures (\$000)	On- board 6/30/ 77	Mms	Ex- pendi- tures (\$000)
<u>PASA</u>												
1. Agric. Eco. Analysis Advisor (PASA w/ USDA Eco Res Services)	1	6	25	1	6	25	1	12	48			
2. Fertilizer Development Team (PASA w/ TVA)		5	25		5	25		4	20			
<u>CONTRACT</u>												
3. Applied Res Advisor (IRRI)	1	b/	b/	1	b/	b/	1	12	50	1	12	50
4. Corn Consultancy Team (CIMMYT)		6	30		6	30						
5. Grain Marketing & Price Stabilization (Kansas State University)		5	25		5	25		7	35			
6. Agric. Credit Consultants (Ohio State University)		4	20		4	20		4	20			
7. Agric Extension		3	15		3	15		3	15			
8. Operation Research		6	30		6	30		6	30			
9. Rice Production Mgmt	1	12	14		12	14						
10. Local Service Contract (Management Audit Baseline Survey)		a/	30		a/	30		a/	45			
a/ Non-personal services contract b/ FY75 expenditures will be under Agricultural Services project.												

(for contract
personnel only)

TABLE VIII

Project No. 492-55-130-259

PROJECT PARTICIPANT TRAINING TABLE
(\$ thousands)

	DIRECT AID									CONTRACT		
	U.S. Academic			U.S. Non-Academic			3rd Country			No.	MMs	\$
	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$			
FY 1974 Obligations												
Long-term - new												
Long-term - continuing												
Short-term												
FY 1974 Expenditures												
Long-term - new												
Long-term - continuing												
Short-term												
Unliquidated Oblig. - 6/30/74												
Long-term - new												
Long-term - continuing												
Short-term												
FY 1975 Obligations	10	100	90	3	9	14	6	18	9			
Long-term - new	10	100	90									
Long-term - continuing												
Short-term				3	9	14	6	18	9			
FY 1975 Expenditures	8	80	75	3	9	14	6	18	9			
Long-term - new	8	80	75									
Long-term - continuing												
Short-term				3	9	14	6	18	9			
Unliquidated Oblig. - 6/30/75	2	20	15									
Long-term - new	2	20	15									
Long-term - continuing												
Short-term												
FY 1976 Obligations	15	150	135				6	18	9			
Long-term - new	15	150	135									
Long-term - continuing												
Short-term							6	18	9			
FY 1976 Expenditures		145	130				6	18	9			
Long-term - new	10	125	115									
Long-term - continuing	2	20	15									
Short-term							6	18	9			

TABLE IX

Project Number 492-55-130-259COMMODITY AND OTHER COST BUDGET TABLE
(\$ thousands)Commodity Budget (excludes centrally funded contraceptives)

6/30/74 Unliquidated (type and amount)

Excess Property

\$80

Vehicles (jeeps, trucks)	47
Radios	7
Desk Calculators (110 pcs)	20
Film stock, slides, projectors	2
PURA, Excess (office equipment)	4

FY 1975 Obligations (type and amount)

\$64

Vehicles	25
PURA, excess	22
Desk calculators	10
Film stock	2
Specialized equipment	5

FY 1976 Obligations (type and amount)

Other Cost Budget

6/30/74 Unliquidated (type and amount)

FY 1975 Obligations (type and amount)

FY 1976 Obligations (type and amount)

BICOL RIVER BASIN DEVELOPMENT PROGRESS NARRATIVE

The Bicol River Basin Development project was initiated in FY 1974 to support the GOP Bicol River Basin Development Program. Both the project and the program have essentially two interrelated purposes: accelerate growth and development in the river basin area with principal emphasis on benefits to lower income families in the rural sector; test the practicability of an integrated, decentralized and comprehensive planning and management approach to a regional development program. USAID assistance is concentrating on the preparation of feasibility studies, data gathering, pilot project implementation, and participant training.

Achievement of the PROP goal is to be measured in terms of such factors as increased income, production and employment. Since the first two-three years of the project are concerned primarily with developing the staff and organizational structure for the program and generating required data, measurable progress toward the project goal is expected to occur only after the third year of project operations. A baseline socio-economic survey of the River Basin population has been completed, thus insuring the project's capability to measure progress at periodic intervals throughout the project's life.

Significant progress has been made toward achievement of two of three short-term targets slated to be accomplished by the end of FY75. Progress toward achievement of the third target has been modest.

The first target was establishment of the organizational and institutional framework. Major progress in this matter was achieved in May, 1973 with the issuance of an Executive Order stating the functional authority and responsibilities of the River Basin Council and its field Program Office. Necessary modifications of the present structure have been recommended and are now under review. During the past year, the Council has acted on a number of organizational, funding and substantive matters. The Bicol Program Office (BPO) was established and is operating with an approved staff ceiling of 48 professionals, of which 16 are now employed full-time.

The BPO has developed 21 interagency projects for execution during FY75. All projects have been approved and funded. The major anticipated problem in project execution will center around availability of required manpower.

The second target was involvement of special external advisory assistance by the Bicol Council, through establishment of the University of the Philippines Technical Assistance Group (TAG), by contracting with the Institute of Philippine Culture for establishment of a Social Survey Research Unit, and by obtaining foreign technical support. The TAG group has been fully funded and staffed. The Social Survey Research Unit (SSRU) has been created and its office fully staffed with qualified personnel. Output in terms of survey research has been exceptional. A.I.D. technical inputs totaling \$560,000 for FY73 and 74 are being effectively used and managed in a wide range of areas. Other donors such as the UNDP are also providing

some limited technical assistance.

The third target is the design and installation of planning, budgeting, management and evaluation systems. The Bicol Council and BPO recognize the need for installation of these systems and the conceptual framework for installing them has been developed. However, due to manpower constraints they cannot be installed without outside professional services. Contract proposals for such assistance have been received from interested management consulting firms and are now under review by the Government.

The PROP links project outputs with the respective departments of the BPO.

Budget and Administration Department - prepares budget, disburses funds, maintains accounting. The budgeting and financial management system of the project is functioning in an acceptable manner. A plan has been put forward by the Bicol Council for the creation of a unified program planning and budget system for all agencies participating in the River Basin Program. A component feature of this system calling for the creation of a Special Fund Account through which funds for Bicol River Basin operations will be coursed, has been proposed and is under review.

Physical Infrastructure Department - defines, performs and/or monitors feasibility studies and supervises contractors and project agencies. Several feasibility and reconnaissance studies are now underway in a number of areas (topographic mapping, land classification, flood control, irrigation, hydro-meteoro data collection and feeder roads). The Department works closely and effectively with the National Irrigation Authority, Bureau of Public Works, and Department of Public Highways. The principal problem affecting the pace of work is the limited number of personnel attempting to perform tasks designed for a major staff. Recruitment to required strength has been hampered due to absence of qualified personnel. A.I.D. is assisting in this area through a range of short and medium term training efforts.

Social Infrastructure Department - responsible for area coordination of line agencies and the private sector. Interaction with participating line agencies and the private sector is progressing satisfactorily. An Advisory Committee composed of the private sector, local religious leaders and the Provincial Government has been created and is playing an important role in integrating different agencies into the program and informing the public. Of the six interagency field Area Development Teams planned for the River Basin Project Area, one pilot team has been organized.

Plans and Programs Department - responsible for conceptualization, design, technical and economic justification, programming and monitoring of all basin activities and management of research. This department is well staffed but has not yet developed techniques and procedures needed to improve its output. Management and coordination of the planning and technical activities is proving extremely complex. While significant planning accomplishments have been made (e.g. in areas of agribusiness and livestock, formation of SSRU and UPLB/TAG), major attention will have to be addressed to improving the management of River Basin planning activities.

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Bicol River Basin Development

Financing Dates (FY)

Project Number 492-55-199-260
Appropriation Food and Nutrition

Obligations
Expenditures

<u>Begin</u>	<u>End</u>
1974	1979
1974	1980

Estimated Total Costs: A. Per Latest PROP \$ 1,600 B. Per Current Estimate \$ 1,600

Project Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total	
	U.S.		Local/TCN		\$	MM				\$
	\$	MM	\$	MM						
FY 1974 Oblig.-Total	229	64	59		39	55	51	9	387	
Direct	29	12			39	55	51	9	128	
PASA	30	8							30	
Contract	170	44	59	1/					229	
FY 1974 Expend.-Total	58	20						9	67	
Direct	29	12						9	38	
PASA	0	0							0	
Contract	29	8							29	
6/30/74 Unliq.-Total	171	44	59	1/	39	55	51		320	
Direct					39	55	51		90	
PASA	30	8							30	
Contract	141	36	59	1/					200	
FY 1975 Oblig.-Total	246	55	50	1/	62	79	27		385	
Direct	30	12			62	79	27		119	
PASA	90	17							90	
Contract	126	26	50	1/					176	
FY 1975 Expend.-Total	402	95	109		101	134	78		690	
Direct	30	12			101	134	78		209	
PASA	120	25							120	
Contract	252	58	109	1/					361	
6/30/75 Unliq.-Total	15	4							15	
Direct										
PASA										
Contract	15	4							15	
FY 1976 Oblig.-Total	192	50	25		30	52	28		275	
Direct	32	12			30	52	28		90	
PASA	30	7							30	
Contract	130	32	25						155	
FY 1976 Expend.-Total	185	50	25		30	52	28		268	
Direct	30	12			30	52	28		88	
PASA	30	7							30	
Contract	125	31	25						150	

1/ Non-personal service contract.

TABLE VI

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

Project Number 492-55-199-260PASA/~~Contract Name~~ Water Resource Planning (US BuRec)

Contract No. From (mo/yr) To (mo/yr)	Funding Periods	
	Current-FY 1974	Proposed-FY 1975
		Projected-FY 1976
	October 1974	October 1975
	December 1974	December 1975

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	30	8			12	12			30
FY 1974 Expenditures	-	-							
6/30/74 Unliquidated	30	8							30
FY 1975 Obligations	90	17							90
FY 1975 Expenditures	120	25							120
6/30/75 Unliquidated	-	-							
FY 1976 Obligations	30	7							30
FY 1976 Expenditures	30	7							30

TABLE VI

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

Project Number 492-55-199-260PASA/Contract Name Agribusiness (Kansas State University)

Contract No. From (mo/yr) To (mo/yr)	Funding Periods	
	Current-FY 1974	Proposed-FY 1975
		Projected-FY 1976
	October 1974	January 1976
	December 1975	August 1976

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM			
	\$	MM	\$	MM			\$	MM	
FY 1974 Obligations	60	15							60
FY 1974 Expenditures	-	-							
6/30/74 Unliquidated	60	15							60
FY 1975 Obligations	-	-							
FY 1975 Expenditures	45	11							45
6/30/75 Unliquidated	15	4							15
FY 1976 Obligations	40	8							40
FY 1976 Expenditures	45	10							45

TABLE VI

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

Project Number: 492-55-199-260

PASA/Contract Name Intermodal Transport Study

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	492-598		
	February 1973	March 1975	
	February 1973	May 1975	

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	2	1							2
FY 1974 Expenditures	2	1							2
6/30/74 Unliquidated	-	-							
FY 1975 Obligations	50	10							50
FY 1975 Expenditures	50	10							50
6/30/75 Unliquidated	-	-							
FY 1976 Obligations	-	-							
FY 1976 Expenditures	-	-							

TABLE VI

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

Project Number 492-55-199-260

~~PASA~~/Contract Name On-Farm Water Management

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	AID/CSD 3703		
	August 1973	October 1974	October 1975
September 1973	July 1975	September 1976	

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM			
	\$	MM	\$	MM			\$	\$	
FY 1974 Obligations	68	20							68
FY 1974 Expenditures	17	5							17
6/30/74 Unliquidated	51	15							51
FY 1975 Obligations	-	-							
FY 1975 Expenditures	51	15							51
6/30/75 Unliquidated	0	0							
FY 1976 Obligations	90	24							90
FY 1976 Expenditures	80	21							80

TABLE VI

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

Project Number 492-55-199-260

PASA/Contract Name Water and Grain Storage

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

Funding Periods		
Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
October 1974		
March 1975		

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	7	a/							7
FY 1974 Expenditures	0	-							
6/30/74 Unliquidated	7	-							7
FY 1975 Obligations	0	-							
FY 1975 Expenditures	7	-							7
6/30/75 Unliquidated	0	-							
FY 1976 Obligations	-	-							
FY 1976 Expenditures	-	-							

a/ Non-personal services contract.

TABLE VI

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

Project Number 492-55-199-260

~~PASA~~/Contract Name Socio-economic Research (Institute of Philippine Culture)

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	October 1973	October 1974	October 1975
	September 1974	September 1975	September 1976

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations			29	a/					29
FY 1974 Expenditures			0						
6/30/74 Unliquidated			29						29
FY 1975 Obligations			25						25
FY 1975 Expenditures			54						54
6/30/75 Unliquidated									
FY 1976 Obligations			25						25
FY 1976 Expenditures			35						35

a/ Non-personal services contract.

TABLE VI

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

Project Number 492-55-199-260

PASA/Contract Name Simulation Model (Asian Institute of Technology)

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
		September 1974	
		June 1975	

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations			25	a/					25
FY 1975 Expenditures			25						25
6/30/75 Unliquidated									
FY 1976 Obligations									
FY 1976 Expenditures									

a/ Non-personal services contract.

TABLE VI

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

Project Number 492-5-199-260

PASA/Contract Name Water Balance and Supply Study

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

Funding Periods		
Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
November 1974		
January 1975		

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	23	a/							23
FY 1974 Expenditures	-	-							
6/30/74 Unliquidated	23	-							23
FY 1975 Obligations	-	-							
FY 1975 Expenditures	23	-							23
6/30/75 Unliquidated	0	-							
FY 1976 Obligations									
FY 1976 Expenditures									

a/ Non-personal services contract.

TABLE VI

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

Project Number 492-55-199-260

PASA/Contract Name Project Review and Evaluation

		Funding Periods		
		Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
Contract No.				
From (mo/yr)		May 1975		
To (mo/yr)		June 1975		

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/FCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	-	-							
FY 1974 Expenditures	-	-							
6/30/74 Unliquidated	-	-							
FY 1975 Obligations	16	4							16
FY 1975 Expenditures	16	4							16
6/30/75 Unliquidated	-	-							
FY 1976 Obligations	-	-							
FY 1976 Expenditures	-	-							

TABLE VII

Project Number 492-55-199-260

PROJECT PASA/CONTRACT/GRANT PERSONNEL TABLE
(\$ thousands)

FY 1975 Obligations		FY 1976 Obligations	
No.	MMS	No.	MMS
	\$000		\$000
U.S. Contract Technicians		2	24
Long-term			90
Short-term	26	8	40
Non-personal services contract	50		25

Personnel (PASA/Contract/Grant implementing agent, and position title)	Actual FY 1974			Estimated FY 1975			Projected FY 1976			Projected FY 1977	
	On- board 6/30/ 74	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 75	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 76	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 77	Ex- pendi- tures (\$000)
<u>PASA</u> Water Resource Planning (BuRec)					25	120		7	30		(for contract personnel only)
<u>Contract</u> Agribusiness (Kansas State)					11	45		10	45		
Salinity Barrier Study		2	10								
Intermodal Transport Study		1	2		10	50					
Regional Transportation (Rural Road Study)					6	30					
Municipality/Barrio Rural Health Studies					12	60					
On-Farm Water Management		5	17		15	51	2	21	80	2	3
Water and Grain Storage					a/	7					10
Socio-economic Research					a/	54		a/	25		
Simulation Model					a/	25					
Water Balance and Supply Study					a/	23					
Project Review Evaluation					4	16					
a/ Non-personal services contract.											

TABLE VIII

Project No. 492-55-199-260

PROJECT PARTICIPANT TRAINING TABLE
(\$ thousands)

	DIRECT AID											
	U.S. Academic			U.S. Non-Academic			3rd Country			CONTRACT		
	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$
FY 1974 Obligations				1	6	9	14	49	30			
Long-term - new												
Long-term - continuing												
Short-term				1	6	9	14	49	30			
FY 1974 Expenditures												
Long-term - new												
Long-term - continuing												
Short-term												
Unliquidated Oblig. - 6/30/74				1	6	9	14	49	30			
Long-term - new												
Long-term - continuing												
Short-term				1	6	9	14	49	30			
FY 1975 Obligations	1	12	10				25	67	52			
Long-term - new	1	12	10									
Long-term - continuing												
Short-term							25	67	52			
FY 1975 Expenditures	1	12	10	1	6	9	39	116	82			
Long-term - new	1	12	10									
Long-term - continuing												
Short-term				1	6	9	39	116	82			
Unliquidated Oblig. - 6/30/75												
Long-term - new												
Long-term - continuing												
Short-term												
FY 1976 Obligations	1	12	10				5	40	20			
Long-term - new	1	12	10									
Long-term - continuing												
Short-term							5	40	20			
FY 1976 Expenditures	1	12	10				5	40	20			
Long-term - new	1	12	10									
Long-term - continuing												
Short-term							5	40	20			

TABLE IX

Project Number 492-55-199-260

COMMODITY AND OTHER COST BUDGET TABLE
(\$ thousands)

<u>Commodity Budget (excludes centrally funded contraceptives)</u>		51
6/30/74 Unliquidated (type and amount)		
Hydrometers, reproduction and office equipment	30	
Excess vehicles	21	
FY 1975 Obligations (type and amount)		27
Hydraulic Lab equipment	12	
Pura vehicles, spare parts, office equipment	15	
FY 1976 Obligations (type and amount)		28
Hydraulic Field and Lab Equipment	13	
Pura Excess Property	15	
<u>Other Cost Budget</u>		
6/30/74 Unliquidated (type and amount)		
FY 1975 Obligations (type and amount)		
FY 1976 Obligations (type and amount)		

AGRARIAN REFORM PROGRESS NARRATIVE

The Agrarian Reform Project, which began in FY74, is designed to assist the Philippine Government implement its expanded agrarian reform program. The project focuses on land transfer operations, testing farmer supporting services and systems, and agrarian reform research.

The goal of the project is to develop an organizational structure and management system which will effectively improve rural income redistribution in rice and corn-growing regions through the process of agrarian reform. The specific purpose is to assist in the establishment of a national administrative system which efficiently transfers land from landlords at a rate sufficient to effect land ownership redistribution to 250,000 tenant farmers by June 1975, while simultaneously experimenting with farmer support organizational models and systems and selecting the best of those designed to improve ex-tenant income.

Progress toward achieving the purpose was impressive during the first half of FY74, but has since slowed down in the case of two important indicators for a number of reasons which are explained below.

Of the 1,000,000 tenant-tillers targeted for identification, (the first step in the land transfer process), by the end of FY74 only 635,000 were identified because the GOP chose to concentrate on other more visible aspects of implementation. Parcellary sketching has been completed for 433,000 hectares, and, based on the rate of sketching for the past six months, it is doubtful that the 1,000,000 hectare target for July 1, 1975 will be attained. Land transfer certificates, on the other hand, have been issued to 175,000 farmers -- far exceeding the target of 100,000 farmers by July 1, 1974.

Good progress has been made in developing supporting services for amortizing owners in both test-bed provinces of Nueva Ecija and Camarines Sur. Approximately 400 barrio associations and cooperatives have been organized in Nueva Ecija Province - a ratio of about one per 100 amortizing owners. Experiments with cooperatives and barrio associations are underway and will be evaluated by July 1, 1975. Three area marketing cooperatives are considered sufficient to meet the needs of the barrio organizations in this test bed province; two have been organized and one more will be established prior to January 1, 1976, which is the scheduled completion date of this activity. In Camarines Sur, work is well underway toward organizing barrio associations and compact farms at a ratio of about one per 100 amortizing owners. Development of a cooperative marketing institution is in the initial stages. This sub-activity, including appropriate evaluation, is expected to be completed on schedule.

The four major organizational support research studies programmed under the project will be completed in the two test-bed provinces prior to the July 1, 1975 completion date. Two of these studies cover the agrarian reform organizational structure, a third is a baseline study,

and the fourth is on farmer attitudes relating to the agrarian reform program. Appropriate planning systems and skills have been developed in both provinces and are currently undergoing refinement.

Progress on land transfer operations started at a rapid rate, but has slowed during the past several months because: (a) distribution is nearing completion on the larger holdings that are administratively easier to transfer; (b) there is increased resistance to land reform from relatively smaller landlords; and (c) the complexity and resource requirements for the GOP are substantially greater with the smaller estates. However, it does appear that the basic target of land transfer certificates for 250,000 tenants will be achieved within the projected two year period.

With respect to farmer support systems, the GOP has decided on its basic primary-level organizational form -- the Barrio Association, which will include all land transfer beneficiaries. These Associations will be the building blocks of a comprehensive cooperative system to provide supply, credit and marketing services to small farmers. The test-bed provinces of Nueva Ecija and Camarines Sur have already exceeded the two year target in the organization of barrio associations, and the creation of a network of marketing/supply cooperatives is well underway.

It should be noted that, while all but two of the project outputs are on schedule, if the reduction in the tempo of land transfer during the past several months is indicative of future progress, it is problematic as to whether distribution of all tenanted rice and corn land will be accomplished by its target date of December 1977.

The final year of obligation has been extended by one year (FY79) beyond the date shown in the FY75 Congressional Presentation. Similarly, life of project cost has been increased. Basically, these actions are required because of difficulties in the land transfer aspect of the project and the need for increased involvement in the farmer support systems aspect. The PROP will be modified to reflect these changes.

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Agrarian Reform

Financing Dates (FY)

Project Number 492-55-199-261

Obligations

BeginEndAppropriation Food and Nutrition

Expenditures

1974

1979

1974

1980

Estimated Total Costs: A. Per Latest PROP \$ 1,411 B. Per Current Estimate \$ 2,750

Project Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total		
	J.S.		Local/TCN		\$	MM				\$	\$
	\$	MM	\$	MM							
FY 1974 Oblig.-Total	374	69			23	24	154	2	553		
Direct	31	12			23	24	154	2	210		
PASA	51	15							51		
Contract	292 ^{a/}	42							292		
FY 1974 Expend.-Total	131	43					8	1	140		
Direct	29	12					8	1	38		
PASA	50	15							50		
Contract	52	16							52		
6/30/74 Unliq.-Total	243				23	24	146	1	413		
Direct	2				23	24	146	1	172		
PASA	1								1		
Contract	240								240		
FY 1975 Oblig.-Total	320	90			68	53	87		475		
Direct	50	12			68	53	87		205		
PASA	60	18							60		
Contract	210	60							210		
FY 1975 Expend.-Total	473	102			91	77	153		717		
Direct	48	15			91	77	153		292		
PASA	60	18							60		
Contract	365	69							365		
6/30/75 Unliq.-Total	90						80		170		
Direct	4						80		84		
PASA	1								1		
Contract	85								85		
FY 1976 Oblig.-Total	374	97			70	56	66		510		
Direct	40	12			70	56	66		176		
PASA	60	18							60		
Contract	274	67							274		
FY 1976 Expend.-Total	417	97			70	56	100		587		
Direct	42	12			70	56	100		212		
PASA	61	18							61		
Contract	314	67							314		

a/ Includes \$150 for non-personal services contract.

TABLE VI

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

Project Number 492-55-199-261

~~PASA~~/Contract Name Reproduction of Photo-Mosaic Maps
(Regional Services Center, USIS, Manila)

Funding Periods

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

Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
Sept. 74		
Feb. 76		

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	150	a/							150
FY 1974 Expenditures	0	0							
6/30/74 Unliquidated	150	0							150
FY 1975 Obligations	0	0							
FY 1975 Expenditures	120	0							120
6/30/75 Unliquidated	30	0							30
FY 1976 Obligations	30	0							30
FY 1976 Expenditures	60	0							60

a/ Non-personal services contract.

TABLE VI

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

Project Number 492-55-199-261

~~PASA~~/Contract Name Short-Term Consultants in Credit and Farm Management

		Funding Periods		
		Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
Contract No.	From (mo/yr)		Oct. 74	Oct. 75
	To (mo/yr)		Mar. 75	Mar. 75

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations	30	7							30
FY 1975 Expenditures	30	7							30
6/30/75 Unliquidated	0	0							
FY 1976 Obligations	40	9							40
FY 1976 Expenditures	40	9							40

TABLE VI

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

Project Number 492-55-199-261

~~PASA~~/Contract Name Photogrammetrist

		Funding Periods		
		Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
Contract No.	ASIA-C-1060			
From (mo/yr)	Oct. 73	Jan. 2/75	July 1/75	
To (mo/yr)	Mar. 74	Apr. 2/75	Sept. 1/75	

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	22	6							22
FY 1974 Expenditures	22	6							22
6/30/74 Unliquidated	0	0							
FY 1975 Obligations	8	3							8
FY 1975 Expenditures	8	3							8
6/30/75 Unliquidated	0	0							
FY 1976 Obligations	12	3							12
FY 1976 Expenditures	12	3							12

TABLE VI

PROJECT EASA/CONTRACT/ERANK BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 492-55-199-261

PASA/Contract Name Compensation and Investments Consultant

Contract No. From (mo/yr) To (mo/yr)		Funding Periods		
		Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
			January 1975	October 1975
			April 1975	December 1975

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations	17	4							17
FY 1975 Expenditures	17	4							17
6/30/75 Unliquidated	0	0							
FY 1976 Obligations	12	3							12
FY 1976 Expenditures	12	3							12

TABLE VI

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

Project Number 492-55-199-261

PASA/Contract Name Cooperative Development (Agribusiness) Team 3-men

Contract No. From (mo/yr) To (mo/yr)	Funding Periods	
	Current-FY 1974	Proposed-FY 1975
	Oct. 74	June 75
	Feb. 75	Oct. 75

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations	40	10							40
FY 1975 Expenditures	40	10							40
6/30/75 Unliquidated	0	0							
FY 1976 Obligations	40	10							40
FY 1976 Expenditures	40	10							40

TABLE VI

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

Project Number 492-55-199-261

~~FORM~~/Contract Name Cooperatives Advisor (ACDI)

Funding Periods

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

Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
AID/csd-2219		
April 74	April 75	April 76
April 75	April 76	April 77

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN						
	\$	MM	\$	MM					
FY 1974 Obligations	30	12							30
FY 1974 Expenditures	10	4							10
6/30/74 Unliquidated	20	6							20
FY 1975 Obligations	40	12							40
FY 1975 Expenditures	40	12							40
6/30/75 Unliquidated	20	6							20
FY 1976 Obligations	40	12							40
FY 1976 Expenditures	40	12							40

TABLE VI

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

Project Number 492-55-199-261

~~PASA~~ Contract Name Agrarian Reform Research Advisor (University of Wisconsin)

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	ASIA/C-1057		
	Sept. 73 ^{1/}	Sept. 74	Sept. 75
	Sept. 74	Sept. 76	

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations	35	12							35
FY 1975 Expenditures	30	9							30
6/30/75 Unliquidated	5	3							5
FY 1976 Obligations	40	12							40
FY 1976 Expenditures	40	12							40

1/ Initial funding for contract was provided in FY73 Agricultural Services project.

TABLE VI

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

Project Number 492-55-199-261

~~PASA~~/Contract Name Farmer Systems and Support Advisor

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	Sept. 74		Sept. 75
Aug. 75		Aug. 76	

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM			
	\$	MM	\$	MM			\$	\$	
FY 1974 Obligations	50	12						50	
FY 1974 Expenditures	0	0							
6/30/74 Unliquidated	50	12						50	
FY 1975 Obligations	0	0							
FY 1975 Expenditures	40	12						40	
6/30/75 Unliquidated	10	3						10	
FY 1976 Obligations	40	12						40	
FY 1976 Expenditures	40	12						40	

TABLE VI

PROJECT RASK/CONTRACT/GRANT BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 492-55-199-261

RASK/Contract Name Agrarian Reform Consultant

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	AID-492-402		
	Jan. 74	Jan. 75	Jan. 75
	Dec. 74	Dec. 75	Nov. 76

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	40	12							40
FY 1974 Expenditures	20	6							20
6/30/74 Unliquidated	20	6							20
FY 1975 Obligations	40	12							40
FY 1975 Expenditures	40	12							40
6/30/75 Unliquidated	20	6							20
FY 1976 Obligations	20	6							20
FY 1976 Expenditures	30	9							30

TABLE VI

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

Project Number 492-55-199-261

PASA/~~Contract Name~~ Land Reform Advisor (USDA)

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	AJ 04-74		
	July 73	July 74	July 75
	June 74	June 75	June 76

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	43	12							43
FY 1974 Expenditures	42	12							42
6/30/74 Unliquidated	1	0							1
FY 1975 Obligations	40	12							40
FY 1975 Expenditures	40	12							40
6/30/75 Unliquidated	1	0							1
FY 1976 Obligations	40	12							40
FY 1976 Expenditures	41	12							41

TABLE VI

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

Project Number 492-55-199-261

PASA/~~Contract Name~~ Procedures Analyst (USDI)

		Funding Periods		
		Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
Contract No.	ASIA (IE)	25-74	.	
From (mo/yr)	April 74		Dec. 74	Aug. 75
To (mo/yr)	June 74		May 75	Jan. 76

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCH		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	8	3							8
FY 1974 Expenditures	8	3							8
6/30/74 Unliquidated	0	0							
FY 1975 Obligations	20	6							20
FY 1975 Expenditures	20	6							20
6/30/75 Unliquidated	0	0							
FY 1976 Obligations	20	6							20
FY 1976 Expenditures	20	6							20

Project Number 492-55-199-261

PROJECT PASA/CONTRACT/GRANT PERSONNEL TABLE
(\$ thousands)

	FY 1975 Obligations			FY 1976 Obligations		
	No.	MMS	\$000	No.	MMS	\$000
U.S. Contract Technicians	4	36	75	4	36	120
Long-term	13	24	135	6	31	124 ^{a/}
Short-term						

Personnel (PASA/Contract/Grant implementing agent, and position title)	Actual FY 1974			Estimated FY 1975			Projected FY 1976			Projected FY 1977		
	On- board 6/30/ 74	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 75	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 76	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 77	MMS	Ex- pendi- tures (\$000)
<u>PASA</u>												
1. Land Reform Advisor (USDA)	1	12	42	1	12	40	1	12	41			
2. Procedures Analyst (USDA)	1	3	8	-	6	20	-	6	20			
<u>CONTRACT</u>												
3. Sr. Agrarian Reform Consultant	1	6 ^{b/}	20 ^{b/}	1	12	40	1	6	30		3	10
4. Farmer Systems Support Advisor	-	-	-	1	12	40	1	12	40	1	12	42
5. Research Advisor	-	-	-	1	9	30	1	12	40	-	-	-
6. Cooperative Advisor	1	4 ^{c/}	10 ^{c/}	1	12	40	1	12	40	1	12	42
7. Cooperative Develop- ment (Agribusiness team)	-	-	-	-	10	40	-	10	40	-	-	-
8. Compensation and Investment Consultant	-	-	-	-	4	17	-	3	12	-	-	-
9. Photogrammetrist	-	6	22	-	3	8	-	3	12	-	-	-
10. Credit & Farm Mgmt. Consultants	-	-	-	-	7	30	-	9	40	-	-	-
11. Regional Services Center	-	-	-	-	d/	120	-	d/	60	-	-	-

a/ Includes \$30,000 Non-personal Services Contract.

b/ First half of year funded Agricultural Services Project in FY73.

c/ Initial funding in FY73 under Agricultural Services Project; therefore not shown here.

d/ Non-personal Services Contract.

TABLE VIII

Project No. 492-55-199-151

PROJECT PARTICIPANT TRAINING TABLE
(\$ thousands)

	DIRECT AID									CONTRACT		
	U.S. Academic			U.S. Non-Academic			3rd Country					
	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$
FY 1974 Obligations				6	24	23						
Long-term - new												
Long-term - continuing												
Short-term				6	24	23						
FY 1974 Expenditures												
Long-term - new												
Long-term - continuing												
Short-term												
Unliquidated Oblig. - 6/30/74				6	24	23						
Long-term - new												
Long-term - continuing												
Short-term				6	24	23						
FY 1975 Obligations	1	12	10	11	37	53	2	4	5			
Long-term - new	1	12	10									
Long-term - continuing												
Short-term				11	37	53	2	4	5			
FY 1975 Expenditures	1	12	10	17	61	76	2	4	5			
Long-term - new	1	12	10									
Long-term - continuing												
Short-term				17	61	76	2	4	5			
Unliquidated Oblig. - 6/30/75												
Long-term - new												
Long-term - continuing												
Short-term												
FY 1976 Obligations	1	12	12	12	40	52	2	4	6			
Long-term - new	1	12	12									
Long-term - continuing												
Short-term				12	40	52	2	4	6			
FY 1976 Expenditures	1	12	12	12	40	52	2	4	6			
Long-term - new	1	12	12									
Long-term - continuing												
Short-term				12	40	52	2	4	6			

TABLE IX

Project Number 492-55-199-261COMMODITY AND OTHER COST BUDGET TABLE
(\$ thousands)Commodity Budget (excludes centrally funded contraceptives)
6/30/74 Unliquidated (type and amount)

\$146

Parcellary mapping equipment and supplies	110
Jeeps	36

FY 1975 Obligations (type and amount)

\$ 87

Photographic supplies and equipment for Lab (BL)	10
Office equipment (DAR) Excess Property	35
607 Jeeps (50 DAR) 30 (DLGCD)(3 ARI)	
Total 83 (\$500-\$600 ea.)	42

FY 1976 Obligations (type and amount)

\$ 66

Office equipment (DAR) Excess Property	30
Land Records Storage and Retrieval Equipment	36

Other Cost Budget

6/30/74 Unliquidated (type and amount)

FY 1975 Obligations (type and amount)

FY 1976 Obligations (type and amount)

AQUACULTURE PRODUCTION

The Aquaculture Production Project will be funded for the first time in FY75. The PROP for the project was approved in the last half of 1974. Two aquaculture technicians under a USAID contract with Auburn University were instrumental in developing the present project. The Auburn University contract was funded under the predecessor Inland Fisheries project which was successful in developing a new technology for increasing pond fish production. That project terminated in FY74. Since the Auburn contract terminated as of June 30, 1974 and since the two technicians serving under the contract were to continue their work under the new project, at the end of FY74 additional funding to extend their services was made available under the Agricultural Services Project. This funding insured continuity of the services of the two key advisors and provided for the addition of a third advisor to the new Aquaculture Project. It also permits project implementation to begin early in FY75. Excess property vehicles and technical equipment were also funded under the Agricultural Services project in order to expedite initiation of the extension phase of the project early in FY75.

The purpose of the new project is to strengthen aquaculture research and extension capabilities in the Philippines in order to increase aquaculture production and thereby increase the total amount of protein available to the Filipino people. Protein deficiency is a major chronic problem confronting the country with an estimated 70 to 80 percent of the total population receiving less than the recommended allowance of 50 grams/day. The vast majority of this protein deficient group falls into the low income category. Initially project efforts will focus on milkfish (bangus) production since the necessary technology for significantly increasing yields and lowering production costs has already been developed under the earlier Inland Fisheries project. The principal task to be addressed under this part of the project will be extension to fish-farmers of this known and tested technology, which will be accomplished through strengthening of the Bureau of Fisheries extension service. Simultaneously research is to be conducted into fresh water fish. Production emphasis will shift from milkfish to species such as carp and tilapia as research on them results in improved practices which can be imparted to fish farmers.

A major objective of the research component of the project will be to develop and perfect technology to permit the raising of aquaculture species together with the growing of rice. This so-called rice-paddy aquaculture could eventually benefit a large percentage of the nation's small rice producers in terms of both increased income and improvement in diet as a result of increased consumption of fish protein. Other research objectives will relate to such areas as artificial spawning and hatching techniques for milkfish. For non-silkfish species, the objective will be to develop basic production knowledge not existing now which can be extended to producers. These species include carp, tilapia, catfish and mudfish among others.

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Aquaculture Production Project

Financing Dates (FY)

Project Number 492-11-180-266

Obligations

BeginEndAppropriation Food and Nutrition

Expenditures

1975

1978

1975

1979

Estimated Total Costs: A. Per Latest PROP \$ 709 B. Per Current Estimate \$ 825

Project Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S. \$	MM	Local/TCN \$	MM	\$	MM			
<u>FY 1974 Oblig.-Total</u>									
Direct									
PASA									
Contract									
<u>FY 1974 Expend.-Total</u>									
Direct									
PASA									
Contract									
<u>6/30/74 Unliq.-Total</u>									
Direct									
PASA									
Contract									
<u>FY 1975 Oblig.-Total</u>	132	38			110	120	40		282
Direct					110	120	40		150
PASA									
Contract	132	38							132
<u>FY 1975 Expend.-Total</u>	75	21			80	72	35		190
Direct					80	72	35		115
PASA									
Contract	75	21							75
<u>6/30/75 Unliq.-Total</u>	57	17			30	48	5		92
Direct					30	48	5		35
PASA									
Contract	57	17							57
<u>FY 1976 Oblig.-Total</u>	138	40			67	66	30		235
Direct					67	66	30		97
PASA									
Contract	138	40							138
<u>FY 1976 Expend.-Total</u>	140	40			80	89	35		255
Direct					80	89	35		115
PASA									
Contract	140	40							140

TABLE VI

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

Project Number 492-11-180-266

~~PASA~~/Contract Name Auburn University

Contract No. From (mo/yr) To (mo/yr)	Funding Periods	
	Current-FY 1974 ^a	Proposed-FY 1975
		Not yet determined
		December 1974
	December 1975	December 1976

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations	132	38							132
FY 1975 Expenditures	75	21							75
6/30/75 Unliquidated	57	17							57
FY 1976 Obligations	138	40							138
FY 1976 Expenditures	140	40							140

^a/ Previous funding provided under Inland Fisheries and Agricultural Services projects.

TABLE IX

Project Number 492-11-180-266

COMMODITY AND OTHER COST BUDGET TABLE
(\$ thousands)

Commodity Budget (excludes centrally funded contraceptives)
6/30/74 Unliquidated (type and amount)

	<u>Total</u>
FY 1975 Obligations (type and amount)	40
Vehicles, excess jeeps (44) carryall or pickup (4)	30
Research & Extension field & lab equipment	5
Pura excess equipment	5
 FY 1976 Obligations (type and amount)	 30
Vehicles, excess jeeps (5) carryall or pickup (2)	5
Research & Extension field & lab equipment	20
Pura excess property	5

Other Cost Budget
6/30/74 Unliquidated (type and amount)

FY 1975 Obligations (type and amount)

FY 1976 Obligations (type and amount)

LOCAL DEVELOPMENT PROGRESS NARRATIVE

The Local Development project is designed to assist the GOP Provincial Development Assistance Project (PDAP), and the Department of Local Government and Community Development (DLGCD) in strengthening local government in the key areas of infrastructure (mainly provincial roads and small irrigation systems), development planning and administration, and fiscal management. The project goal is to measurably improve the quality of rural life in economic and social terms.

The project purpose is to strengthen the ability of provincial governments to respond effectively to rural needs for better transportation at lower costs, access to markets, equitable taxation, expanded public investment and rural employment opportunities.

Project implementation is on schedule both in terms of physical implementation actions and of progress toward the project purpose and goal. This is reflected in the following table giving the status of each project output. Only four output indicators out of 18 are behind schedule while two are ahead.

One indicator of project progress not reflected in the list of PROP output indicators is of key significance in terms of demonstrating the "ripple" or replication effect of the project. The Department of Local Government and Community Development has begun adopting for country-wide use many of the tools and techniques for strengthening local government which were developed under the Local Development project by USAID and PDAP. For example, as part of the terms of establishing a new trust fund agreement, under which non-project provinces and chartered cities all over the country will receive US excess property equipment, the DLGCD will require the beneficiary provinces and cities to undertake capital improvement programs and a road network plan and to have an equipment pool deadline rate under 25%. This is an indication of the spreading impact the project is having throughout the country. Modifications will be made in the outputs and output indicators of the PROP to reflect this development and others which have occurred since the preparation of the PROP. The life of project budget is still valid.

LOCAL DEVELOPMENT
Status of Outputs

	<u>Outputs</u>	<u>Indicators</u>	<u>FY74 (No. Provinces)</u>	
			<u>Target</u>	<u>Actual</u>
1.	A Demonstrated Capability to Plan Comprehensive Development Programs.	a.	14	14
		Existence of Provincial Development Council and Working Committees.		
		b.	15	15
		Existence of Provincial Development Staff		
		c.	10	10
		Existence of One-Year Action Program		
		d.	6	6
		Existence of Provincial Road Network Development Plan		
		e.	12	12
Existence of Capital Improvement Program				
2.	A Demonstrated Capability to Implement Infrastructure Development and Maintenance Program	f.	6	2
		Existence of Project Monitoring Data Collection System		
		g.	6	2
		Existence of Comprehensive Provincial Development Plan		
		a.	10	10
		Existence of Adequate Equipment Pool with Deadline Rate under 20%		

FY74 (No. Provinces)

Outputs

Actual

Target

Indicators

	<u>Actual</u>	<u>Target</u>	<u>Indicators</u>
	9	9	b. Existence of Feeder Road Construction or Reconstruction Capability at Rate of 50 Kms/Yr.
3. A Demonstrated Capability to Implement a Property Tax Administration Program	4	8	a. Operation of Time-Framed Municipality-by-Municipality Tax Mapping and Reassessment Program.
	6	6	b. Total Assessed Valuation Increased at Rate of 15-20%/Yr.
	2	4	c. Operation of Time-Framed Municipality-by-Municipality Tax Education and Collection Program.
	3	3	d. Increased Total Real Property Tax Collection at Rate of 20-25%/Yr.
4. A Demonstrated Capability to Finance Development Projects	18	9	a. First Year of CIP Incorporated in Current Annual Budget
	11	7	b. Integrated One-Year Action Program and Budget Adopted

Indicator no longer valid since Presidential Decree #76 has obligated all provinces to increase assessed valuation almost 100%.

Same as 3(b).

FY74 (No. Provinces)

Outputs

Indicators

Target

Actual

<p>c. Increased Portion of Provincial Budget Channeled to Development Projects</p>	<p>14</p>	<p>Indicator no longer valid since Presidential Decree #144 now requires that all provincial governments earmark 20% of their budget for development projects.</p>
<p>5. A National Government Commitment to Strengthen Provincial Government</p>	<p>Early 1974</p>	<p>No longer valid with establishment of DLGCD.</p>
<p>a. Assignment of Special Staff (GOP/USAID) to Explore Implications of Expanded Program.</p>		
<p>b. Release of Funds (GOP/USAID) to Support Contract Studies.</p>	<p>Mid-1974</p>	<p>Same as above</p>

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Local Development

Project Number 492-11-995-256
Appropriation Food and Nutrition

Financing Dates (FY)
Begin 1974 End 1978
Expenditures 1974 1979
Estimated Total Costs: A. Per Latest PROP \$ 4070 B. Per Current Estimate \$ 4070

Project Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total	
	U.S.		Local/TCR		\$	MM				\$
	\$	MM	\$	MM						
FY 1974 Oblig.-Total	400	151			91	52	612		1103	
Direct	295	120			91	52	612		998	
PASA	-	-			-	-	-		-	
Contract	105	31							105	
FY 1974 Expend.-Total	289	115			58	36	190		537	
Direct	277	110			58	36	190		525	
PASA	-	-			-	-	-		-	
Contract	12	5							12	
6/30/74 Unlig.-Total	111	36			33	16	422		566	
Direct	18	10			33	16	422		473	
PASA	-	-			-	-	-		-	
Contract	93	26							93	
FY 1975 Oblig.-Total	480	171			130	98	440		1050	
Direct	390	156			130	98	440		960	
PASA										
Contract	90	15							90	
FY 1975 Expend.-Total	526	183			138	102	500		1164	
Direct	388	153			138	102	500		1026	
PASA										
Contract	138	30							138	
6/30/75 Unlig.-Total	65	25			25	12	362		452	
Direct	20	13			25	12	362		407	
PASA										
Contract	45	12							45	
FY 1976 Oblig.-Total	580	144			100	60	220		900	
Direct	370	116			100	60	220		690	
PASA										
Contract	210	42							210	
FY 1976 Expend.-Total	564	148			125	72	500		1189	
Direct	370	116			125	72	500		995	
PASA										
Contract	194	32							194	

TABLE VI

PROJECT RASA/CONTRACT/GRANT BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 492-11-995-256

~~RASA~~/Contract Name John Urner (Anticipated) - Provincial Planning

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	August 74		
	May 76		

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	80	0							80
FY 1974 Expenditures	-								-
6/30/74 Unliquidated	80	0							80
FY 1975 Obligations	-								-
FY 1975 Expenditures	40	11					2		42
6/30/75 Unliquidated	38	11							38
FY 1976 Obligations	-								-
FY 1976 Expenditures	38	11							38

TABLE VI

PROJECT ~~XXXX~~/CONTRACT/~~XXXX~~ BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 492-11-995-256

~~BACK~~/Contract Name To be selected

ProAg Contract No. 3

Personnel Administration

Funding Periods

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

Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	January 75	October 75
	April 75	June 75

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations	24	4						2	26
FY 1975 Expenditures	24	4						2	26
6/30/75 Unliquidated									
FY 1976 Obligations	50	7						5	55
FY 1976 Expenditures	40	6						3	43

TABLE VI

PROJECT #88A/CONTRACT/GRANT BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 492-11-995-256

~~PASA~~/Contract Name To be determined

Specialized Technical Services in Public Administration

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
			August 75
			May 77

Budget & Expenditures	Personnel				Participants		Comm. ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM			
	\$	MM	\$	MM			\$	MM	\$
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations									
FY 1975 Expenditures									
6/30/75 Unliquidated									
FY 1976 Obligations	155	24							155
FY 1976 Expenditures	105	14							105

Project Number 492-11-995-256

PROJECT PASA/CONTRACT/GRANT PERSONNEL TABLE
(\$ thousands)

FY 1975 Obligations		FY 1976 Obligations	
No.	MMs	No.	MMs
4	15	10	42
	90		210

U.S. Contract Technicians

Long-term
Short-term

Personnel (PASA/Contract/Grant implementing agent, and position title)	Actual FY 1974			Estimated FY 1975			Projected FY 1976			Projected FY 1977		
	On- board 6/30/ 74	MMs	Ex- pendi- tures (\$000)	On- board 6/30/ 75	MMs	Ex- pendi- tures (\$000)	On- board 6/30/ 76	MMs	Ex- pendi- tures (\$000)	On- board 6/30/ 77	MMs	Ex- pendi- tures (\$000)
<u>Contract</u>												
Saunders (Eq Pool)	1	1	1.6	-	5	14.4	-	-	-	-	-	-
Urner- Provincial Planning	-	-	-	1	11	42.0	-	11	38.0	-	-	-
Purchasing Manual	-	-	-	1	2	14.0	-	1	8.0	-	-	-
Tax Manual	-	-	-	-	4	22.0	-	-	-	-	-	-
Personnel Admin	-	-	-	-	4	26.0	1	6	43.0	-	5	37.0
Road Net Plan	-	-	-	-	4	20.0	-	-	-	-	-	-
To be Designated (Public Admin Activities)	-	-	-	-	-	-	-	20	105.0	-	10	50.0

TABLE VIII

Project No. 492-11-995-256

PROJECT PARTICIPANT TRAINING TABLE
(\$ thousands)

	DIRECT AID											
	U.S. Academic			U.S. Non-Academic			3rd Country			CONTRACT		
	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$
<u>FY 1974 Obligations</u>												
Long-term - new												
Long-term - continuing												
Short-term	4	20	42	17	32	49						
<u>FY 1974 Expenditures</u>												
Long-term - new												
Long-term - continuing												
Short-term	4	20	42	9	16	16						
<u>Unliquidated Oblig. - 6/30/74</u>												
Long-term - new												
Long-term - continuing												
Short-term				8	16	33						
<u>FY 1975 Obligations</u>												
Long-term - new												
Long-term - continuing												
Short-term	8	48	60	30	50	70						
<u>FY 1975 Expenditures</u>												
Long-term - new												
Long-term - continuing												
Short-term	8	48	60	32	54	78						
<u>Unliquidated Oblig. - 6/30/75</u>												
Long-term - new												
Long-term - continuing												
Short-term				6	12	25						
<u>FY 1976 Obligations</u>												
Long-term - new												
Long-term - continuing												
Short-term				25	60	75						
<u>FY 1976 Expenditures</u>												
Long-term - new												
Long-term - continuing												
Short-term				31	72	100						

TABLE IX

Project Number 492-11-995-256

COMMODITY AND OTHER COST BUDGET TABLE
(\$ thousands)

Commodity Budget (excludes centrally funded contraceptives)
6/30/74 Unliquidated (type and amount)

New Basic Office Equipment/Vehicle Support for New Provincial Development Staffs	\$100
---	-------

Excess Property Construction Equipment Support for Equipment Pool Development	340
--	-----

FY 1975 Obligations (type and amount)

Excess Property Construction Equipment Support for Equipment Pool Development	\$220
--	-------

FY 1976 Obligations (type and amount)

Other Cost Budget

6/30/74 Unliquidated (type and amount)

FY 1975 Obligations (type and amount)

FY 1976 Obligations (type and amount)

RURAL ELECTRIFICATION PROGRESS NARRATIVE

The goal of the project is to improve living conditions of rural inhabitants in the Philippines and to increase rural income and employment opportunities by making electricity available at reasonable rates for both individual household use and increased industrial and agricultural production. The project purpose is to assist the GOP in launching and completing the first phase of a program of electrification whose ultimate objective is total electrification of the country. The first phase as revised upward in 1973 involves: (a) establishment of one or more economically, administratively and technically sound rural electric cooperatives in each of the country's 72 provinces; and (b) strengthening of the National Electrification Administration (NEA) to enable it to support ongoing elements of the national electrification program as well as expansion into new geographic areas. USAID is contributing to the program with both grant and loan assistance.

Accomplishments as of July 1, 1974 include:

Establishment of Cooperatives

Twenty-six cooperative systems, including the two pilot projects, are in operation, supplying electric service to over 900,000 rural residents.

Feasibility studies, registration and NEA loan agreements have been completed for more than 50 electric cooperatives.

Thirty cooperatives have hired general managers who in turn are hiring office and field staffs.

Thirty-eight cooperatives have signed engineering design contracts with Philippine A&E firms.

Construction of power plants, distribution lines and headquarters facilities is underway for 19 cooperatives.

Contracts have been finalized for procurement of the first \$9.0 million under the FY72 \$19.4 million AID loan; bids for the balance are being processed. The first shipment of goods procured from U.S. loan funds have arrived in country.

The first \$5-1/2 million of Japanese Reparations goods have arrived in country and the next \$2-1/2 million order is under review by the Reparations Committee.

Upgrading of NEA Capabilities

NEA was established in 1969 under the provisions of Republic Act No. 6038 to replace the earlier Electrification Administration. It was

given a broad mandate to develop rural electrification as part of a national determination to bring electric power to the entire Philippines on an area coverage basis.

NEA was reorganized and expanded on December 1, 1973 in accordance with Presidential Decree No. 269 dated August 6, 1973. The decree established NEA as a public corporation with an authorized capital stock of one billion pesos and the necessary powers to make loans and control franchises for retail electric service. The powers of NEA are vested in a Board of Administrators appointed by the President of the Philippines. The reorganization was totally consistent with the reorganization structure suggested in the PROP.

The Board of Administrators of NEA is considered to be exceptionally strong and diversified. The Administrator of NEA has headed the organization since July, 1970. He is an able and dynamic administrator who has an excellent understanding of needs and possibilities of the Rural Electrification program.

Staffing for the new organization and the upgrading of overall staff competence are proceeding satisfactorily. As of December, 1973, NEA had increased its staff to 350 persons, an increase of 191 above the 159 persons employed in the spring of 1972 when the project was started. In addition, following the imposition of martial law, a large number of personnel who had been carried over from the old Electrification Administration were discharged. Thus NEA's staff increase reflects both a culling of the old staff as well as addition of new personnel.

More than 100 NEA staff members have received management, cooperative and specialized training in the U.S. and in-country in such areas as accounting, line construction, plant operation and power use. In addition, NEA set up a comprehensive training program for co-op employees.

In sum, progress to date under the project has been fully satisfactory in terms of physical establishment of cooperative systems and upgrading of NEA capabilities. Nonetheless, an expanding economy and a national policy of full electrification of the country by 1982 have increased the work load and responsibilities of NEA well beyond those previously envisioned when the project was started and PROP prepared. The expanded program, including the addition of up to 15 more rural electric cooperatives to be constructed under an additional FY74 AID loan of \$18 million and up to 30 additional cooperatives proposed for financing under new AID loans in FY75 and FY76, will require continuation of the NRECA technical assistance and thus the grant project for at least two years beyond FY76 at about present levels. See the Rural Electrification loan narrative for additional information.

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Rural Electrification

Financing Dates (FY)

Project Number 492-11-220-248
Appropriation Food and Nutrition
Estimated Total Costs: A. Per Latest PROP \$ 2514

Obligations	Begin	End
Expenditures	FY 1972	FY 1978
	FY 1972	FY 1979
	B. Per Current Estimate \$ <u>4,060</u>	

Project Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.	Local/TCN							
	\$	MM	\$	MM	\$	MM	\$	\$	\$
6/30/73 Pipeline	435							2	437
FY 1974 Oblig.-Total	550	142			68	48	30		648
Direct	40	12			68	48	30		138
PASA									
Contract	510	130							510
FY 1974 Expend.-Total	429	110			5	4		1	435
Direct	41	12			5	4		-1	45
PASA									
Contract	388	108						2	390
6/30/74 Unliq.-Total	556	130			63	44	30		650
Direct	-1				63	44	30		93
PASA									
Contract	557	130							557
FY 1975 Oblig.-Total	540	132			35	30			575
Direct	40	12			35	30			75
PASA									
Contract	500	120							500
FY 1975 Expend.-Total	591	130			57	40			648
Direct	40	12			57	40			97
PASA									
Contract	551	118							551
6/30/75 Unliq.-Total	505	132							505
Direct									
PASA									
Contract	505	132							505
FY 1976 Oblig.-Total	540	132			57	40			597
Direct	40	12			57	40			97
PASA									
Contract	500	120							500
FY 1976 Expend.-Total	580	132			57	40			637
Direct	40	12			57	40			97
PASA									
Contract	540	120							540

TABLE VI

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

Project Number 492-11-220-248

~~PASA~~/Contract Name National Rural Electric Cooperative Association

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	NEA/NRECA		
	7/1/73	7/1/74	7/1/75
	6/30/74	6/30/75	6/30/76

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	510	130							510
FY 1974 Expenditures	388	108							388
6/30/74 Unliquidated	557	130							557
FY 1975 Obligations	500	120							500
FY 1975 Expenditures	551	118							551
6/30/75 Unliquidated	505	132							505
FY 1976 Obligations	500	120							500
FY 1976 Expenditures	540	120							540

Project Number 492-11-220-248

PROJECT PASA/CONTRACT/GRANT PERSONNEL TABLE
(\$ thousands)

FY 1975 Obligations		FY 1976 Obligations	
No.	MMs	No.	MMs
10	120	10	120
	500		500

U.S. Contract Technicians
Long-term
Short-term

Personnel (PASA/Contract/Grant implementing agent, and position title)	Actual FY 1974			Estimated FY 1975			Projected FY 1976			Projected FY 1977		
	On- board 6/30/ 74	MMs	Ex- pendi- tures (\$000)	On- board 6/30/ 75	MMs	Ex- pendi- tures (\$000)	On- board 6/30/ 76	MMs	Ex- pendi- tures (\$000)	On- board 6/30/ 77	MMs	Ex- pendi- tures (\$000)
<u>GOP/NRECA</u>												
Team Leader	1	12	30	1	12	33	1	12	34	1	12	35
NEA Adv (O & M)	1	12	30	1	12	31	1	12	32	1	12	32
NEA Adv (O & M)	1	12	30	1	12	31	1	12	32	1	12	32
R. E. Advisor (Planner)	1	12	30	1	10	31	1	12	32	1	12	32
R.E. Advisor	1	12	30	1	12	31	1	12	32	1	12	32
R.E. Advisor	1	12	30	1	12	31	1	12	32	1	12	30
R.E. Advisor	1	12	23	1	12	27	1	12	28	1	12	28
R.E. Advisor	1	12	21	1	12	27	1	12	27	1	12	28
R.E. Advisor	1	12	18	1	12	23	1	12	23	1	12	23
R.E. Advisor	1	12	18	1	12	23	1	12	23	1	12	23
Short Term Advisor	2		16			38			40			40
Home Office salaries			36			13			15			15
Home office overhead			13									
Travel, transport and other direct costs			52			100			100			100
Overseas overhead			41			85			90			90
			388			551			540			540

TABLE VIII

Project No. 492-11-220-248

PROJECT PARTICIPANT TRAINING TABLE
(\$ thousands)

	DIRECT AID											
	U.S. Academic			U.S. Non-Academic			3rd Country			CONTRACT		
	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$
FY 1974 Obligations				12	48	63						
Long-term - new												
Long-term - continuing												
Short-term				12	48	63						
FY 1974 Expenditures				1	4	5						
Long-term - new												
Long-term - continuing												
Short-term				1	4	5						
Unliquidated Oblig. - 6/30/74				11	44	63						
Long-term - new												
Long-term - continuing												
Short-term				11	44	63						
FY 1975 Obligations				15	30	35						
Long-term - new												
Long-term - continuing												
Short-term				15	30	35						
FY 1975 Expenditures					74	98						
Long-term - new												
Long-term - continuing												
Short-term				15	74	98						
Unliquidated Oblig. - 6/30/75												
Long-term - new												
Long-term - continuing												
Short-term												
FY 1976 Obligations				15	40	57						
Long-term - new												
Long-term - continuing												
Short-term				15	40	57						
FY 1976 Expenditures				15	40	57						
Long-term - new												
Long-term - continuing												
Short-term				15	40	57						

TABLE IX

Project Number 492-11-220-248COMMODITY AND OTHER COST BUDGET TABLE
(\$ thousands)Commodity Budget (excludes centrally funded contraceptives)
6/30/74 Unliquidated (type and amount)

Excess Property Vehicles \$30

FY 1975 Obligations (type and amount)

FY 1976 Obligations (type and amount)

Other Cost Budget
6/30/74 Unliquidated (type and amount)

FY 1975 Obligations (type and amount)

FY 1976 Obligations (type and amount)

SMALL IRRIGATION SYSTEMS

This project is being proposed as part of a joint grant-loan activity. See the Small Irrigation Systems Loan proposal, page 36, for further information.

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Small Irrigation Systems

Financing Dates (FY)

Project Number To be assigned

Obligations

Begin

End

Appropriation Food and Nutrition

Expenditures

FY 76

FY 80

Estimated Total Costs: A. Per Latest PROP \$ NA

B. Per Current Estimate \$ 1,500

Project Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN						
	\$	MM	\$	MM	\$	MM	\$	\$	\$
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									
Direct									
PASA									
Contract									
FY 1975 Expend.-Total									
Direct									
PASA									
Contract									
6/30/75 Unliq.-Total									
Direct									
PASA									
Contract									
FY 1976 Oblig.-Total	250	60							250
Direct									
PASA									
Contract	250	60							250
FY 1976 Expend.-Total	125	30							125
Direct									
PASA									
Contract	125	30							125

TABLE VI

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

Project Number To be assigned

PASA/Contract Name To be determined

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

Funding Periods		
Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
		1/1/76
		12/31/76

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TON		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations									
FY 1975 Expenditures									
6/30/75 Unliquidated									
FY 1976 Obligations	250	60							250
FY 1976 Expenditures	125	30							125

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Agricultural Services

Financing Dates (FY)

Project Number 492-51-190-126

Obligations
Expenditures

<u>Begin</u>	<u>End</u>
1968	1974
1968	1976

Appropriation Food and Nutrition

Estimated Total Costs: A. Per Latest PROP \$ 5,870 B. Per Current Estimate \$ 5,060

Project Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN						
	\$	MM	\$	MM	\$	MM	\$	\$	\$
Pipeline 6/30/73	273				154		102	4	533 ^{1/}
FY 1974 Oblig.-Total	261	78			100	111	117		478
Direct	79	26			100	111	117		296
PASA	20	6							20
Contract	162	46							162
FY 1974 Expend.-Total	290	86			117	130	99	4	510
Direct	83	27			117	130	99	3	302
PASA	20	6							20
Contract	187	53						1	188
6/30/74 Unliq.-Total	244	70			137	152	120		501
Direct					137	152	120		257
PASA									
Contract	244	70							244
FY 1975 Oblig.-Total									
Direct									
PASA									
Contract									
FY 1975 Expend.-Total	244	70			127	141	120		491
Direct					127	141	120		247
PASA									
Contract	244	70							244
6/30/75 Unliq.-Total					10	11			10
Direct					10	11			10
PASA									
Contract									
FY 1976 Oblig.-Total									
Direct									
PASA									
Contract									
FY 1976 Expend.-Total					10	11			10
Direct					10	11			10
PASA									
Contract									

^{1/} This total reflects the \$60,000 negative adjustment made on line 17 of 6/30/74 U-203 report.

139-A

PROGRESS NARRATIVE AND PROJECT TABULAR MATERIAL

POPULATION PLANNING AND HEALTH

POPULATION PLANNING PROGRESS NARRATIVE

The purposes of this project are (1) to assist the Philippines in its efforts to reduce population growth as a means of furthering socio-economic development and increasing per capital income, and (2) to assist the individual Filipino family in bringing its fertility to the desired level by reducing the number of unwanted births. These efforts, if successful, will result in a permanent system of delivering family planning services to all those desiring them.

The POPCOM target for the number of FP clinics operating by 6/30/74 was 2,600. Service statistics as of 6/24/74 indicate there were 2,200 clinics in operation as of 3/31/74. The 6/30/74 target of having 2,600 clinics in operation may not have been reached. The PROP output indicator of 2,740 clinics by the end of FY76 should be reached, however.

Adjusting for known over-reporting, it is estimated that 1.5 million acceptors have been enrolled during the past 5 fiscal years (FYs 1970-74). To meet the PROP goal of 2.4 million cumulative bonafide acceptors by 6/30/76 another .9 million acceptors must be recruited. Considering past performances this should be accomplished on schedule. The number of those acceptors who continue practicing contraception is not known with accuracy. The current demand for pills however, indicates that there are .5 million women currently using that mode of contraception. The PROP goal is to have (counting all modes of contraception) between 1.5 and 1.9 million continuing users by 6/30/76. Progress toward this goal may be more readily determined after USAID/POPCOM analyze the combined use of rhythm and condoms as a method of contraception. Acceptors of this method may now total a fourth of all new acceptors. The continuation rate or the impact on fertility of this method is still unknown.

The PROP calls for 500 paramedics participation in the delivery of FP services by 6/30/76. Nearly 200 were trained by 6/30/74; 120 are actually dispensing pills already and a group skilled in IUD insertion reported to four pilot demonstration sites early in July, 1974 to begin larger scale field operations. On the basis of currently available training programs and priorities it seems likely that the PROP target will be reached. The recently approved IBRD loan provides also for a significant new paramedic training program.

The goal for person-to-person motivational contacts is 2 million per year. Current contacts through motivators exceeded 2.2 million during FY74. Similarly, actual referrals to clinics in FY74 also exceeded the target of 500,000 per year.

The target for distribution of motivational materials is 6 million items per year. The National Media Production Center actually produced 9.7 million items last year and, although distribution channels are still not functioning perfectly, the target for end-users appears to have been reached.

Finally, the PROP target of 2,800 private physicians trained to deliver FP services is probably overly ambitious. Lack of participation in the national program by the private sector is a current weakness but POPCOM and the Population Center Foundation are working on new approaches to this problem. Some 250 private physicians are now contributing to program activities out of the potential resource of more than 10,000 physicians in the Philippine Medical Association. Concentrated efforts will be made to tap this formidable base for the service system during the next two years through such activities as the new medicare, nutrition and rural health national programs.

Commercial production and distribution of contraceptives is only now becoming a significant factor in the program but there are promising developments. A major U.S. firm is considering the possibility of local condom production and POPCOM is supporting a pilot condom distribution project.

Both the PCF and POPCOM are now effective operating bodies and located in the impressive new Center building which is rapidly assuming the expected role of focal point for all national population activities. While the construction of regional POPCOM centers has lagged behind schedule, the new POPCOM Executive Director has shown particular interest in developing better field representation for his agency.

Ascertaining the true demographic situation in the Philippines is a priority requirement of the program and one that has not been given sufficient attention to date. Considerable effort is now underway to devise valid sampling techniques to measure the impact of the national FP program and the other significant determinants of fertility, at least in representative local areas. It is too early to project what the conclusions will be or to what extent the underlying PROP program hypothesis will be validated -- that contraceptive availability will contribute to a significant national fertility decline. A shift to later marriage definitely appears to have continued into the 1970's which is a favorable overall trend. The historical rise in marital fertility may have peaked now although the demographic analysis is not yet firm enough to so state. Marital fertility between the ages 25 and 44 definitely seems to be declining (and these are the typical FP acceptors) but rising below age 25. To what extent the latter offsets the former is one of the questions which must be answered before progress can be fully reported.

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Population Planning

Financing Dates (FY)

Project Number 492-11-570-220
Appropriation Population Planning & Health
Estimated Total Costs: A. Per Dates PROP \$ 37,535

Obligations Expenditures
1967 1976
B. Per Current Estimate \$ 43,144
(thru FY75) (thru FY76)

Project Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.	Local	TCN		\$	MM			
6/30/73 Pipeline	693				126		3005	2485	6314
FY 1974 Oblig.-Total	342	58	2		94	76	315	3156	3909
Direct			2		94	76	315	2858	3269
PASA									
Contract	342	58						298	640
FY 1974 Expend.-Total	653	125	2		106*		2423	2031	5215
Direct	522	96	2		106*		2423	1697	4765
PASA									
Contract	131	29						319	450
6/30/74 Unliq.-Total	387	53			114	76	897	3610	5008
Direct					114	76	897	2916	3927
PASA	3								3
Contract	384	53						694	1078
FY 1975 Oblig.-Total	400	104			100	76	300	3192	3992
Direct					100	76	300	2662	3062
PASA									
Contract	400	104						530	930
FY 1975 Expend.-Total	537	62			87	53	874	3316	4814
Direct					87	53	874	2667	3628
PASA									
Contract	537	62						649	1186
6/30/75 Unliq.-Total	250	95			127	99	323	3410	4110
Direct					127	99	323	3002	3452
PASA									
Contract	250	95						408	658
FY 1976 Oblig.-Total	300	78			100	88	300	2800	3500
Direct					100	88	300	2200	2600
PASA									
Contract	300	78						600	900
FY 1976 Expend.-Total	400	109			133	111	455	2701	3689
Direct					133	111	455	2151	2739
PASA									
Contract	400	109						550	950

*For prior year's charges against PIO/Ps.

Note: Commodities estimates do not include centrally funded contraceptives, as follows:
Pipeline 6/30/73 - \$2985, FY74 - \$2313, FY75 - \$2200, FY76 - \$2700.

TABLE VI

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

Project Number 492-11-570-220

PASA/Contract Name To be determined (U.S. Technology Transfer Support Consultants)

Contract No. From (mo/yr) To (mo/yr)	Funding Periods	
	Current-FY 1974	Proposed-FY 1975
	7/1/75	7/1/76
	6/30/76	6/30/77

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations	100	30							100
FY 1975 Expenditures									
6/30/75 Unliquidated	100	30							100
FY 1976 Obligations	100	30							100
FY 1976 Expenditures	100	30							100

TABLE VI

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

Project Number 492-11-570-220

PASA/Contract Name To be determined (U.S. Motivation Research Advisors)

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
		7/1/75	7/1/76
		6/30/76	6/30/77

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations	100	24							100
FY 1975 Expenditures									
6/30/75 Unliquidated	100	24							100
FY 1976 Obligations	100	24							100
FY 1976 Expenditures	100	24							100

TABLE VI

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

Project Number: 492-11-570-220

PASA/Contract Name: Bert Hale Associates (Logistics Support)

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	10/1/74		
	9/30/75		

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TON		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	50	12							50
FY 1974 Expenditures									
6/30/74 Unliquidated	50	12							50
FY 1975 Obligations									
FY 1975 Expenditures	42	9							42
6/30/75 Unliquidated	8	3							8
FY 1976 Obligations									
FY 1976 Expenditures	8	3							8

TABLE VI

PROJECT ~~XXXX~~ / CONTRACT / ~~XXXX~~ BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 492-11-570-220

~~XXXX~~/Contract Name Population Services, Inc. (PSI)

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	9/1/73	9/1/74	7/1/75
	8/30/74	6/30/75	6/30/76

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/FCM		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	57	24							57
FY 1974 Expenditures	48	17							48
6/30/74 Unliquidated	9	7							9
FY 1975 Obligations	100	17							100
FY 1975 Expenditures	100	24							100
6/30/75 Unliquidated									
FY 1976 Obligations	100	24							100
FY 1976 Expenditures	100	24							100

TABLE VI

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

Project Number 492-11-570-220

PASA/Contract Name To be determined (U.S. Library/Information Advisors to Population Center Foundation)

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

Funding Periods		
Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
9/1/74	7/1/75	
6/30/75	6/30/76	

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	50	16							50
FY 1974 Expenditures									
6/30/74 Unliquidated	50	16							50
FY 1975 Obligations	50	18							50
FY 1975 Expenditures	50	16							50
6/30/75 Unliquidated	50	18							50
FY 1976 Obligations									
FY 1976 Expenditures	50	18							50

TABLE VI

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

Project Number 492-11-570-220

PASA/Contract Name To be determined (Local contracts to support outreach/behavioural research activities)

Contract No. From (mo/yr) To (mo/yr)		Funding Periods		
		Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
			7/1/75	7/1/76
			6/30/76	6/30/77

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations								130	130
FY 1975 Expenditures									
6/30/75 Unliquidated								130	130
FY 1976 Obligations								200	200
FY 1976 Expenditures								130	130

TABLE VI

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

Project Number 492-11-570-220

PASA/Contract Name To be determined (Philippine Demographic Centers other than UPPI)

Contract No. From (mo/yr) To (mo/yr)	Funding Periods	
	Current-FY 1974	Proposed-FY 1975
	1/1/75	1/1/76
	12/31/75	12/31/76

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations									
FY 1974 Expenditures									
6/30/74 Unliquidated									
FY 1975 Obligations								100	100
FY 1975 Expenditures								50	50
6/30/75 Unliquidated								50	50
FY 1976 Obligations								100	100
FY 1976 Expenditures								100	100

TABLE VI

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

Project Number 492-11-570-220

PASA/Contract Name Printing and Reproduction Services (Regional Service Center and other U.S. facilities)

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	1/1/74	1/1/75	1/1/76
12/31/74	12/31/75	12/31/76	

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations								98	98
FY 1974 Expenditures								34	34
6/30/74 Unliquidated								164	164
FY 1975 Obligations								100	100
FY 1975 Expenditures								244	244
6/30/75 Unliquidated								20	20
FY 1976 Obligations								100	100
FY 1976 Expenditures								120	120

TABLE VI

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

Project Number 492-11-570-220

PASA/Contract Name To be determined (Local contracts for operational research/evaluation and technology transfer activities)

		Funding Periods		
		Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
Contract No.				
From (mo/yr)		7/1/74	7/1/75	7/1/76
To (mo/yr)		6/30/75	6/30/76	6/30/76

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations								20	20
FY 1974 Expenditures									
6/30/74 Unliquidated								20	20
FY 1975 Obligations								100	100
FY 1975 Expenditures								20	20
6/30/75 Unliquidated								100	100
FY 1976 Obligations								100	100
FY 1976 Expenditures								100	100

TABLE VII (continued)

PROJECT PASA/CONTRACT/GRANT PERSONNEL TABLE
(\$ thousands)

Project Number 492-11-570-220

U.S. Contract Technicians

Long-Term
Short Term

FY75 Obligations **FY76 Obligations**

No.	MMS	\$000	No.	MMS	\$000
4	41	200	4	48	200
12	58	200	5	30	100

Personnel (FASMA/Contract/Grant implementing agent, and position title)	Actual FY 1974			Estimated FY 1975			Projected FY 1976			Projected FY 1977		
	On- board 6/30/ 74	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 75	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 76	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 77 (for contract personnel only)	MMS	Ex- pendi- tures (\$000)
Technology Transfer Support (To be determined)								30	100			
3 Clinical Physicians								20	70		20	70
2 Public Health Educators								10	30		10	30
Phase II Evaluation Team (To be determined)					10	50						
Physician					2	10						
Social Scientist					2	10						
Pub. Health/FP Physician					2	10						
Management Evaluator					2	10						
Economist					2	10						
Motivation Research Advisors								24	100	2	24	100
(To be determined)												
Social Demographer								12	50	1	12	50
Health/Pop. Planner								12	50	1	12	50
Bert Hale Assocs.				1	9	42	1	3	8			
Logistics Advisor				1	9	18	1	3	5			
Salaries & benefits						4			1			
Overhead						20			2			
Travel, etc.												

TABLE VII (continued)

Project Number 492-11-570-220

PROJECT PASA/CONTRACT/GRANT PERSONNEL TABLE
(\$ thousands)

Personnel (Basic Contract/Grant implementing agent, and position title)	Actual FY 1974			Estimated FY 1975			Projected FY 1976			Projected FY 1977		
	On- board 6/30/ 74	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 75	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 76	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 77	MMS	Ex- pendi- tures (\$000)
Management Science for Health (MSH)	1	9	42	1	9	38						
MIS expert	1	9		1	9	19						
Salaries and benefits Overhead						10						
Travel, transportation & other direct costs						9						
Population Services, Inc.	2	17	48	2	24	100	2	24	100			
Communications Specialist	1	9		1	12		1	12				
Public Health Specialist	1	8		1	12		1	12	52			
Salaries and benefits Overhead						23			23			
Travel, Transportation & other costs						25			25			
(To be determined)					16	50		18	50			
Library/Information Center Advisors												
Librarian					6	18		6	17			
Publications Adv.					5	16		6	17			
Research Librarian					5	16		6	17			

TABLE VIII

Project No. 492-11-570-220

PROJECT PARTICIPANT TRAINING TABLE
(\$ thousands)

	\$ Total	DIRECT AID									CONTRACT					
		U.S. Academic			U.S. Non-Academic			3rd Country			No.	MMs	\$			
		No.	MMs	\$	No.	MMs	\$	No.	MMs	\$						
Pipeline 6/30/73	126															
FY 1974 Obligations	94	2	24	20	18	44	59	8	8	15						
Long-term - new		2	24	20												
Long-term - continuing																
Short-term					18	44	59	8	8	15						
FY 1974 Expenditures	106*															
Long-term - new																
Long-term - continuing																
Short-term																
	114**															
Unliquidated Oblig. - 6/30/74		2	24	20	18	44	59	8	8	15						
Long-term - new		2	24	20												
Long-term - continuing																
Short-term					18	44	59	8	8	15						
FY 1975 Obligations	100	2	24	26	18	44	59	8	8	15						
Long-term - new		2	24	26												
Long-term - continuing																
Short-term					18	44	59	8	8	15						
FY 1975 Expenditures	67	2	18	17	12	29	39	6	6	11						
Long-term - new		2	18	17												
Long-term - continuing																
Short-term					12	29	39	6	6	11						
	127															
Unliquidated Oblig. - 6/30/75		4	30	35	24	59	79	10	10	19						
Long-term - new		4	30													
Long-term - continuing				35												
Short-term					24	59	79	10	10	19						
FY 1976 Obligations	100	8	48	40	10	30	40	10	10	20						
Long-term - new																
Long-term - continuing																
Short-term		8	48	40	10	30	40	10	10	20						
FY 1976 Expenditures	133	10	54	49	16	45	60	12	12	24						
Long-term - new																
Long-term - continuing		2	6	9												
Short-term		8	48	40	16	45	60	12	12	24						

* For prior year's charges against PIO/Ps.

** \$15 for prior years.

TABLE IX

Project No. 492-11-570-220

COMMODITY AND OTHER COST BUDGET TABLE
(\$ thousands)

<u>Commodity Budget</u>		
6/30/74 Unliquidated		\$ 897
A. Population Planning	\$ 807*	
Clinic and hospital supplies, audio visual equipment, films, books		
B. Nutrition Support	90**	
Laboratory equipment, vehicles, cannery supplies		
FY 1975 Obligations		\$ 300
Clinical and office equipment, vehicles and spare parts, films, books, IE&C equipment and materials		
FY 1976 Obligations		\$ 300
Clinical and office equipment, films, books, IE&C equipment and materials		
<u>Other Cost Budget</u>		
6/30/74 Unliquidated		\$3,610
A. Direct Program Costs	\$2,916	
POPCOM shared costs, regional centers construction		
B. Contracts	694	
Management audits and consulting services, Univ. support to Philippine institutions, printing and reproduction services		

* \$315 are FY74 obligations

** Includes \$64 of Nutrition funds obligated in FY74 which are also reflected in Nutrition Support tables.

TABLE IX (Continuation)

<u>Other Cost Budget</u>		
FY 1975 Obligations		\$ 3,192
A. Direct	\$ 2,662	
POPCOM shared program costs, Population Center Foundation and other grants, construction POPCOM Regional Centers		
B. Contracts	530	
Financial and management audits, local contracts operational research/evaluation and consulting services, demographic centers, printing and reproduction services, Local contract backstop outreach/behavioral research/tech. transfer activities		
FY 1976 Obligations		\$ 2,800
A. Direct	2,200	
Outreach activities, Population Center Foundation and other grants, NEDA/DAP grants		
B. Contracts	600	
Financial and management audits, local contracts operational research/eval. and consulting services, Phil. Demographic centers, printing and reproduction services, local contract backstop outreach/behavioral research/tech. transfer activities		

Project No. 492-11-570-220

TABLE IX A

**CENTRALLY FUNDED TITLE X CONTRACEPTIVES
FOR BILATERAL PROGRAMS**

	Orals		
	Quantity Monthly Cycles	Costs \$ thousands	Number of Pill Users
1. Usage through CY 1977	42,500,000	5,931.6	3,269,230
CY 1974 Usage	8,300,000	709.1	638,461
CY 1975 Usage	9,800,000	1,435.7	753,846
CY 1976 Usage	11,400,000	1,732.8	876,923
CY 1977 Usage	13,000,000	2,054.0	1,000,000
2. 12/31/73 Unused	26,996,060	3,962.1	-
Centrally Warehouse	1,313,100	193.3	-
Public Sector Distribution System	2,500,000	372.5	-
On order and confirmed by AID/W	23,182,960	3,396.3	-
3. FY 1975 Obligations	9,800,000	1,435.7	-
4. CY 1978 Usage	14,600,000	2,591.2	1,123,076
5. FY 1976 Obligations	11,400,000	1,732.8	-

Project No. 492-11-570-220

TABLE IX A
(continued)CENTRALLY FUNDED TITLE X CONTRACEPTIVES
FOR BILATERAL PROGRAMS

		Condoms		
		Quantity Gross	Costs \$ thousands	Number of Condom Users
1.	Usage through FY 1975	583,550	2,860.3	583,546
	FY 1975 Usage	171,646	784.3	171,646
	FY 1976 Usage	191,904	967.2	191,900
	FY 1977 Usage	220,000	1,108.8	220,000
2.	6/30/74 Unused	28,220	102,968.0	-
	Central Warehouse	400	1.12	-
	Public Sector Distribution Systems	1,500	4.9	-
	On order and confirmed by AID Washington	6,320	23.3	-
	On order and not confirmed by AID/W*	20,000	73.7	-
3.	FY 1975 Obligations	171,646	784.3	-
4.	FY 1978 Usage	250,000	1,260.0	250,000
5.	FY 1976 Obligations	191,904	967.2	-

*Please note unconfirmed by AID/W as of 7/16/74.

Project Number 492-11-570-220

TABLE IX B

Contraceptives Provided by Other Donors,
Organizations, and Host Country Government

	FY 1974		FY 1975		FY 1976	
	<u>Obligations</u>		<u>Planned Obligations</u>		<u>Proposed Obligations</u>	
	Quantity	Costs	Quantity	Costs	Quantity	Costs
	(MC/Grs)	(\$000)	MC/Grs)	(\$000)	(MC/Grs)	(\$000)
1. Orals-TOTAL	2,251,900	468.89	-	-	15,000	2.25
a. <u>Other Bilateral Donors</u> (specify)						
b. <u>Private Organizations</u>						
IPPF	1,562,900	366.23	-	-	-	-
Pathfinder Fund	-	-	-	-	15,000	2.25
PPFA/FPLA	689,000	102.66	NA	-	NA	-
c. <u>UN WHO*</u>	-	-	-	-	-	-
d. <u>Host Country Government</u>	-	-	-	-	-	-
II. Condoms-TOTAL	91,989	291.18	9,700	41.37	700	3.53
a. <u>Other Bilateral Donors</u> (specify)						
Japanese Re- parations	75,000	236.37	-	-	NA	-
b. <u>Private Organizations</u>						
IPPF	15,100	47.72	-	-	-	-
Pathfinder Fund	21	0.21	700	3.53	700	3.53
PPFA/FPLA	1,868	6.88	5,000	25.2	NA	-
c. <u>UN**</u>						
WHO	-	-	-	-	-	-
Colombo Plan(Jap)	-	-	4,000	12.64	NA	-
d. <u>Host Country Government</u>	-	-	-	-	-	-

*WHO supplied 96,095 mcs () in 1971-72 - with 62% in 1971.

**UN supplied 12,000G condoms valued @\$30,000 on 10/21/71.

LOCAL WATER PROGRESS NARRATIVE

To date the project is on schedule and has made a good start. The LWUA is adequately staffed to the point that it can effectively utilize planned advisory services; it has new quarters, is fully budgeted and has a Board of Directors and a full time general manager. FY74 grant funds are being used to contract with a U.S. firm to provide advisory services to the LWUA and participating water districts. The services will be provided over a three year period. The consultants are due to start arriving in the Philippines in August 1974. The FY76 funds are required to finance the third year of these advisory services and to continue the participant training in the U.S. through FY 1977. See the Provincial Water Loan narrative for further details.

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Local Water Development

Financing Dates (FY)

Project Number 492-56-995-263
Appropriation Population Planning & Health
Estimated Total Costs: A. Per Latest PROP \$ _____

Obligations Expenditures

Begin	End
FY74	FY76
FY75	FY77

B. Per Current Estimate \$ _____

Project Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN						
	\$	MM	\$	MM	\$	MM	\$	\$	\$
FY 1974 Oblig.-Total	400	92			100	108			500
Direct					100	108			100
PASA									
Contract	400	92							400
FY 1974 Expend.-Total	0				0				
Direct									
PASA									
Contract									
6/30/74 Unliq.-Total	400	92			100	108			500
Direct					100	108			100
PASA									
Contract	400	92							400
FY 1975 Oblig.-Total	0				0				
Direct									
PASA									
Contract									
FY 1975 Expend.-Total	200	44			50	54			250
Direct					50	54			50
PASA									
Contract	200	44							200
6/30/75 Unliq.-Total	200	48			50	54			250
Direct					50	54			50
PASA									
Contract	200	48							200
FY 1976 Oblig.-Total	200	48			50	54			250
Direct					50	54			50
PASA									
Contract	200	48							200
FY 1976 Expend.-Total	200	48			50	54			250
Direct					50	54			50
PASA									
Contract	200	48							200

TABLE VI

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

Project Number 492-56-995-263

PASA/Contract Name James Montgomery Consulting Engineers, Inc.

Contract No. From (mo/yr) To (mo/yr)	Funding Periods	
	Current-FY 1974	Proposed-FY 1975
	7/74	7/75
	6/75	6/76

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	400	92							400
FY 1974 Expenditures	-								-
6/30/74 Unliquidated	400	92							400
FY 1975 Obligations	-								-
FY 1975 Expenditures	200	44							200
6/30/75 Unliquidated	200	48							200
FY 1976 Obligations	200	48							200
FY 1976 Expenditures	200	48							200

Project Number 492-56-995-263

FY76 Obligations	
No.	MMS \$000
4	48 200

PROJECT PASA/CONTRACT/GRANT PERSONNEL TABLE
(\$ thousands)
U.S. Contract Technicians
Long-term
Short-term.

Personnel (PASA/Contract/Grant implementing agent, and position title)	Actual FY 1974		Estimated FY 1975		Projected FY 1976		Projected FY 1977					
	On- board 6/30/ 74	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 75	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 76	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 77 (for contract personnel only)	MMS	Ex- pendi- tures (\$000)
James Montgomery Consulting Engineer, Inc.												
Project Manager			50	1	11	50	1	12	50	1	12	50
Water Utility Mgr.			50	1	11	50	1	12	50	1	12	50
Water Utility Mgr.			50	1	11	50	1	12	50	1	12	50
Water Utility Mgr.			50	1	11	50	1	12	50	1	12	50

*Salary figures include estimated differential, overhead, travel and miscellaneous expenses.

TABLE VIII

Project No. 492-56-995-263

PROJECT PARTICIPANT TRAINING TABLE
(\$ thousands)

	DIRECT AID									CONTRACT		
	U.S. Academic			U.S. Non-Academic			3rd Country					
	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$
FY 1974 Obligations				36	108	100						
Long-term - new												
Long-term - continuing												
Short-term				36	108	100						
FY 1974 Expenditures						-0-						
Long-term - new												
Long-term - continuing												
Short-term												
Unliquidated Oblig. - 6/30/74				36	108	100						
Long-term - new												
Long-term - continuing												
Short-term				36	108	100						
FY 1975 Obligations				0								
Long-term - new												
Long-term - continuing												
Short-term												
FY 1975 Expenditures				18	54	50						
Long-term - new												
Long-term - continuing												
Short-term				18	54	50						
Unliquidated Oblig. - 6/30/75				18	54	50						
Long-term - new												
Long-term - continuing												
Short-term				18	54	50						
FY 1976 Obligations				18	54	50						
Long-term - new												
Long-term - continuing												
Short-term				18	54	50						
FY 1976 Expenditures				18	54	50						
Long-term - new												
Long-term - continuing												
Short-term				18	54	50						

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PROGRESS NARRATIVE AND PROJECT TABULAR MATERIAL

NUTRITION

NUTRITION PROGRESS NARRATIVE

This project is designed to assist the Government of the Philippines in establishing a National Nutrition Program aimed at reducing widespread malnutrition among infants, pre-school and elementary school-age children through (a) improved nutrition planning, (b) more efficient child-feeding programs, (c) nutrition education programs for mothers and school children, and (d) research aimed at the development of indigenous sources of highly nutritious foods. This technical assistance project will complement the PL480 Title II commodities supplied to the Philippine Government and U.S. voluntary agencies administering pre-school and school feeding programs.

Recent developments have improved significantly the prospects for success of this project. In July 1974 the nutrition program of the Philippines was given a great impetus under the direction of the First Lady, Mrs. Imelda Marcos. In further actions a National Nutrition Council was established by presidential decree and a Nutrition Center of the Philippines was established. This center, analogous to the Population Center Foundation, was established to catalyze private and public agencies toward a coordinated national education and information campaign to increase food production and to improve home and family food habits. A massive nutrition information campaign has been initiated, directed primarily to mothers of pre-school children.

In achieving project outputs, the GOP has already developed a modified four-year food and nutrition plan but has not yet addressed the issue of an in-depth, multi-sectoral approach to the country's nutrition problems. The National Economic and Development Authority has established a Social Science Planning Section. Staff members in this newly organized section are conducting a health/nutrition sector analysis. USAID has provided NEDA with its analysis of the nutrition situation in the Philippines.

Progress has been made toward integration of nutrition and family planning activities. A research project has been initiated to train Barangay Health Aides in family planning motivation, using food assistance as an entree into homes which have malnourished children and are badly in need of family planning advice.

Except for limitations of commodity availability, the target of focusing food on malnourished children through targeted maternal and child health (TMCH) centers is proceeding on schedule. The combined outreach of pre-school and elementary school-age children is approximately 1.5 million whereas planned outreach was 1.7 million.

Wheat flour extenders, such as banana-coconut flour (Banco), were available for the school feeding program at only one half the level planned. Only 150 metric tons of Banco flour as a substitute for soy fortified flour were used. The delay in delivery of Banco flour was caused by the energy crisis and the high value of traditional coconut

products in world markets which has been a deterrent to commercial interest in producing coconut flour.

A test program was planned and implemented at the beginning of the current school year (June 1974) to develop nutribun filler or hot soup in school lunches from local commodities. If successful, the filler or soup would allow a 20 per cent reduction in Title II fund requirements or permit outreach to an additional 200,000 recipients with a 500 calorie a day supplement in the school feeding program.

A developmental study was initiated in January 1974 in one province to test village-level cooking, drying, and grinding of local products (rice, and legumes such as mungo and soy beans) combined with rice or sweet potato flour as substitutes for TMCH Title II donated foods. The project has developed 10 recipes for use of such local mixtures for infant and pre-school feeding.

A pilot plant for production of coconut skim milk powder has been remodeled and all new equipment is expected to be delivered by November 1974. Production should begin on schedule in late 1974.

A feasibility study of community canneries as an outlet for products derived from vegetable or fruit producer-cooperatives has been developed. The cannery unit will be installed at the University of the Philippines, Los Baños, Food Science Department for pre-testing in October 1974 and will begin processing operations in a barrio in Sta. Cruz, Laguna, in January 1975.

Although the project falls short of planned outreach to pre-school children and pregnant and lactating mothers, the interventions aimed at development of increased family food supplies through home or community gardens and village level preservation units should in the long run reduce the need for donated commodities. (See Sector Analysis for fuller coverage of new actions under way).

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Nutrition

Project Number 492-11-560-252

Appropriation _____

Estimated Total Costs: A. Per Latest PROP \$ 1,100 B. Per Current Estimate \$ 2,000

Financing Dates (FY)	
Begin	End
FY74	FY77
FY75	FY78

Obligations Expenditures

Project Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.	Local/TCN							
	\$	MM	\$	MM	\$	MM	\$	\$	\$
FY 1974 Oblig.-Total	220	65			5	5	94	76	395 ^{a/}
Direct					5	5	94	76	175
PASA									
Contract	220	65							220
FY 1974 Expend.-Total	0				0		0		0
Direct									
PASA									
Contract									
6/30/74 Unliq.-Total	220	65			5	5	94	76	395
Direct					5	5	94	76	175
PASA									
Contract	220	65							220
FY 1975 Oblig.-Total	160	46			10	10	70	50	290
Direct					10	10	70	50	130
PASA									
Contract	160	46							160
FY 1975 Expend.-Total	228	64			5	5	94	76	403
Direct					5	5	94	76	175
PASA									
Contract	228	64							228
6/30/75 Unliq.-Total	152	44			10	10	70	50	282
Direct					10	10	70	50	130
PASA									
Contract	152	44							152
FY 1976 Oblig.-Total	240	67			10	10	50	50	350
Direct					10	10	50	50	110
PASA									
Contract	240	67							240
FY 1976 Expend.-Total	264	75			10	10	70	50	394
Direct					10	10	70	50	130
PASA									
Contract	264	75							264

^{a/}Total obligation of \$395 consists of \$295 under Food and Nutrition allotment and \$100 under Population Planning and Health.

TABLE VI

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

Project Number 49-11-560-252

PASA/Contract Name Texas A & M

Contract No. From (mo/yr) To (mo/yr)	Funding Periods	
	Current-FY 1974	Proposed-FY 1975
	November 74	December 75
	December 75	January 76

Budget & Expenditures	Personnel				Participants		Commod-	Other	Total
	U.S.		Local/TCN				ities	Costs	
	\$	MM	\$	MM					
FY 1974 Obligations	80	24							80
FY 1974 Expenditures	0								0
6/30/74 Unliquidated	80	24							80
FY 1975 Obligations	0								0
FY 1975 Expenditures	41	9							41
6/30/75 Unliquidated	39	15							39
FY 1976 Obligations	80	24							80
FY 1976 Expenditures	89	27							89

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Nutrition

Financing Dates (FY)

Project Number 492-11-560-252

Obligations

Begin

End

Appropriation _____

Expenditures

FY74

FY77

FY75

FY78

Estimated Total Costs: A. Per Latest PROP \$ 1,100 B. Per Current Estimate \$ 2,000

Project Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total	
	U.S.		Local/TCN		\$	MM				\$
	\$	MM	\$	MM						
FY 1974 Oblig.-Total	220	65			5	5	94	76	395 ^{a/}	
Direct					5	5	94	76	175	
PASA										
Contract	220	65							220	
FY 1974 Expend.-Total	0				0		0		0	
Direct										
PASA										
Contract										
6/30/74 Unliq.-Total	220	65			5	5	94	76	395	
Direct					5	5	94	76	175	
PASA										
Contract	220	65							220	
FY 1975 Oblig.-Total	160	46			10	10	70	50	290	
Direct					10	10	70	50	130	
PASA										
Contract	160	46							160	
FY 1975 Expend.-Total	228	64			5	5	94	76	403	
Direct					5	5	94	76	175	
PASA										
Contract	228	64							228	
6/30/75 Unliq.-Total	152	44			10	10	70	50	282	
Direct					10	10	70	50	130	
PASA										
Contract	152	44							152	
FY 1976 Oblig.-Total	240	67			10	10	50	50	350	
Direct					10	10	50	50	110	
PASA										
Contract	240	67							240	
FY 1976 Expend.-Total	264	75			10	10	70	50	394	
Direct					10	10	70	50	130	
PASA										
Contract	264	75							264	

^{a/}Total obligation of \$395 consists of \$295 under Food and Nutrition allotment and \$100 under Population Planning and Health.

TABLE VI

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

Project Number 49-11-560-252

PASA/Contract Name Texas A & M

Contract No. From (mo/yr) To (mo/yr)	Funding Periods	
	Current-FY 1974	Proposed-FY 1975
		November 74
	December 75	January 76

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TON		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	80	24							80
FY 1974 Expenditures	0								0
6/30/74 Unliquidated	80	24							80
FY 1975 Obligations	0								0
FY 1975 Expenditures	41	9							41
6/30/75 Unliquidated	39	15							39
FY 1976 Obligations	80	24							80
FY 1976 Expenditures	89	27							89

TABLE VI

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

Project Number: 492-11-560-252

PASA/Contract Name: VPI & SU

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

Funding Periods

Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	July 74	July 75
	June 75	July 76

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TON		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	98	24							98
FY 1974 Expenditures	0								0
6/30/74 Unliquidated	98	24							98
FY 1975 Obligations	130	36							130
FY 1975 Expenditures	130	36							130
6/30/75 Unliquidated	98	24							98
FY 1976 Obligations	130	33							130
FY 1976 Expenditures	130	33							130

TABLE VI

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

Project Number 492-11-560-252

PASA/Contract Name Nutrition Planning and Intersectoral Analysis
(to be determined)

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	December 74	January 75	January 76
	January 75	December 76	December 77

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	17	5							17
FY 1974 Expenditures	0								0
6/30/74 Unliquidated	17	5							27
FY 1975 Obligations	30	10							30
FY 1975 Expenditures	32	10							32
6/30/75 Unliquidated	15	5							15
FY 1976 Obligations	30	10							30
FY 1976 Expenditures	45	15							45

PROJECT PASA/CONTRACT/GRANT PERSONNEL TABLE
(\$ thousands)

U.S. Contract Technicians	FY 1975 Obligations			FY 1976 Obligations		
	No.	MMs	\$000	No.	MMs	\$000
Long-term	2	24	80	4	48	160
Short-term	8	22	80	7	19	80

Personnel (PASA/Contract/Grant Implementing agent, and position title)	Actual FY 1974			Estimated FY 1975			Projected FY 1976			Projected FY 1977			
	On- board 6/30/ 74	Ex- pendi- tures (\$000)	MMs	On- board 6/30/ 75	Ex- pendi- tures (\$000)	MMs	On- board 6/30/76	Ex- pendi- tures (\$000)	MMs	On- board 6/30/ 77	Ex- pendi- tures (\$000)	MMs	Ex- pendi- tures (\$000)
VPI & SU													
Nutrition Adv.	1	80.0	18		130.0	36		130			23	100	
Food Scientist	12	27.0	12	1	29.0	12	1	30.0	1	12	31.0		
Horticulturist	3	7.0	3		7.0	3		7.5		3	6	13.0	
Health Planner	1	2.5	1	1	24.0	12	1	25.0		12			
Behavioral Specialist	1	2.0	1		5.0	3							
Nutrition Family Planning Specialist	1	2.5	1		5.0	3		5.0		2	5.0		2.5
Nutrition Health Educator					2.5	2		5.0		2	5.0		5.0
Overhead/overseas		14.0	1		26.0	1		27.0		2	20.0		20.0
Home Office Salaries and Benefits		10.0			10.0			10.0			10.0		10.0
Home Office Overhead		4.0			4.0			4.0			4.0		4.0
Travel and Transport and other direct costs		11.0			15.0			11.0			11.0		9.0
Population Service International	1	23.0	12	1	25.0	12							
Nutrition/Family Planning Advisor	1	23	12	1	25	12							

Table VII (continued)

Project Number 92-11-560-252

PROJECT PASA/CONTRACT/GRANT PERSONNEL TABLE
(\$ thousands)

Personnel (PASA/Contract/Grant implementing agent and position title)	Actual FY 1974		Estimated FY 1975		Projected FY 1976		Projected FY 1977	
	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)	On- board 6/30/ 77	Ex- pendi- tures (\$000)
Contractor to be Determined for Nutrition Planning/ Intersectoral Analysis	5	17	10	32	10	28		
Food Economist			4	12	3	10		
Planning Advisor	5	17	3	10	3	10		
Agricultural Economist			3	10	4	12		
Texas A & M			2	41	1	27	6	30.0
Plant Manager			1	10	1	12	3	5.0
Food Specialist			1	8	9	24	3	8.0
Food Engineer					6	9		
Overhead/overseas				8		20		5.0
Home Office Salaries and Benefits				4		7		4.0
Home Office Overhead				2		3		2.0
Travel, Transport and other direct costs				9		6		6.0

(for contract
personnel only)

TABLE IX

Project Number 492-11-560-252

COMMODITY AND OTHER COST BUDGET TABLE
(\$ thousands)

<u>Commodity Budget (excludes centrally funded contraceptives)</u>		
6/30/74 Unliquidated (type and amount)		93.5
Audio visual and library equipment for NCP	15.0	
Vehicles (25)	26.0	
Cannery Equipment	5.0	
Laboratory Equipment & Supplies	9.0	
Clinical Scales	11.0	
Office Equipment	9.0	
Medical Equipment & Supplies	18.5	
FY 1975 Obligations (type and amount)		70
Vehicles (21)	42	
Clinical Scales	10	
Community Canneries (3 units)	12	
Medical Equipment & Supplies	6	
FY 1976 Obligations (type and amount)		50
Vehicles (21)	42	
Clinical Scales	5	
Medical Equipment & Supplies	3	
<u>Other Cost Budget</u>		76
6/30/74 Unliquidated (type and amount)		
Honoraria for Home Management Technicians	25	
Salaries and honoraria for Barangay health aide project	25	
Training costs of nutrition and family planning workshops	26	
FY 1975 Obligations (type and amount)		50
Salaries and honoraria for Barangay health aide	30	
Home management technicians	20	
FY 1976 Obligations (type and amount)		50
Salaries and honoraria for Barangay health aide	30	
Home management technicians	20	

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PROGRESS NARRATIVE AND PROJECT TABULAR MATERIAL

OUTSIDE AREAS OF CONCENTRATION

GENERAL PARTICIPANT TRAINING

This project is designed to provide required technical and management training in the United States and other countries in fields in which instruction is not readily available in the Philippines and in which the Philippine Government and USAID do not have a directly related project. The project is also designed to provide support to the Philippines Association of Technical Assistance Participants, an organization of returned participants. This support is provided by financing a limited number of subscriptions to technical publications and membership in professional societies.

During FY74 10 participants, two of whom were independently financed, were sent abroad for training under this project. Of this number six were sent to the U.S. and four to a third country (Taiwan). The fields in which training was undertaken are: Development Administration (US); Computer Systems and Application (US); Observation of Estate-Type Fish Pond Operations (Taiwan); Observation of Customs Procedures and Administration - independently-financed (US); and Observation Program with Future Farmers of America - independently-financed (US).

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title General Participant Training

Financing Dates (FY)

Project Number 492-11-995-237

Obligations
Expenditures

Begin	End
FY 68	NA
FY 68	NA

Appropriation Education & Human Resources

Estimated Total Costs: A. Per Latest PROP \$ NA B. Per Current Estimate \$ NA

Project Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM			
	\$	MM	\$	MM					
6/30/73 Pipeline									
FY 1974 Oblig.-Total					43	34	12		55
Direct					43	34	12		55
PASA									
Contract									
FY 1974 Expend.-Total					12	12	-1		11
Direct					12	12	-1		11
PASA									
Contract									
6/30/74 Unliq.-Total					30	36	12		42
Direct					30	36	12		42
PASA									
Contract									
FY 1975 Oblig.-Total					50	40			50
Direct					50	40			50
PASA									
Contract									
FY 1975 Expend.-Total					80	76			80
Direct					80	76			80
PASA									
Contract									
6/30/75 Unliq.-Total									
Direct									
PASA									
Contract									
FY 1976 Oblig.-Total					50	40			50
Direct					50	40			50
PASA									
Contract									
FY 1976 Expend.-Total					50	40			50
Direct					50	40			50
PASA									
Contract									

TABLE IX

Project Number 492-11-995-237COMMODITY AND OTHER COST BUDGET TABLE
(\$ thousands)Commodity Budget (excludes centrally funded contraceptives)
6/30/74 Unliquidated (type and amount)

Subscriptions to technical publications. \$12

FY 1975 Obligations (type and amount)

FY 1976 Obligations (type and amount)

Other Cost Budget
6/30/74 Unliquidated (type and amount)

FY 1975 Obligations (type and amount)

FY 1976 Obligations (type and amount)

PUBLIC SAFETY TRAINING

USAID/Manila airgram TOAID A-116 dated June 13, 1974, estimates public safety training requirements for FY75. A total of 22 participants are proposed -- 4 Senior Officers, 12 General Officers Course, 2 Prevention and Investigation of Criminal Violence, and 4 Special Program positions for National Police College cadre development. Requirements for FY76 are estimated to be approximately the same.

