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INTERNATIONAL  
DEVELOPMENT**



**ANNUAL BUDGET SUBMISSION  
FY 1979**

**USAID SYRIA**

BEST AVAILABLE

**DEPARTMENT  
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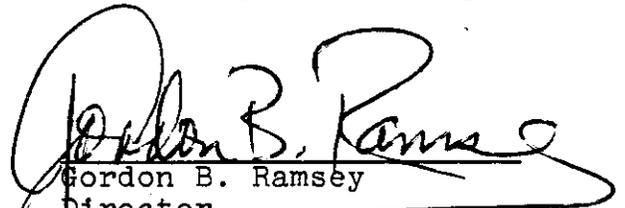
## PREFACE

Forwarded herewith is the FY 1979 Annual Budget Submission (ABS) for the U.S. economic assistance program in Syria. This document contains a review of the objectives of the U.S. aid program in Syria, a brief analysis of economic requirements in Syria, proposals for assistance to meet these purposes and needs in FY 1979 and during the FY 1980-1983 period, as well as the necessary budgetary tables.

In reviewing this ABS, it is necessary to keep clearly in mind the hierarchy of U.S. interests in Syria within which the AID program must operate. A major element of this understanding is that the AID program in Syria constitutes an integral part of and can not be separated from the total U.S. effort in the Middle East region to help bring about resolution of problems through peaceful means. Because of Syria's key role in this critical situation, U.S. policy is directed towards developing and improving relationships with Syria, particularly through cooperation and assistance in the peaceful pursuits of economic development.

With the above as an overall objective, the AID program is specifically directed towards assisting Syria in selected areas of development. USAID has coordinated these efforts closely with the Syrian Government, identifying increasing numbers of activities in agriculture and rural services, health and nutrition as the fields in which Syria has the greatest need and where AID can be most helpful. These areas of emphasis are generally consistent with the Congressional Mandate and should continue to form the basis of our approach within the foreseeable future, to the extent that sound projects can be developed. In this way, it is believed that Syria's economic and social development can be furthered and U.S. interests served, both of which purposes USAID views as mutually supportive.

The abovementioned sectoral approach, based on USAID's experience to date, will be further defined in agriculture, health and transportation sector assessments planned during the next 1-2 years. A more detailed assistance strategy should then evolve by the preparation of a Summary Strategy Statement in late FY 1979 and a Development Assistance Program in early FY 1980.

  
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Director  
USAID/Syria

May 31, 1977

SYRIA

FY 1979 ANNUAL BUDGET SUBMISSION

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USAID/SYRIA

A. SUMMARY NARRATIVE STATEMENT

1. General

The Syrian Arab Republic (SAR) covers an area of 71,000 square miles. Sixty-seven percent of total area is agricultural land. Syria is about four-fifths mountainous, semi-arid, or desert. The population, which is about 8.0 million and increasing at an estimated 3.3 percent per year is approximately half rural and half urban. The literacy rate is 40 percent and per capita income (IBRD data) in 1975 was about \$560, or somewhat higher than Jordan and Morocco, and lower than Tunisia.

2. Political and Economic Setting

Syria has undergone rapid changes, both political and economic, in the last 15 years. Until the late fifties, it was largely a laissez-faire economy, dominated by commerce and large-scale agriculture. When, in 1963, the Baath Socialist Party came to power, it consolidated the land reform movement started during the period of Syro-Egyptian unity (1958-61). The following year there were widespread nationalizations of medium and large-scale industries, particularly textiles, and private sector activity was severely curtailed.

GNP real growth rates in Syria during the first half of the sixties averaged 8.5 percent, but fell to 5.5 percent in the second half as a result of the difficulties of such a rapid transition, and as a result of internal political instability, specifically, and in the Middle East region generally. Expansion of public spending constituted a major structural shift in the economy as did heavy military expenditures.

In late 1970, a faction of the Baath Party led by the current President, Hafez Al-Assad, took control of the government. This faction, called the Corrective Movement, initiated some liberalizing changes in economic policy which, with an increase in cotton and petroleum exports, and substantial foreign assistance, resulted in rapid overall economic growth. Since 1970, Syria's real growth has averaged about nine percent on a per annum basis, and per capita income has increased at slightly over five percent per year.

Syria experienced severe budgetary problems in 1976, and these are continuing in 1977. Syria's participation in the war

in Lebanon required increased government expenditures to maintain the troops and provide for the dislocated Lebanese and Syrian refugees. A Syrian-Iraqi agreement, covering oil transit fees and sales of high-quality Iraqi crude to Syria at far below market prices, expired in December 1975. Actual pipeline transit ceased in April 1976, causing Syria's oil import costs to rise steeply and deprived her of about \$125 million annually in pipeline fees.

The most serious difficulty faced by Syria in 1976 was a drop in the level of other Arab countries' aid to Syria from the 1974 and 1975 levels. While Syria continued to receive considerable support, the reduced amounts did not allow the SARG to initiate new development projects. Instead, most of the aid was used to continue or finish ongoing projects, to pay for increased food imports, and meet already incurred debt payments. These factors caused a large drawdown in reserves from those previously amounting in value to about eight months' imports to two or three months' imports. The conflict in Lebanon, and large demands for credit to finance operating deficits of public sector industries, resulted also in a heavy drain on local currency resources for development.

This problem in Syria's economic situation has continued into 1977, despite the aid commitments made at Riyadh and Cairo, and has caused reserves to fall even further. Thus, Syria's need to conserve foreign exchange and receive the promised aid is acute. A 1976 ban on initiating new projects has been continued into 1977, and the issuance of Letters of Credit for imports has been severely restricted.

Some optimistic notes should be added, however. Inflation in the latter half of 1976 slowed from the high 1974 and 1975 levels as a result of the economy's adjustment to the higher level of government spending and a decline in the rate of increase of government spending in 1976. In early 1977, there was a government-wide, in-depth review of the SARG's agricultural policies which may result in many significant policy changes. Recommendations coming out of the review include a suggestion that the SARG convert most state farms to demonstration facilities, and emphasize the role of the private and cooperative producers. The SARG apparently is considering the development of more effective services for these farmers, including extension and credit. Finally, the budget squeeze has demonstrated to the SARG that project planning and control over development expenditures, which were fast moving during the 1974-75 period of large foreign external aid flows, need to be improved.

While the above described economic events have been taking place, Syria has also been developing closer ties in 1976 and 1977

with Jordan, Saudi Arabia, Kuwait, the United Arab Emirates, Egypt and the Sudan. At the same time, however, Syria's differences with Iraq have been exacerbated. In Lebanon, Syrian troops, now part of the Arab peace keeping force, have generally put a stop to fighting wherever they have been stationed, and their presence has served to contain demands to partition the country. At home, restrictions on travel and activities of Jewish citizens have been relaxed.

Other major donors made commitments to Syria in 1976 as follows: Arab oil states (about \$300 million), West Germany (\$32.5 million), the World Bank (\$65.0 million), other U.N. agencies (\$19.2 million), the Socialist Bloc (\$114.5 million) and France (\$40 million).

### 3. U.S. Economic Assistance to Syria

#### a. Policy and Goals

United States economic assistance to Syria resumed in FY 1975 following the restoration of diplomatic relations in 1974 that had been broken in 1967. The U.S. program in Syria operates within the specific policy framework of seeking to reinforce Syrian initiatives in pursuing a peaceful path to a general settlement in the Middle East and to strengthen U.S.--Syrian cooperation and mutual trust which is essential to continued progress toward peace. In this context, U.S. economic assistance demonstrates U.S. intentions for closer relations between the two countries and provides real support for Syria's economic and social development goals. The AID program in Syria is designed and implemented to help solve problems crucial to the nation's continued development, and to the extent possible to conform with areas of emphasis expressed in AID's general policy guidelines related to Congressional Mandates.

#### b. AID Program Content

Actual and proposed AID project funding during the FY 75-79 period concentrates mostly in three sectors: agriculture and rural development, transportation, and health and nutrition. These three sectors will have been allocated 72.5 percent of all funds, the balance being in manpower and education (1.5 percent) and commodity import loans (26 percent), with an overwhelming portion of the latter being used to finance machinery and equipment for or closely related to the agriculture sector.

These program emphases, discussed further in the Strategy Summary below, will be strengthened in their effectiveness over the longer term by the completion of studies being initiated

in FY 1977 and FY 1978, some of which are at the design stage and others being planned. These are a nation-wide land classification/soils survey, a transportation sector study, three specific highway feasibility studies, an overall agriculture sector assessment and a health sector assessment. We anticipate the involvement of U.S. institutions emphasized in Title XII of Foreign Assistance legislation in implementing many of these studies and in follow-on development efforts that grow out of the basic surveys.

#### 4. Program Strategy Summary

##### a. General

AID can be most effective in achieving overall U.S. interests in supporting Syria's development efforts by concentrating U.S. economic assistance in basically three major areas: agriculture and rural services, health and nutrition, and transportation. Discussion of these sectors and justification for their selection follows below. This assignment of priorities is based primarily upon a realistic assessment of some of Syria's most urgent needs. The proposed strategy is also consistent, for the most part, with the "New Directions" in AID Development Assistance Legislation, even though the Syrian program is funded with Security Supporting Assistance appropriations. These program emphases reflect areas where AID and the U.S. contracting community have sufficient expertise, and where USAID can effectively manage large amounts of money in several discrete projects with minimum direct-hire staff levels.

Specific factors affecting USAID's formulation of the abovementioned assistance strategy for Syria relate especially to an understanding of conditions in Syria. Syria is a typical developing country in many ways and shares numerous characteristics with other less developed countries. Health services, including nutrition and population, in rural areas are not adequate, and the education system requires improvement. Utilities and infrastructure, such as potable water supply, roads and electricity, also need expansion and improvement, especially in rural areas.

At the same time, Syria has several unique characteristics that must be taken into account. First, the southern and coastal areas are characterized by small agricultural holdings, but in the central, Euphrates, and northeast regions, plots are much larger. In the country as a whole, the average holding is 12 ha; compared with Egypt's 1.3 ha. Second, recent rapid growth in urban employment has relieved population pressure on small farms, and, in marginal rainfall areas, land has even been abandoned. Thus, the rural unemployment or underemployment that remains is principally seasonal so that employment creation through labor-intensive projects is of less concern in Syria than in many other LDCs.

Third, Syria differs from many other LDCs in that it is largely a market, not a subsistence, economy. Agricultural production is specialized and household production for home-use of clothing and other basic goods is limited. This results in heavy trade between the centers of consumption and the producing regions (agricultural and industrial), and the import points.

b. Sectoral Discussion

(1) Agriculture and Rural Development

About six million hectares are cultivated in Syria, of which one-tenth is irrigated. With rainfall irregular in much of the country, and with limited irrigation, production is subject to severe fluctuations. Cotton and cereals are the principal crops, but fruits and vegetable production is also significant. Cattle, sheep, and poultry production accounted for 25 percent of agricultural production in 1975. The agricultural sector contributed only about 15 percent of GNP in 1976, but provided, directly or indirectly, over half of overall employment.

Production of major crops was generally good in 1976, but 1977 has prospects of being a less productive year because of poor winter grain crops (wheat and barley) affected by insufficient and untimely rainfall. The proportion of irrigated area planted with cotton has declined in competition with high-yielding grains and vegetables. Although the area planted in cotton has declined, some improvements in varieties and better cultivation methods have resulted in higher yields. Development of the Euphrates River Basin continues, but no major irrigation systems were completed during 1976.

About one-half of the Syrian people still live in or derive their incomes from the agricultural and rural sector. Because of this fact and in view of the problems affecting production, productivity and the relatively poorer standing of living in rural areas, the Syrian Prime Minister convened a government-wide seminar in February 1977 for the specific purpose of focusing the SARG and other interested public groups' attention on Syria's agricultural sector and problems affecting its development. Committees were formed with representatives of the Ministries of Agriculture and Agrarian Reform, Euphrates Dam, Economy and Foreign Trade, Supply and Internal Trade, the State Planning Commission, the Peasant's Union, the universities, the Baath Party and other public organizations dealing with agriculture. All were charged with reviewing the current state of a particular aspect of agricultural development, such as pricing policy, agricultural credit, research, and exploitation of the Euphrates Basin.

The final recommendation of the various committees of the seminar included suggestions for fundamental changes in government policy in this sector. The Prime Minister opened the two week long seminar with a speech anticipating many of its conclusions. He severely criticized past government efforts to develop the sector as inadequate, poorly prepared and executed, and called for measures to facilitate Syrian private investment and that of friendly Arab and other foreign countries in Syrian agriculture. Some of the major conclusions of concern to AID in its discussions with the SARG are the following:

- land reclamation and construction of irrigation works in the mid-Euphrates Basin is difficult and costly -- priorities for reclamation work should be reviewed and the possibility of reclaiming new areas around or closer to Aleppo as an alternative to the Euphrates Basin should be studied;
- an agricultural sector assessment should be undertaken as soon as possible by a friendly country;
- there is an urgent need to expedite land classification and soils analysis in high rainfall areas;
- an extension service should be re-established;
- credit facilities should be expanded, including authorization of the Agricultural Credit Bank to accept foreign loans;
- poultry and cattle production should be handled exclusively by the private sector, and existing government facilities should be used for research and extension;
- the physical environment (particularly forests and already exploited agriculture lands) should not be sacrificed by urban and industrial expansion;
- the rural areas must be developed to improve the standard of living and reduce the trend toward urban migration.

The SARG is now reviewing these and other possible changes in the agricultural and rural development sector with the aim of solving current problems hampering development and improving standards of living, particularly for the rural population.

(2) Health and Nutrition

Endemic diseases still exist to a major extent in Syria, including amoebic and bacillary dysentery, intestinal worms, tuberculosis, paratyphoid and typhoid. Infectious hepatitis occurs in epidemics periodically. Occasional epidemics of childhood diseases, such as measles, mumps and polio, occur due to lack of adequate immunizations. Yellow fever, malaria, smallpox and cholera are infrequent. Life expectancy in Syria is about 55 years and the crude death rate is at least fourteen per thousand. Infant mortality is approximately 123 per thousand.

Much progress has been made in Damascus and other urban centers in combatting these health hazards. However, health services in the rural areas are inadequate due to limited facilities and qualified medical personnel. As a result, disease and mortality rates are much higher in the rural areas where about half the population lives.

One of the major constraints to providing improved health services to the poorer people in Syria is the inadequacy of trained medical staff below the doctor level. Training facilities in Syria are presently not capable of producing well-trained personnel to support the doctors and to staff positions in the clinics where doctors may not be needed on a full-time basis. Another constraint is the lack of hard data on incidence of diseases and related factors, complicating adequate planning.

The Syrian Government is attempting to rectify this situation. The Ministry of Health now has underway a program to establish health centers in the rural areas as well as the poorer section of the cities to improve health services. There are now 245 of these centers in existence and the SARG is planning the establishment of additional centers in areas not now served. Sixty of these existing centers deliver MCH service.

There are no comprehensive surveys to indicate the incidence of malnutrition in Syria as the SARG, until recently, had not acknowledged that deficiencies may exist. However, there is ample information to indicate that, especially during winter months or drought years when food supplies are short and prices rise, malnutrition, in particular protein and iron deficiencies, is a serious problem. It appears that the segment of the population that suffers most from malnutrition is that of pre-school age children and pregnant and nursing mothers, especially those in rural areas.

The SARG is attempting to alleviate these problems through further study of the causes of the problems and collection of data so as to provide a firmer base for improved planning. The

SARG is also working at solving the problem by making services available in maternal and child health clinics and health centers around the country.

Syria's salient demographic characteristics are a population growth rate of 3.3 percent, rapid migration to urban areas, and a very young population. While many still consider Syria underpopulated, the recent increase has aggravated regional population surpluses, severely taxing housing, education and other facilities. Together with a substantial rural-urban migration, the increase has also contributed to the rapid expansion of the cities. The population growth rate has resulted in about half the population being under 14 with 4.5 percent of the population over 65, about 55 percent of the population is dependent on the other 45 percent for its principal source of income. The rising ratio of population under 14 or over 65 to the labor force of between 14 and 65 creates a relatively smaller income base and larger demands for investment in education, housing and health care.

Because of cultural, religious, and military objections to limiting population growth through contraceptive methods, and because of the historically prevalent view that Syria is underpopulated, the likelihood of a decrease in the population growth rate in the near term is minimal. In urban areas, contraceptives are relatively cheap and readily available through pharmacies, but their use, while expanding, is still relatively low, and somewhat expensive for ordinary wage-earners. It is expected that demand will increase with Syria's overall socio-economic development, particularly in the cities. In rural areas where development is slower, contraceptives are not generally available.

The SARG is becoming increasingly aware of its population problem and is now receiving aid (all it can absorb presently) from the UNFPA and IPPF. The SARG has not so far been interested in direct U.S. support in this area.

### (3) Transportation

Syria has historically been a center of international trade because of her geographic position. Immediately following the division of Ottoman Syria into separate states under the French Mandate, Syria had no harbor, and her railways repeatedly crossed international boundaries. Subsequently, Lattakia harbor was developed, and more recently, Tartous, and a railway has been constructed from Lattakia to Aleppo, along the Euphrates, and to the northeast to replace one straddling the Syrian-Turkish border. The highway system, which connects the urban areas of central Syria with the Euphrates region, the ports, and Jordan, carries however, about 95 percent of passenger and freight traffic.

Syria's international trade has burgeoned with the rise of development spending in the Middle East. The total volume of imports, exports and transit cargoes have more than tripled since 1973, with the transit trade to other Arab countries, especially Jordan, the Gulf, and Saudi Arabia increasing the most. (The closing of Beirut harbor during the Lebanese civil war aggravated the problems of congestion in Syria's transportation system). Syria exports to Jordan and other Middle Eastern countries light manufactures and, in some years, agricultural products. These exports are expected to increase as the large investments in agriculture and industry during the Third Five Year Plan (1971-1975) become productive.

Economic activity in Syria is widely dispersed, with different regions of the country being specialized and trading with other regions for their requirements. For example, extensive crops are grown in the northeast and the central plains, and transported to the cities and the coast. Cotton is grown in the Euphrates area and sent to Aleppo for ginning and textile manufacture and to Lattakia for export. Intensive crops (fruits and vegetables) are grown on the coast and around Damascus and distributed from there along highways to the south and to other urban areas. Finally, manufactured or intermediate goods are generally either produced in the Damascus-Aleppo belt or imported through Lattakia or Tartous on the coast and distributed to the centers of consumption for further processing.

In addition, the large arteries are necessary to the development of the nation's overall economy, in particular, agriculture, because such roads form a basic network to open up the rural areas. The major roads serve as vital linkages for secondary and tertiary roads into the villages. The larger highways, complemented by the smaller roads, are also useful to facilitate the distribution of goods and services to the rural areas where the bulk of the population still lives. Therefore, adequate transportation, both large and small, is essential to Syria's social and economic development.

#### 5. U.S. Assistance Program FY 1975 - Present

The first U.S.-Syrian economic agreement, after the break in diplomatic relations in 1967, was signed November 20, 1974. This was a \$21.4 million PL 480, Title I sales agreement which financed 75,000 MT of wheat and 25,000 MT of rice. The FY 1975 AID program totalled \$83.0 million, of which \$78.0 million were loans and \$5.0 million grants. It included: a Damascus Water Supply Loan (\$48.0 million) which provides funds for the extension and improvement of the Damascus water system, greatly increasing

the number of dwellings receiving potable water and reducing the incidence of water-related disease; an Agriculture Machinery and Production Inputs Loan (\$30.0 million) financed the purchase of agricultural machinery and construction equipment required for numerous development projects throughout Syria; a Technical Services and Feasibility Studies grant (\$4.0 million) which has financed short-term advisory services and consultants for the preparation of feasibility and sector studies (this grant has been used generally to develop projects for AID-financing, such as the design of English Language Training and the Development of Health Services projects and pre-feasibility and feasibility studies of the Akkar Plain, but has also been used to finance assistance in agricultural equipment identification, forage and fodder, poultry, a transportation sector assessment, urban planning and vocational training); and a General Participant Training grant (\$1.0 million) which has provided on-the-job and specialized technical training in the U.S. of 88 SARG officials, in such areas as water resources development, health planning, oil exploration, food processing, range management, irrigation, tourism and road construction.

The FY 1976 and Transition Quarter program totalled \$95 million, of which \$2.0 million were grants. The \$93.0 million loan component was allocated to the Damascus-Dera'a highway project (\$45.9 million), to the Euphrates Basin Irrigation Maintenance project (\$17.6 million), and a second loan for the Damascus Water Supply System (\$14.5 million). The highway loan finances U.S. construction of a highway linking Syria with Jordan, facilitating the considerable transit trade. The Euphrates Irrigation project provides equipment, advisory services, and training for the maintenance of the vast irrigation system, partially completed or under construction. The second water supply loan finances further improvements in the capital's water system. The grant portion of the FY 1976 program continued the General Participant Training project and initiated the English Language Training and Development of Health Services projects. The latter provides for assistance in implementing a health survey, assisting in health planning, and maintaining and repairing hospital equipment. The former helps the SARG establish an English language training program for AID participant candidates and other Syrians. During the Transition Quarter, there was a second commodity import loan, Basic Inputs and Production (\$15.0 million) under which primarily medical equipment and tires for agricultural, construction and other vehicles will be imported from the U.S. In FY 1976, there was also another PL 480 Title I sales agreement, amounting to \$19.4 million, for the purchase from the U.S. of rice, vegetable oil and tobacco.

In FY 1977, \$80 million is being obligated for rural electrification and commodity import loans, continuation of existing

grant projects, a second Technical Services and Feasibility Studies grant, and initiation of a grant project to assist the National Technical Health Institute. The Rural Electrification loan will be used to bring electricity to villages in Syria's coastal area, and the Agriculture Machinery and Production Inputs II loan will fund purchase of U.S. manufactured equipment for completion of Syria's current development projects particularly in rural areas. The ongoing grant projects, General Participant Training, English Language Training and Development of Health Services, will continue the work described above. The Technical Services and Feasibility Studies II project will fund agriculture and health sector assessments as well as short-term project development and advisory services. Assistance to the National Technical Health Institute will provide technical assistance and equipment for training paramedical personnel who will work in health centers around the country. A \$15.0 million PL 480 Title I agreement was also signed to help meet Syria's import needs for rice and tobacco.

In FY 1978, loans for design and construction of the Lattakia-Tartous Highway, facilitating the movement of goods from Syria's ports to the interior and transit to neighboring countries and the Gulf, and for agricultural development of the Akkar Plain are anticipated. The General Participant Training, English Language Training, Development of Health Services and National Technical Health Institute grant projects will also be continued. Two new grant projects will begin in FY 1978: the Soils Survey/Land Classification project to improve land use throughout Syria, especially in high rainfall areas, and a Nutrition project to assist the SARG in developing a national nutrition policy and expanding nutrition education, especially for the poorer people in Syria. A PL 480 Title I program similar to that in previous years is also planned in FY 1978.

In each year there have been continuing PL 480 Title II grants of foodstuffs, provided through the World Food Program for numerous self-help projects. These programs have ranged from about \$200,000 in earlier years to \$3.6 million in FY 1978.

#### 6. Proposed FY 1979 Program

Taking all of the above into account, the proposed FY 1979 program is heavily concentrated in the agriculture and rural services, and health and nutrition sectors. The projects proposed for funding are as follows:

##### a. Agricultural Credit

Credit will be made available for purchase of U.S. goods and services and to improve the capacity and operations of the Agricultural Cooperative Bank to provide additional credit to private farmers and cooperatives.

b. Poultry Production

Based on an AID-funded technical study, loan funds are proposed to expand Syria's production of eggs and broilers to meet market demands that already outstrip domestic production.

c. Rural Services

Technical assistance, training, and commodities are proposed to assist the SARG in its efforts to expand potable water supply systems in specific geographic areas in a coordinated project complementing the FY 1977 and 1979 rural electrification loans, as well as later projects to expand the number of secondary and tertiary (village) roads and possibly to build schools as part of an integrated program.

d. Agricultural Machinery and Production Inputs III

Another commodity import loan is planned to provide U.S. equipment for implementation of on-going Syrian projects, primarily in the agricultural and rural sector.

e. Rural Electrification II

A second AID loan will bring electricity to additional villages of the coastal or other regions in Syria.

f. Land Classification/Soils Survey

The continuation of this project, which will have been initiated in FY 1978, will result in more productive use of Syria's high rainfall areas through a detailed land classification and soils survey. The SARG will continue the survey to map the entire country.

g. National Technical Health Institute

The final funding input to this project (initiated in FY 1977) will provide continued support of the Institute's training of paramedical personnel for assignment in rural health centers.

h. Nutrition

A continuation of this project, which will have been initiated in FY 1978, will assist the Ministry of Health in developing nutrition policy and educational materials.

i. General Participant Training

An additional 80 Syrian officials will be sent to the

U.S. for technical and managerial training.

j. English Language Training

This project will continue to give advanced English training to Syrian officials preparing to go to the U.S. for training, and to others whose effectiveness in their assigned functions can be improved with better capability in the English language.

k. Technical Services and Feasibility Studies IV

This grant will fund further consultant and advisory services to the SARG and project development for priority development and project design activities.

l. Agricultural Research and Production

Additional funding is proposed for this project, begun in FY 1978, to improve the quality of graduate level agricultural education in Syria.

7. Program Decision Packages - Workforce Levels (Table V)

Although the program strategy described in paragraph A, 4, above, would be maintained if the FY 1979 program were limited to the "Minimum" level Decision Package, there would be a decrease in optimum impact because of the elimination of or reduction in the three elements of the program shown in the "Current" level Decision Package. For example, there would be an undesirable delay in the expansion in domestic production of poultry and eggs that could be achieved with the help of AID-funded U.S. technical expertise and equipment. This delay would have an adverse effect on Syria's efforts to expand agricultural production, especially for the private sector, to reduce imports and develop export markets, and to increase the availability of highly nutritious food.

The additional \$4 million increment in the PL 480 Title I, is programmed to meet part of what is expected to be a substantial increase in Syria's demands for rice and vegetable oil in FY 1979. Concessional financing under Title I will help the SARG both by increasing its income from the proceeds of the sale of the commodities and by relieving some immediate foreign exchange pressures. Additional Title I assistance would, of course, carry some greater political significance in the context of the overall U.S. efforts in Syria.

The additional increment of \$8 million for Rural Electrification II would increase the number of villages acquiring

electricity. An expanded project would also help the SARG come closer to meeting its commitment to provide electric power to its rural population throughout the entire country. Finally, the additional funds would enable AID to increase its efforts to extend greater quality services to the rural poor, enabling these people to improve their living standards.

The final increment at the "Proposed" level Decision Package is needed to meet both continuing requirements for technical services and feasibility studies for solving specific technical problems, and to bring U.S. technological expertise to Syria as a complement to a larger AID project or program effort. Such assistance has already proven to be important in filling a missing technological gap in SARG programs which may require a minimal but highly important link in the nation's total development effort. AID's ability to respond quickly and appropriately to a variety of requests for technical services has also had significant impact on the Syrians and has been beneficial in helping the U.S. to demonstrate its willingness to assist the SARG and improve relations between the U.S. and Syria. Finally, this type of assistance has helped provide the basis for future projects to be funded by the SARG, AID or other donors.

The increased workforce requirements cited in Table V and the MOB submission relate to the additional staffing needed for the new or expanded activities in rural areas. A further rural electrification loan, following the FY 1977 project in rural electrification, will require the assignment of a full-time U.S. engineer to monitor and supervise this large activity as well as other engineering projects. A U.S. Rural Development Officer will be needed to work in properly planning and supervising the rural services activities both in FY 1979 and in the future. This individual will also assist in handling the burgeoning responsibilities in the total Agriculture and Rural Development sector where most of the AID resources will be used. A U.S. Assistant Program Officer will be necessary to assist in the overall USAID planning and project coordinating, especially in the agriculture/rural development area, as well as to participate in the increased project analyses and evaluations.

Local staff to be added will include an engineering assistant, another rural/agricultural assistant, a program economist and secretary, a financial/administrative assistant and a voucher clerk. The addition of these staff members is also related to increased workload created by the new activities planned in FY 1979, and continuing in the 1980s.

The increased operating expenses related to work force and program funding levels reflect essentially the added costs of USAID's administrative requirements. Included are additional operational travel to develop and monitor project activities, some office furniture and supplies for this added staff, and translation and report costs.

B. LONG RANGE PLANNING (FY 1980-1983)

A change in the overall political situation in the Middle East (i.e., agreements among the parties establishing a peaceful settlement acceptable to all parties) would undoubtedly result in a refinement of a development strategy and the setting up of more specific development goals for U.S. economic assistance to Syria. In the current context, however, the setting of specific development targets for longer-term, consistent programming is extremely difficult. The flexibility of programming Security Supporting Assistance is most appropriate and needed to meet the objectives of current policy goals.

Taking into account, however, Syria's present and anticipated broad development concerns, we propose for the period 1980-1983 to continue the trend of the AID program as it is now evolving with major concentration on agriculture and rural services (including roads) and health and nutrition. This strategy is based on experience so far with different types of activities, but also on the anticipated results of agriculture, health and transportation sector studies which will be implemented during FY 1977 and FY 1978. With the sector studies completed or nearing completion, and assuming continuing progress with regard to the Middle East political situation, we propose that a Summary Strategy Statement be prepared in FY 1979 followed by a DAP in FY 1980 to establish a new or confirm our program, strategy presented in this submission.

We propose at this time, however, that U.S. economic assistance in FYs 1980-83 should be planned at approximately the same current annual levels, concentrating in agriculture and rural services and health and nutrition, with some continuing activities in human resources development, technical services related to technological transfers, and taking advantage of opportunities as they present themselves and be acceptable to the SARG in population and family planning. Some of the specific project possibilities during the projected period are additional rural services, such as electrification, water supply, health centers, secondary roads, agricultural credit and extension, agriculture education; continuation of technical training in the U.S.; export promotion; additional feasibility and technical studies; and additional commodity loans to meet development needs.

Country/Program: Syria

Table I  
Long Range Program Plan  
(\$ millions)

B 1

	<u>1978</u>	<u>1979</u> <u>Request</u>	<u>Planning Period</u>			
			<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
<u>Security Supporting Assistance:</u>	<u>90.00</u>	<u>90.00</u>	<u>90.00</u>	<u>90.00</u>	<u>90.00</u>	<u>90.00</u>
Grants	3.00	4.50	4.50	4.25	4.25	4.25
Loans	87.00	85.50	85.50	85.75	85.75	85.75
of which						
<u>Agriculture &amp; Rural Develop-</u> <u>ment:</u>	<u>28.90</u>	<u>86.00</u>	<u>86.00</u>	<u>86.25</u>	<u>86.25</u>	<u>86.25</u>
Grants	0.90	0.50	0.50	0.50	0.50	0.50
Loans	28.00	85.50	85.50	85.75	85.75	85.75
<u>Health and Nutrition:</u>	<u>0.39</u>	<u>0.40</u>	<u>0.40</u>	<u>0.40</u>	<u>0.40</u>	<u>0.40</u>
Grants	0.39	0.40	0.40	0.40	0.40	0.40
Loans	-	-	-	-	-	-
<u>Transportation:</u>	<u>59.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Grants	-	-	-	-	-	-
Loans	59.00	-	-	-	-	-
<u>Manpower and Education:</u>	<u>1.36</u>	<u>1.30</u>	<u>1.10</u>	<u>0.85</u>	<u>0.85</u>	<u>0.85</u>
Grants	1.36	1.30	1.10	0.85	0.85	0.85
Loans	-	-	-	-	-	-
<u>Selected Development</u> <u>Activities:</u>	<u>0.35</u>	<u>2.30</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>
Grants	0.35	2.30	2.50	2.50	2.50	2.50
Loans	-	-	-	-	-	-
PL 480 (non-add)	<u>22.58</u>	<u>22.00</u>	<u>22.00</u>	<u>22.00</u>	<u>22.00</u>	<u>22.00</u>
Title I	19.00	19.00	19.00	19.00	19.00	19.00
Title II <u>1/</u>	3.58	3.00	3.00	3.00	3.00	3.00
Housing Investment						
Guarantees (non-add)	-	-	-	-	-	-

1/ Contributions through the World Food Program

\*Some figures are rounded to the second decimal place.

EXPLANATION OF TABLE I

Table I contains the best current estimates by USAID/Damascus regarding long-range planning of the U.S. economic assistance program in Syria. The projections are based on numerous assumptions regarding the political and economic situation and Syria's development needs, as discussed in the Summary Narrative Statement.

In making the calculations for this Security Supporting Assistance program, the USAID has established several sectoral categories in which AID can effectively assist Syrian development activities and which approximate the areas of emphasis in the Congressional Mandate. As indicated by the figures, most of the assistance fits within the first or "Agricultural and Rural Development" sector, consistent with USAID's and the SARG's desire to channel as much of the AID resources as possible to rural services. This category includes not only the traditional agricultural projects, but also village roads, health centers, electrification and potable water supply projects which will all be designed to improve the services in primarily rural areas. Therefore, the levels of assistance in other sector categories may appear low because of this inclusion of these rural activities in the first category. At the same time, because of the expressed SARG intention and AID willingness to utilize planned commodity import loans for the purchase of chiefly farm machinery and other equipment to be used in support of agricultural and rural development activities, such program loans have also been included in the first category.

From the work force perspective, of course, USAID technical expertise in the Capital Development, Procurement, Technical Assistance Offices as well as the Office of Rural Development will be responsible for management of various aspects of the overall rural development program.

B 2

DAP DOCUMENTATION SCHEDULE

PROGRAM YEAR	DOCUMENTS TO BE USED AS BASIS FOR PROGRAM PLANNING	DATE SENT TO AID/W
	Original DAP	-
	DAP Revision	-
	Analytical Description of Poor Majority	-
FY 1979	Summary Strategy Statement	Sept. 1979
	Sector Assessment-Agricultural Review	Jan. 1979
	Health Assessment	Aug. 1979
	Other Transportation Assessment	June 1979
	Original DAP	May 1980
	DAP Revision	-
	Analytical Description of Poor Majority	-
FY 1980	Summer Strategy Statement	-
	Sector Assessment-Agricultural Assessment	Dec. 1979
	Other	-

Syria/Security Supporting Assistance

Table II

C 1 Funding Levels for FY 1977, FY 1978, FY 1979  
(\$000)

<u>Project</u>	<u>FY 1977</u>	<u>FY 1978</u>	<u>FY 1979</u>
<u>Grants:</u>			
<u>Agriculture &amp; Rural Development</u>	-	900	500
Agricultural Research and Produc.	-	200	200
Land Classification/Soils Survey	-	700	300
<u>Health and Nutrition:</u>	618	385	400
Technical Health Institute	283	200	200
Development of Health Services	335	60	-
Nutrition	-	125	200
Damascus Water Supply	(LS 10.49 million) <sup>1/</sup>		
<u>Manpower and Education</u>	1,382	1,365	1,300
English Language Training	482	515	450
General Participant Training	900	850	850
<u>Selected Development Activities:</u>	3,500	350	2,300
Technical Services and Feasibility Studies II,III,IV	3,500	350	2,300
<b>Total Grants:</b>	<b>5,500</b>	<b>3,000</b>	<b>4,500</b>

Syria/Security Supporting Assistance

Table II

Funding Levels for FY 1977, FY 1978, FY 1979  
(\$000)

<u>Project</u>	<u>FY 1977</u>	<u>FY 1978</u>	<u>FY 1979</u>
<u>Loans:</u>			
<u>Agriculture &amp; Rural Development</u>	<u>74,500</u>	<u>28,000</u>	<u>85,500</u>
Akkar Plain	-	28,000	-
Agriculture Credit	-	(Shelf)	10,000
Poultry	-	(Shelf)	10,000
Rural Electrification	30,000	-	30,000
Rural Services	-	-	10,000
Agricultural Machinery/Prod Inputs II and III	44,500	-	25,500
<u>Health and Nutrition</u>			
Damascus Water Supply	(LS 10.49 million) <sup>1/</sup>	-	-
<u>Manpower and Education:</u>			
	-	-	-
<u>Transportation:</u>			
	-	<u>59,000</u>	-
Lattakia/Tartous Highway	-	59,000	-
	<u>74,500</u>	<u>87,000</u>	<u>85,500</u>
Total Loans:	74,500	87,000	85,500
Total AID			
Loans and Grants	<u>80,000</u>	<u>90,000</u>	<u>90,000</u>
PL 480	<u>17,924</u>	<u>22,575</u>	<u>22,000</u>
Title I	15,000	19,000	19,000
Title II <sup>2/</sup>	2,924	3,575	3,000
HIGs	-	-	-

<sup>1/</sup> These non-additive local currency funds were generated from earlier PL 480, Title I sales agreements and are being provided in one-half grant and loan form in support of the Damascus water supply system.

<sup>2/</sup> U.S. contributions to World Food Program projects in Syria, and not part of the bilateral program.

AGENCY FOR INTERNATIONAL DEVELOPMENT <b>ABS/CP SUMMARY - TABLE III</b>				1. TRANSACTION CODE <input type="checkbox"/> A = ADD <input type="checkbox"/> C = CHANGE <input type="checkbox"/> D = DELETE			2. ABS/CP DOCUMENT CODE 6			
3. COUNTRY/ENTITY SYRIA			4. DOCUMENT REVISION NO. <input type="checkbox"/>	5. OPERATIONAL YEAR FY <input type="text" value="78"/>	6. BUREAU/OFFICE A. SYMBOL NE    B. CODE <input type="text" value="4"/>		7. GEOGRAPHIC CODE <input type="text" value="276"/>			
8. TYPE DATA <input type="checkbox"/> 1 = ABS                      2 = ABS REVISION <input type="checkbox"/> 3 = CP                            4 = CP NOTIFICATION					9. TYPE ASSISTANCE <input type="checkbox"/> 1 = PROJECT <input type="checkbox"/> 2 = PROGRAM					
10. PROJECT SEQ. - UENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. EST. FOR OBLIG.	13. EST. AUTH. OBLIG. FINAL	14. APPROP. PRIA-TION	15. PRIMARY PURPOSE CODE	16. LOAN GRANT INDI-CATOR	17. BUDGETS (IN \$ 000)			
							AY	OY	BY	LOP
	<u>Agriculture and Rural Development</u>									
	<u>Loans:</u>									
018	Rural Electrification I	-	77	SA	200	L	30,000	-	-	30,000
-	Rural Electrification II	-	79	SA	200	L	-	-	30,000	30,000
016	Akkar Plain	4	78	SA	200	L	-	28,000	-	28,000
-	Agricultural Credit	-	79	SA	124	L	-	-	10,000	10,000
-	Poultry	-	79	SA	144	L	-	-	10,000	10,000
-	Rural Services	-	79	SA	200	L	-	-	10,000	10,000
	Sub-totals:						30,000	28,000	60,000	118,000
	<u>Grants:</u>									
003	Agr. Research & Prod.*	3	82	SA	123	GC	-	200	200	1,200
-	Land Class./Soil Survey*	1	80	SA	234	GC	-	700	300	1,300
	Sub-totals:							900	500	2,500
	<u>Health and Nutrition</u>									
	<u>Grants:</u>									
006	Dev. Health Services*	2	78	SA	583	GC	335	60	-	795
019	Nat'l Health Tech. Institute*	3	79	SA	534	GC	283	200	200	683
015	Nutrition	2	80	SA	300	GC	-	125	200	450
	Sub-totals:						618	385	400	1,928
							18. DATE DOCUMENT RECEIVED IN AID/W    MM DD YY			

AGENCY FOR INTERNATIONAL DEVELOPMENT				1. TRANSACTION CODE <input type="checkbox"/> A = ADD <input type="checkbox"/> C = CHANGE <input type="checkbox"/> D = DELETE			2. ABS/CP DOCUMENT CODE 6				
<b>ABS/CP SUMMARY - TABLE III</b>											
3. COUNTRY/ENTITY SYRIA			4. DOCUMENT REVISION NO. <input type="checkbox"/>		5. OPERATIONAL YEAR FY 7   8		6. BUREAU/OFFICE A. SYMBOL: NE    B. CODE: [ ]		7. GEOGRAPHIC CODE [ 276 ]		
8. TYPE DATA <input type="checkbox"/> 1 = ABS      2 = ABS REVISION <input type="checkbox"/> 3 = CP        4 = CP NOTIFICATION					9. TYPE ASSISTANCE <input type="checkbox"/> 1 = PROJECT <input type="checkbox"/> 2 = PROGRAM						
10. PROJECT SEQ. - UENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. QTR. FOR. OBLIG.	13. EST. FY.	14. APPROPRIATION	15. PRIMARY PURPOSE CODE	16. LOAN/GRANT INDICATOR	17. BUDGETS (IN \$ 000)				
							AY	OY	BY	LOP	
	<u>Manpower and Education</u>										
	<u>Grants:</u>										
004	General Part. Trg.	2	NA	SA	690	GC	900	850	850	NA	
002	English Language Trg.*	2	80	SA	690	GC	482	515	450	2,200	
	Sub-totals:						1,382	1,365	1,300	NA	
	<u>Transportation Loans:</u>										
017	Lattakia-Tartous Hwy*	4	78	SA	700	L	-	59,000	-	59,000	
	Sub-totals							59,000	-	59,000	
	<u>Selected Development Activities</u>										
	<u>Grants:</u>										
005	Tech. Svcs/Feasibility Studies II	-	77	SA	995	GN	3,500	-	-	3,500	
-	Tech. Svcs/Feasibility Studies III	3	78	SA	995	GN	-	350	-	350	
-	Tech. Svcs/Feasibility Studies IV	-	79	SA	995	GN	-	-	2,300	2,300	
	Sub-totals						3,500	350	2,300	6,150	
							18. DATE DOCUMENT RECEIVED IN AID/W				
							MM	DD	YY		

AGENCY FOR INTERNATIONAL DEVELOPMENT ABS/CP SUMMARY - TABLE III				1. TRANSACTION CODE A = ADD C = CHANGE D = DELETE		2. ABS/CP DOCUMENT CODE 6				
3. COUNTRY/ENTITY SYRIA		4. DOCUMENT REVISION NO.	5. OPERATIONAL YEAR FY 7   8		6. BUREAU/OFFICE A. SYMBOL: NE B. CODE: [ 4 ]		7. GEOGRAPHIC CODE [ 276 ]			
8. TYPE DATA 1 = ABS 2 = ABS REVISION 3 = CP 4 = CP NOTIFICATION					9. TYPE ASSISTANCE 1 = PROJECT 2 = PROGRAM					
10. PROJECT SEQ. - UENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. OBLIG. FOR.	13. EST. FY.	14. APPROPRIATION	15. PRIMARY PURPOSE CODE	16. LOAN/GRANT INDICATOR	17. BUDGETS (IN \$ 000)			
							AY	OY	BY	LOP
	<u>Agriculture and Rural Development Loans:</u>									
	Agr. Mach/Prod. Inputs II	-	77	SA	700	L	44,500	-	-	44,500
	Agr. Mach/Prod. Inputs III	-	79	SA	700	L	-	-	25,500	25,500
	Sub-total:						44,500	-	25,500	70,000
							18. DATE DOCUMENT RECEIVED IN AID/W			
							MM	DD	YY	

\*Explanations of Deviations in Funding for FY 1978 Projects

- 1) Development of Health Services. The best current estimate of training costs for the six participants to be funded in FY 78 is \$60,000, rather than the FY 78 CP estimate of \$50,000. It also includes added living expenses for contractors.
- 2) National Health Technical Institute. Recent discussions with Ministry of Health officials indicate that more technical assistance and commodities are likely to be required than originally anticipated. The estimated FY 78 obligation has been raised from \$125,000 to \$283,000, pending final determination in a technical study.
- 3) English Language Training. The cost of an institutional contract, as well as increased training and other cost factors, have raised project costs significantly, so that the expected FY 78 obligation will be \$515,000 rather than the \$350,000 budgeted in the CP.
- 4) Soils Survey. This project was recently identified and developed and not included in the FY 1978 CP. The first-year cost of this new project for technical assistance, considerable training, and some commodities is estimated to be \$700,000.
- 5) Agricultural Research and Production. The SARG has recently revised its plans for this project and requested AID assistance in strengthening its Faculty of Agriculture at Damascus University. A preliminary estimate of the FY 78 obligation is \$200,000.
- 6) Lattakia-Tartous Highway. Estimates of the cost of constructing this highway are in the \$55-60 million range. Other demands for funds have dropped the budget level for this project to \$59.0 million from \$60.0 million.

COUNTRY/PROGRAM SYRIA		PROJECT TITLE English Language Training		INITIAL OBLIGATION	AS APPROVED	REVISION	DATE PP/REVISION
ONGOING PROJECT				FY 76			June 1976
BUDGET DATA - TABLE IV		PROJECT NUMBER 276-11-690-002	APPROPRIATION SA	FINAL OBLIGATION	AS APPROVED	REVISION	DATE LAST PAR
				FY 80			
				TOTAL COST	AS APPROVED	REVISION	DATE NEXT PAR
				\$1,400,000			JANUARY 1978

U. S. DOLLAR COST (\$ 000)

PROJECT INPUTS	ESTIMATED FY 1977				ESTIMATED FY 1978				ESTIMATED FY 1979			
	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	FUND- PERIOD (FR-TO)
PROJECT TOTAL	482	346	486	441	515	560	441	450	590	301		
U.S. contract English instructors and equipment maintenance specialists	353	305	376	376	390	415	351	370	490	231		10/78- 9/79
Commodities-books, tapes, teaching materials	19	41	-	-	10	10	-	10	10	-		10/78- 9/79
Participants in U.S. for training as teachers of English as a foreign language (short and long-term training)	110	-	110	110	115	135	90	70	90	70		10/78- 9/79
HOST COUNTRY INPUT	30				35			50				
<p>1/ PERSONNEL ON BOARD AS OF 9/30/77 9/30/78 9/30/79</p> <p>2/ PARTICIPANTS PROGRAMMED</p> <p>3/ NON- CONTRACT; LONG- TERM</p> <p>4/ SHORT- TERM</p> <p>5/ CONTRACT; LONG- TERM</p> <p>6/ SHORT- TERM</p>												
DH					7	7	4					
PASA					8	7	-					
CONTRACT	6	6	5									

1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYS LEVEL SHOWN IN TABLE II

2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS

3/ LONG-TERM - INCLUDES 9 MONTHS OR MORE

4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

5/ Includes prior year funds

COUNTRY/PROGRAM SYRIA	PROJECT TITLE GENERAL PARTICIPANT TRAINING	AS APPROVED FY 75	REVISION FY -	DATE PP/REVISION February 1975
ONGOING PROJECT BUDGET DATA - TABLE IV	PROJECT NUMBER 276-11-690-004	AS APPROVED FY continuing	REVISION -	DATE LAST PAR -
	APPROPRIATION SA	AS APPROVED NA	REVISION -	DATE NEXT PAR November 1977

U. S. DOLLAR COST (\$ 000)

PROJECT INPUTS	ESTIMATED FY 1977-1/				ESTIMATED FY 1978				ESTIMATED FY 1979			
	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	4/ FUND- PERIOD	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	4/ FUND- PERIOD	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	4/ FUND- PERIOD
PROJECT TOTAL	900	950	575	5/	850	875	550	5/	850	900	500	5/
Syrians trained in the U.S. in various fields	900	950	575	10/77- 9/78	850	875	550	10/78- 9/79	850	900	500	10/78- 9/79

HOST COUNTRY INPUT	PARTICIPANTS PROGRAMMED				ESTIMATED FY 1977-1/			
	FY 1977	FY 1978	FY 1979	2/ PARTICIPANTS PROGRAMMED	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	4/ FUND- PERIOD
PERSONNEL ON BOARD AS OF	187.5			2/	120			
DH	10	10	10	NON- CONTRACT; LONG- TERM				
PASA	80	75	75	SHORT- TERM				
CONTRACT	-	-	-	CONTRACT; LONG- TERM				
	-	-	-	SHORT- TERM				

- 1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYB LEVEL SHOWN IN TABLE II
- 2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS
- 3/ LONG- TERM - INCLUDES 9 MONTHS OR MORE
- 4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.
- 5/ Includes prior year funds

AID 1330-8 (2-77)

COUNTRY/PROGRAM SYRIA	PROJECT TITLE Development of Health Services	DATE PP/REVISION MAY 1976
ONGOING PROJECT BUDGET DATA - TABLE IV	PROJECT NUMBER 276-11-570-006	DATE LAST PAR -
	APPROPRIATION SA	DATE NEXT PAR January 1978
	INITIAL OBLIGATION FY 76	REVISION FY -
	FINAL OBLIGATION FY 78	REVISION FY -
	TOTAL COST \$795,000	REVISION -

U. S. DOLLAR COST (\$ 000)

PROJECT INPUTS	ESTIMATED FY 1977			ESTIMATED FY 1978			ESTIMATED FY 1979		
	OBLIG- ATION	EXPEN- DITURE	PIPE- LINE	OBLIG- ATION	EXPEN- DITURE	PIPE- LINE	OBLIG- ATION	EXPEN- DITURE	PIPE- LINE
PROJECT TOTAL	335	135	600	60	430	230	-	230	-
U.S. contract advisors in health planning, health statistics and hospital maintenance.	203	65	435	10	225	220	8/78	220	-
Vehicles, maintenance equipment and health survey commodities	71	50	70	14	84	-	10/78	-	-
Participant Training	61	20	95	36	121	10	10/78	10	-
<b>HOST COUNTRY INPUT</b>	<b>75</b>			<b>75</b>					

PERSONNEL ON BOARD AS OF	PARTICIPANTS PROGRAMMED			
	FY 1977	FY 1978	FY 1979	FY 1978
9/30/77	2	2	2	2
-	4	4	-	-
DH	NON-CONTRACT	LONG-TERM	SHORT-TERM	CONTRACT
PASA	LONG-TERM	SHORT-TERM	CONTRACT	SHORT-TERM
CONTRACT	3	3	-	-

- 1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYS LEVEL SHOWN IN TABLE II
- 2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS
- 3/ LONG-TERM - INCLUDES 9 MONTHS OR MORE
- 4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.
- 5/ Includes prior year funds

COUNTRY/PROGRAM SYRIA	PROJECT TITLE National Technical Health Institute		AS APPROVED FY 77	REVISION FY -	DATE PP/REVISION July 1977
	PROJECT NUMBER 276-0019		AS APPROVED FY 79	REVISION FY -	DATE LAST PAR
ONGOING PROJECT	APPROPRIATION SA		AS APPROVED \$683,000	REVISION -	DATE NEXT PAR June 1979
BUDGET DATA - TABLE IV			TOTAL COST	REVISION -	

U. S. DOLLAR COST (\$ 000)

PROJECT INPUTS	ESTIMATED FY 1977-1/				ESTIMATED FY 1978				ESTIMATED FY 1979				
	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	PIPE- LINE	FUND- PERIOD (FR-TO)
PROJECT TOTAL	283	-	283	148	200	335	148	250	200	250	98		
U.S. contract medical education and short-term advisors	108	-	108	83	125	150	83	130	100	130	53	10/78 -9/79	
Medical laboratory and teaching equipment	125	-	125	25	35	135	25	40	25	40	10	10/78 -9/79	
Short and long term training in the U.S. for Syrian medical staff in various paramedical subjects.	50	-	50	40	40	50	40	80	75	80	35	2/79 -9/79	
PROJECT TOTAL	40				75				75				

HOST COUNTRY INPUT

PERSONNEL ON BOARD AS OF	PARTICIPANTS PROGRAMMED			NON- CONTRACT; LONG- TERM	SHORT- TERM	CONTRACTS LONG- TERM	SHORT- TERM
	FY 1977	FY 1978	FY 1979				
DH	-	-	-	-	-	-	-
PASA	-	12	15	-	-	-	-
CONTRACT	-	-	-	-	-	-	-

1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYS LEVEL SHOWN IN TABLE II

2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS

3/ LONG- TERM - INCLUDES 9 MONTHS OR MORE

4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

COUNTRY/PROGRAM SYRIA	PROJECT TITLE Agricultural Research and Production		INITIAL OBLIGATION	AS APPROVED FY 78	REVISION FY -	DATE PP/REVISION November 1977
	ONGOING PROJECT		FINAL OBLIGATION	AS APPROVED FY 81	REVISION FY -	DATE LAST PAR
	BUDGET DATA - TABLE IV		PROJECT NUMBER 276-11-110-003	TOTAL COST	AS APPROVED 1,200	REVISION -
APPROPRIATION SA						

U. S. DOLLAR COST (\$ 000)

PROJECT INPUTS	ESTIMATED FY 1977			ESTIMATED FY 1978			ESTIMATED FY 1979		
	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE
PROJECT TOTAL	-	-	-	200	60	140	200	225	115
U.S. contract advisors in agri- cultural education and animal husbandry				100	10	90	115	140	65
Long and short-term training of Syrian counterparts				50	25	25	60	50	35
Laboratory and Research equipment				50	25	25	25	35	15
HOST COUNTRY INPUT				25			35		

PERSONNEL ON BOARD AS OF	PARTICIPANTS PROGRAMMED			ESTIMATED FY 1977			ESTIMATED FY 1978			ESTIMATED FY 1979		
	FY 1977	FY 1978	FY 1979	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE
DH	-	-	-	-	-	-	-	-	-	-	-	-
PASA	-	-	-	-	-	-	-	-	-	-	-	-
CONTRACT	-	-	2	-	-	-	-	-	-	-	-	-

1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYB LEVEL SHOWN IN TABLE II

2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS

3/ LONG-TERM - INCLUDES 6 MONTHS OR MORE

4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

COUNTRY/PROGRAM SYRIA	PROJECT TITLE Land Classification/Soil Survey	AS APPROVED FY 78	REVISION FY -	DATE RP/REVISION October 1977
	PROJECT NUMBER	AS APPROVED FY 80	REVISION FY -	DATE LAST PAR
ONGOING PROJECT BUDGET DATA - TABLE IV	APPROPRIATION SA	AS APPROVED 1,300,000	REVISION -	DATE NEXT PAR July 1979

U. S. DOLLAR COST ( \$ 000)

PROJECT INPUTS	ESTIMATED FY 1977			ESTIMATED FY 1978			ESTIMATED FY 1979				
	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	FUND- PERIOD (FR-TO)	FUND- PERIOD (FR-TO)
<b>PROJECT TOTAL</b>	-	-	-	700	300	400	300	480	220		
U.S. contract advisors in mapping soils analysis and data processing.	-	-	-	300	75	225	225	300	150	7/78-6/79	7/79-6/80
Data processing unit surveying, implements and laboratory and cartographic equipment	-	-	-	300	200	100	15	100	15	7/78-9/78	10/78-4/79
U.S. training of Syrian counterparts in ERTS, land classification and data analysis	-	-	-	100	25	75	60	80	55	9/78-9/79	10/79-6/80
<b>HOST COUNTRY INPUT</b>	65			100			100				

1/ PERSONNEL ON BOARD AS OF	2/ PARTICIPANTS PROGRAMMED			3/ NON-CONTRACT; LONG-TERM	4/ CONTRACT; LONG-TERM
	FY 1977	FY 1978	FY 1979		
DH	-	5	6		
PASA	-	3	4		
CONTRACT	-	-	-		

1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYB LEVEL SHOWN IN TABLE II

2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS  
 3/ LONG-TERM - INCLUDES 9 MONTHS OR MORE  
 4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

COUNTRY/PROGRAM SYRIA	PROJECT TITLE Nutrition		AS APPROVED FY 78	REVISION FY -	DATE PP/REVISION January 1978
	PROJECT NUMBER 276-11-300-015		AS APPROVED FY 80	REVISION FY -	DATE LAST PAR
ONGOING PROJECT BUDGET DATA - TABLE IV		APPROPRIATION SA	TOTAL COST 450,000	REVISION -	DATE NEXT PAR NA

U. S. DOLLAR COST (\$ 000)

PROJECT INPUTS	ESTIMATED FY 1977-1			ESTIMATED FY 1978			ESTIMATED FY 1979		
	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE
PROJECT TOTAL	-	-	-	125	30	95	200	205	90
U.S. contract advisors in nutri- tion policy and nutrition educa- tion, long and short-term.	-	-	-	75	-	75	125	130	70
Audio visual aids and laboratory equipment	-	-	-	25	15	10	35	40	5
Training/the U.S. nutrition & MOH services	-	-	-	25	15	10	40	35	15
HOST COUNTRY INPUT	-	-	-	125	-	-	125	-	-

PERSONNEL ON BOARD AS OF	PARTICIPANTS PROGRAMMED			NON-CONTRACT; LONG-TERM	SHORT-TERM CONTRACT;	LONG-TERM SHORT-TERM
	FY 1977	FY 1978	FY 1979			
DH	9/30/77	9/30/78	9/30/79	-	-	12
PASA	-	-	-	-	-	5
CONTRACT	-	-	-	-	-	-
			2			

1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYS LEVEL SHOWN IN TABLE II

2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS

3/ LONG-TERM - INCLUDES 9 MONTHS OR MORE  
4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

C.2.b.

ONGOING GRANTS

The ongoing grants in Syria are the English Language Training (276-0002), General Participant Training (276-0004), Development of Health Services (276-0006), National Technical Health Institute (276-0019), Agricultural Research and Production (276-0003), Nutrition (276-0015) and Land Classification/Soils Survey. The FY 1978 Congressional Presentation and the FY 1979 ABS funding levels for projects in FY 1978 are as follows:

<u>Project</u>	<u>FY 78 CP</u> (\$000)	<u>FY 79 ABS</u>
a) English Language Training	350	515
b) General Participant Training	850	850
c) Development of Health Services	50	60
d) National Technical Health Institute	125	200
e) Agricultural Research and Production	125	200
f) Land Classification/Soils Survey	0	700
g) Nutrition	125	125

Brief Progress to Date narratives and explanations of the differences in funding between the FY78 CP and FY79 ABS levels are as follows:

a) English Language Training

This project is designed to assist the Syrian Government set up an English Language Training Center (ELTC) in order to improve the English proficiency of AID participant candidates and other Syrians who need English in their work.

All steps have been completed to select a well qualified U.S. institution to provide the contract services of six English instructors and a part-time language laboratory maintenance specialist who will begin work in Syria in August 1977. The language laboratory has also been ordered and is expected to be delivered and installed in Syria by the time of the Contractor's arrival.

For its part, the SARG has provided suitable space for the ELTC and has budgeted funds for the refurbishing as well as the contractor's logistic support. The Syrian Director and other counterpart personnel are also being selected.

In the meantime, three personal services contractors funded under the Technical Services and Feasibility Studies Project (276-0001) are continuing their interim English language teaching. So far, approximately 50 SARG officials have been trained to the level of English proficiency, with another 125 officials at the ELTC

and Ministry sub-centers being taught to other levels of proficiency.

In May 1977, AID and the SARG signed a grant amendment to provide the second year's funding for additional contract teaching services, limited commodities and participant training for Syrian teachers who will eventually replace the U.S. instructors. The higher level of assistance in FY 1978 is due to the greater costs of an institutional contract, which is expected to result in better quality and longer-term benefits, as compared with the originally planned personal services contracts. Also, living costs in Syria have risen resulting in further increases.

b) General Participant Training

This continuing project provides specialized training in the U.S. for key Syrian technicians and government officials. The focus of the project is on practical and technical skills and methods application rather than on academic disciplines or degree type training.

This was one of the first projects agreed to in FY 1975 between the Syrian and U.S. Governments. It was then and continues to be one of the highest priority projects for AID in Syria. The project is now entering its third year of operation, providing training for Syrian officials so far from the 21 SARG ministries and departments. The largest recipients of training have been in transportation, agriculture, communications, petroleum and mineral resources and industry.

As of the end of April 1977, there were 100 participants being processed for training, 31 in training and 95 returned. Those trainees who have returned are assuming positions of equal and greater importance in their nation's development effort.

A companion project, English Language Training (0002), is also beginning to teach English to participant candidates while still in Syria. This will thereby permit a greater use of project funds and time in the U.S. for actual technical training.

The FY 1978 training program will continue to be directed toward short-term and long-term training in priority sectors, especially agriculture and rural development, not otherwise funded under other projects. It is estimated that another 85 Syrian middle-level technicians and policy makers will receive such training.

c) Development of Health Services

This project is intended to develop the capabilities of the Ministry of Health in policy analysis, planning, programming and evaluation activities of the health sector; medical and hospital equipment maintenance and repair, and health data collection and survey analysis.

All work has been completed to select a well qualified U.S. contractor to advise the Ministry of Health in the abovementioned areas of activity. The contract experts are now expected to arrive in Damascus in early August to begin their work. At the same time, most of the necessary vehicles for the hospital maintenance and health survey portions of the project have been ordered. Finally, the SARG has selected many of its counterpart personnel and is making arrangement for the required budgetary and logistic support.

In May 1977, AID and the SARG signed a grant amendment to provide the second year's funding for additional contract technical services, commodities including maintenance equipment and field vehicles, and participant training for counterpart personnel. The slightly higher level of assistance in FY 1978 is due to the rapidly increasing living costs in Syria. FY 1978 will be the last year of funding for this project, financing the final technical services, short-term training and limited commodity needs.

The implementation of this project will be carefully coordinated with and complement other AID activities in the health sector in Syria. These include a health sector assessment, technical health training, nutrition and rural health services.

d) National Technical Health Institute

This project is intended to assist the Syrian Government's Ministry of Health in upgrading and expanding the training of auxiliary medical personnel. These paramedical staff members will then be assigned to work in the health centers located around the country.

The present National Technical Health Institute was set up with WHO help in 1961-1962. It is presently housed in several buildings and has the capacity to train about 100 middle-level technicians and auxiliary health workers a year in such fields as medical technology, pharmacy, anaesthesiology and public health. The present operations of the NHTI are not adequate, however, to meet Syria's expanding health needs, particularly among the poorer segments of the society in rural and urban areas. Therefore, the SARG has officially asked for AID help in this project.

USAID and SARG have defined the specific scope of work for a U.S. expert to visit Syria and design the various elements of this project to assist the NHTI. This short-term contractor is expected to complete his review and recommendations in July, with an initial obligation of funds taking place in September 1977. Contract advisors will begin their advisory work at the Institute, probably about April 1978, to help upgrade curriculum and teaching operations. Needed medical laboratory equipment and teaching materials will be provided to help outfit the new, seven-story Institute recently completed by the SARG. The commodities will be selected based on a list drawn up by a WHO consultant. Technical training in the U.S. will be provided for the new and expanding teaching staff at the Institute.

The difference in funding between the FY 78 CP and FY 79 ABS for FY 1978 is based on USAID's latest estimate of this key project. It is now anticipated that one long-term and two short-term advisors will be funded in FY 1978. Additional commodities will be needed to help equip the new Institute properly so that the quality and extent of its training can be increased. Short-term training for about 12 Syrian medical instructors and paramedical personnel is also scheduled.

e) Agricultural Research and Production

This project is designed to improve Syria's institutional capacity to provide graduate level agricultural education and carry out adaptive research, particularly in the animal sciences.

Following a long period of preliminary discussion of different areas of agricultural research and production, the SARG has requested AID to assist the Faculty of Agriculture at the University of Damascus in developing post-graduate level training in the animal sciences. The SARG is placing increased emphasis on animal husbandry in increasing the nation's overall agricultural production capacity. At present, however, Syria does not have the domestic capability to train well qualified agriculturalists in this area and has therefore asked AID to help set up a Master of Science program in animal production. The SARG is at the same time expanding the several other departments at the Faculty of Agriculture.

Following the technical development of this project, AID and the SARG will sign an agreement in FY 1978 to initiate activities under this project. It is currently anticipated that AID will finance a contract with a U.S. university or land grant college to provide the services of teachers or other experts in the fields of animal breeding, sheep and goat production, feed and forage, and poultry. The project will also include the provision of instruments and research equipment needed for the University's laboratories in support of the training and adaptive research programs in animal production. Finally, short and long-term training of about three Syrian counterparts will

be funded in FY 1978

The difference in the FY 78 levels of funding stated in the FY 78 CP and the FY 79 ABS is due to the fact that more detailed information is now available as a result of the specific formulation of assistance requirements by the SARG. This data will be revised further following the technical study and design of this project.

f) Land Classification/Soils Survey

The purpose of this project is to help strengthen the Ministry of Agriculture's capability to undertake and maintain a current inventory of Syria's soil resources in order to maximize the use of land for increased agricultural production and productivity.

At present the SARG has very incomplete knowledge of its land/soil resources and has limited ability to develop this information. However, Syria needs to map the entire country at a scale of 1:250,000 for general land use and to map in more detail in the higher rainfall areas. Based on current staff and equipment availabilities, it would take the SARG 20 years to complete the classification of only part of this area, hampering severely the nation's efforts at improved agricultural planning development.

The SARG has asked AID to assist in this area, particularly in helping to set up a Center for Land Use and Classification, using modern techniques including imagery information from U.S. ERTS and LANDSAT programs. To implement this request, AID will send a short-term team of U.S. Government and contract experts to Syria in August 1977 to study Syria's needs and to design a three-year project. It is anticipated that a grant agreement could be signed by December 1977, with a three-person team from a U.S. institution arriving in Syria by July 1978 to start work. At the same time, this FY 1978 funding will be used to purchase the data processing and laboratory equipment needed for this sophisticated activity. Training of Syrian counterparts in land classification, cartography and data processing will also start in FY 1978.

Because of the newness of this project and few earlier indications of SARG interest in it, this project was not included in the FY 78 CP. However, recent events and discussions have shown that this project will in fact be ready for funding in FY 1978.

g) Nutrition

This project is intended to help the SARG improve the nutritional status of the Syrian people.

Discussions have continued in Damascus regarding the outlines of this Nutrition project. The senior officials of the SARG have indicated a greater awareness of the importance of the nutrition sub-sector in the improvement of the health status of the Syrian population. Accordingly, the SARG is attempting to introduce nutrition into national planning as well as the MOH activities and has requested AID's help in this program.

To begin implementation of this project, the Ministry of Health has established a nutrition unit in the Department of MOH Services which will be responsible for initiating nutrition operations aimed largely at pre-school age children and pregnant and nursing mothers. This project will focus on nutrition education, weaning and feeding practices, collection and evaluation of recorded statistics, proper use of audio-visual and basic laboratory equipment and the training of personnel. Once the activity is well established in the Pilot Center, it will then be extended by training the physicians, nurses and health workers in the 60 health centers, out of a total of 245, which now offer MOH services.

USAID expects to further develop this project with the help of a project design team during the last part of 1977. Initial obligation is expected about April 1978 to begin financing the services of U.S. contract advisors in nutrition policy and education, the supply of needed laboratory and audio-visual equipment and training of counterpart personnel.

TABLE V - FY 1979 PROPOSED PROGRAM RANKING

RANK	DECISION UNIT	SYRIA	REVISOR BY	CONSOLIDATED BY	DECISION PACKAGES/PROGRAM ACTIVITY/SUPPORT ITEM		CUMULATIVE INVESTMENT EXPENSES (000)		RESOURCE REQUIREMENTS				PROGRAM FUNDING (000)					
					DESCRIPTION	APPROPRIATION ACCT	US	FN	US	FN	US	FN	INCREMENT	CUMULATIVE	INCREMENT	CUMULATIVE		
																	WORKFORCE	
																	INCREM	CUMULATIVE
					Workforce and Operating Expenses (assuming no FY 1979 Obligations)	OE	195.0			19	31							
					<u>Decision Package - Minimum:</u>	OE	225.0			19	31							
1					General Participant Training (GO) (0004)	SA			19	31			850		850			
2					English Language Training (GO) (0002)	SA			19	31			450		1,300			
3					Agriculture Machinery/Production Inputs III (L)	SA			19	31			25,500		26,800			
4					PL 480 Title I	SA			19	31			15,000		41,800			
5					Soil Survey/Land Classification (GO)	SA			19	31			300		42,100			
6					Rural Electrification II (L)	SA		1	20	32			22,000		64,100			
7					National Technical Health Institute (GO) (0019)	SA			20	32			200		64,300			
8					Agricultural Credit (L)	SA			20	32			10,000		74,300			
9					Rural Services (L)	SA			21	35			10,000		84,300			
10					Workforce Increase (Program Office)	OE			1	22					84,300			
11					Agricultural Research/Production (GO) (003)	SA			22	37			200		84,500			
12					Nutrition (GO) (0015)	SA			22	37			200		84,700			
13					PL 480 Title II (WFP)	SA			22	37			3,000		87,700			
					<u>Decision Package - Current:</u>	OE	228.0											
14					Poultry (L)	SA			22	37			10,000		97,700			
15					PL 480 Title I	SA			22	37			4,000		101,700			
16					Rural Electrification II (L)	SA			22	37			8,000		109,700			
					<u>Decision Package - Proposed:</u>	OE	229.8											
17					Technical Services/Feasibility Studies IV	SA			22	37			2,300		112,000			

C. N. C.

AGENCY FOR INTERNATIONAL DEVELOPMENT <b>PROJECT IDENTIFICATION DOCUMENT FACESHEET</b> TO BE COMPLETED BY ORIGINATING OFFICE				1. TRANSACTION CODE <input type="checkbox"/> A    A = ADD <input type="checkbox"/> C    C = CHANGE <input type="checkbox"/> D    D = DELETE		PID 2. DOCUMENT CODE 1																							
3. COUNTRY/ENTITY Syria				4. DOCUMENT REVISION NUMBER																									
5. PROJECT NUMBER (7 DIGITS)		6. BUREAU/OFFICE		7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)																									
[            ]		A. SYMBOL NE		B. CODE 4		Technical Services and Feasibility Studies IV																							
8. PROPOSED NEXT DOCUMENT				10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = LS 3.90)																									
A. <input type="checkbox"/> 2 = PRP                      B. DATE <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>MM</td><td>YY</td></tr><tr><td>12</td><td>76</td></tr></table>				MM	YY	12	76	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: left;">FUNDING SOURCE</th> <th style="text-align: right;">\$000</th> </tr> <tr> <td colspan="2">A. AID APPROPRIATED</td> <td style="text-align: right;">2300</td> </tr> <tr> <td colspan="2">B. OTHER</td> <td style="text-align: right;">-</td> </tr> <tr> <td colspan="2">C. HOST COUNTRY</td> <td style="text-align: right;">700</td> </tr> <tr> <td colspan="2">D. OTHER DONOR(S)</td> <td style="text-align: right;">-</td> </tr> <tr> <td colspan="2" style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right;"><b>3000</b></td> </tr> </table>				FUNDING SOURCE		\$000	A. AID APPROPRIATED		2300	B. OTHER		-	C. HOST COUNTRY		700	D. OTHER DONOR(S)		-	<b>TOTAL</b>		<b>3000</b>
MM	YY																												
12	76																												
FUNDING SOURCE		\$000																											
A. AID APPROPRIATED		2300																											
B. OTHER		-																											
C. HOST COUNTRY		700																											
D. OTHER DONOR(S)		-																											
<b>TOTAL</b>		<b>3000</b>																											
9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION																													
A. INITIAL FY <u>79</u> B. FINAL FY <u>79</u>																													
11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)																													
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY <u>79</u>		LIFE OF PROJECT																							
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN																						
(1) SA	995	790	-	2300	-	2	300																						
(2)																													
(3)																													
(4)																													
TOTAL				2300		2	300																						
12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)																													
966																													
13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)						14. SECONDARY PURPOSE CODE																							
15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)																													
To improve project identification, selection, design, and evaluation of development activities in Syria																													
16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)																													
To provide short-term consultant services for preparation of sector assessment and pre-feasibility and feasibility studies. The project will also fund other project-development related work, as well as short-term advisory services																													
17. PLANNING RESOURCE REQUIREMENTS (staff/funds)																													
NONE																													
18. ORIGINATING OFFICE CLEARANCE						19. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION																							
Signature 				Date Signed		MM DD YY																							
Title Director, USAID/Damascus				05 25 77																									

PROJECT IDENTIFICATION DOCUMENT

Project Title: Technical Services and Feasibility Studies IV

The Problem:

Syrian development projects and expenditures have required specialized manpower in excess of Syria's capacity to provide qualified personnel to plan, design and implement programs in key development fields. In addition, Syria's development program emphasizes diversification into new areas, especially in agriculture and rural development. In many instances, Syrian specialists are not available in these new areas, thereby reducing the nation's project development capability and also its absorptive capacity for foreign assistance or investment.

Despite increased emphasis on training, Syria has been unable to train an adequate number and variety of technicians for its development plans in the short time since 1974, when the rapid increase in expenditures began. Consequently, the Syrian Government has an acute need for expatriate assistance in a wide range of fields and has requested AID to provide short-term experts and consultants to perform technical reviews, feasibility studies and other specialized tasks related to the nation's development program.

The Response:

AID proposes to establish a fourth fund to finance short-term consultancies in Syria in the fields in which Syrian experts are unavailable. This project will provide some of the economic and technical planning and analysis expertise needed to continue the implementation of the Syrian Government's Fourth Five-Year Plan (1976-1980) and to help plan for the Fifth Five-Year Plan (1981-1985). The short-term consultancies will further SARG and AID project identification, selection, design, and evaluation through preparation of sector assessments and project pre-feasibility and feasibility studies. The project will provide for more specialized studies, such as review of previous consultant's work, in order to verify their accuracy and suitability as a basis for AID financing, and will also provide for short-term advisory services.

The project is expected to contribute significantly to alleviating Syria's manpower shortages in the fields in which the fund is used. Syria entirely lacks experts in some areas, and does not yet have senior experienced personnel in others. The shortage cannot be remedied by short-term training, and obtaining experience requires time. The project fills this gap by providing U.S. consultants with long experience. The project will directly benefit the Syrian economy through improved project identification and development. It will indirectly benefit

the beneficiaries of the various projects prepared under its funding. The project will have a "spread" effect through introducing new knowledge and methods to Syrian counterparts by U.S. consultants.

Several other bilateral and international donors have financed technical services of a similar type in Syria. USAID's experience indicates that the existence of a fund such as this is essential to proper project identification and development, helping to fill certain technological gaps necessary to Syria's overall development and demonstrating U.S. responsiveness to Syria's development needs.

This project will also continue the very useful work funded under FY 1975, FY 1977 and FY 1978 grants for similar purposes. The first grant of \$4 million financed studies and service in such fields as agricultural equipment identification, forage and fodder production, irrigation, English language training, health planning, vocational training, meteorology, water supply operations, agricultural land development, highways and transportation sector assessments. The second grant of \$3.5 million (PP submitted June 1977) will fund agriculture and health sector assessments plus other specialized studies and project development activities. The third grant of \$350,000 (PID is contained in the FY 78 ABS) will be used to continue the emphasis on technical studies, many of which are preparatory to AID-funded projects. Such planned projects requiring development work include agricultural credit, poultry, rural electrification and rural services for water development. It is expected that these earlier projects will have been fully subobligated by late FY 1978, requiring a replenishment in the form of this FY 1979 project proposal.

This new project of \$2.3 million will be programmed for further technical and feasibility studies, particularly in the areas of agriculture and rural development, health and nutrition. As AID embarks upon its planning for FY 1980-1983, as discussed in the long-range planning sections of the FY 1979 ABS, additional studies will be needed to provide the analytical basis and technical design for numerous rural services activities. Some of these are rural roads, rural water and rural health centers. In addition, the SARG has expressed interest in such activities as agricultural extension, food processing and other agriculture-related projects, for which studies will be needed. USAID plans also to explore possibilities in research or other studies related to family planning. There are also other areas, such as a tourism sector assessment and export promotion, where it is beneficial to Syria's economic development and to overall U.S. policy interests to be able to reply to SARG requests in a responsive and flexible manner.

Financial Requirments and Plans:

Consultant services will be financed by a grant of \$2,300,000. This fund will cover consultants' international transportation and salaries. The SARG will contribute counterpart personnel, office space and equipment, and transportation in Syria.

Project Development:

USAID prefers to go directly to the PP, expecting a January 1979 submission. No TDY or consultant services are necessary for PP preparation.

Policy or Program Issues:

There are no program or policy issues.

AGENCY FOR INTERNATIONAL DEVELOPMENT <b>PROJECT IDENTIFICATION DOCUMENT FACESHEET</b> TO BE COMPLETED BY ORIGINATING OFFICE				1. TRANSACTION CODE <input checked="" type="checkbox"/> A A = ADD <input type="checkbox"/> C = CHANGE <input type="checkbox"/> D = DELETE		PID 2. DOCUMENT CODE 1											
3. COUNTRY/ENTITY SYRIA				4. DOCUMENT REVISION NUMBER <input type="checkbox"/>													
5. PROJECT NUMBER (7 DIGITS) <input type="checkbox"/>		6. BUREAU/OFFICE A. SYMBOL NE    B. CODE <input type="checkbox"/> 4		7. PROJECT TITLE (MAXIMUM 40 CHARACTERS) <input type="checkbox"/> RURAL ELECTRIFICATION II <input type="checkbox"/>													
8. PROPOSED NEXT DOCUMENT A. <input type="checkbox"/> 2 = PRP    3 = PP    B. DATE <input type="checkbox"/> 05 <input type="checkbox"/> 78				10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = LS 3.9 )													
9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION a. INITIAL FY <input type="checkbox"/> 7 <input type="checkbox"/> a    b. FINAL FY <input type="checkbox"/> 7 <input type="checkbox"/> a				FUNDING SOURCE		SUBJECT											
				A. AID APPROPRIATED		30,000											
				B. OTHER U.S.		15,000											
				C. OTHER DONOR(S)		25,000											
				TOTAL		70,000											
11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)																	
A. APPROPRIATION		B. PRIMARY PURPOSE CODE		C. GRANT		D. LOAN		E. FIRST FY		F. GRANT		G. LOAN		H. GRANT		I. LOAN	
(1) SA		200		-		062		-		-		30,000		-		30,000	
(2)																	
(3)																	
(4)																	
												TOTAL		30,000		30,000	
12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)																	
13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)												14. SECONDARY PURPOSE CODE					
15. PROJECT GOAL (MAXIMUM 240 CHARACTERS) Improve rural living conditions through creating new employment and income earning possibilities and providing services as well as contributing to increased agricultural production.																	
16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS) Increased production and improved quality of life made possible by reliable electric power available at reasonable rates in rural areas.																	
17. PLANNING RESOURCE REQUIREMENTS (staff/funds) None at this time.																	
18. ORIGINATING OFFICE CLEARANCE Signature: <i>Gordon B. Ramsey</i> Title: Gordon B. Ramsey, USAID Director												19. DATE DOCUMENT RECEIVED FOR AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY 05 29 77					

PROJECT IDENTIFICATION DOCUMENT

Project Title: Rural Electrification II

The Problem:

Living conditions in rural Syria have improved little as Syria's recent economic expansion has been concentrated in the cities, and Damascus especially. The rural population of about four million, virtually all of whom are dependent on agriculture directly or indirectly, is poorly provided with services, suffers from irregular incomes, and has not shared greatly in the benefits of the nation's overall development. Agricultural production is for the most part dependent on rainfall, while prices to the farmer are government-controlled and in many cases kept low to generate funds for other government expenditures, or to benefit the urban dweller. Jobs are usually unskilled, education and health facilities inadequate, and life generally austere and substandard. The bleakness of life in these villages, especially in the northeast of Syria, is attested to by the rapid migration which has occurred over the last five years to Damascus and provincial capitals, where services are available, wages higher, and opportunities greater. To help ameliorate some of these problems, the Syrian Government has committed itself to providing increased electric power service to rural areas during the current Five Year Development Plan (1976-1980).

AID Response:

This project would continue AID support to the SARG's rural electrification program for which AID plans to lend \$30 million in FY 1977. The proposed project would finance a second \$30 million tranche of the foreign exchange costs of the SARG's program as a means of increasing rural amenities and incomes, thereby helping to decrease the gap in the standard of living between rural and urban areas. Expansion of the electricity distribution network is providing light, an end in itself as an amenity. The rural electrification program will in many cases allow increased production through longer hours in better working conditions, as well as small-scale mechanization of simple manufacturing operations to help increase labor productivity and income. Rural electrification therefore complements the SARG's stated goal of dispersing industry around the country and helping to increase rural production.

Experience in 1971-1974 indicates that, at rates then prevailing, 65% of all households in newly electrified villages subscribed to the system, according to SARG records. Householders judged that the benefits of electricity out-weighed the costs charged.

Past experience with a high rate of subscription for electricity and the clear possibilities for increases in employment and production, indicate that the rural electrification program should make a major contribution to improving rural conditions in Syria. The specific contribution of the electrification program, and the first AID project in particular, to the goal of improving rural life cannot yet be quantified.

Description of Project Inputs and Outputs:

The 1976-80 electrification expansion program (the outputs necessary to reach nearly 1,000,000 rural inhabitants) includes about 2,000 km of new 20 kv transmission lines, 1,200 km of low-tension distribution lines, 1,200 transformer posts, replacement of 500 transformers, and 900 km of other improved transmission lines. The total cost is estimated in the Plan at about \$180 million, of which \$114 million is estimated to be foreign exchange costs. The AID loan would finance a portion of the expansion program's foreign exchange costs, although the financing plan for the program needs to be made more definite. AID expects to concentrate its financing in specific geographical areas and segments of the overall plan in such a manner as to avoid excessive dependence on other donors and to minimize potential commingling of aid. AID's assistance will be closely coordinated with World Bank assistance in this subsector.

The Etablissement Public de L'Electricite (EPE) will require engineering consulting services for this project, probably for construction supervision, as they did for the first rural electrification project. Training is also proposed for funding under this project.

However, at present there is no other apparent need for AID technical assistance to EPE in implementing the project. EPE has already received management advice from a U.S. firm (Arthur Young) and additional technical assistance will be implemented under the terms of a contract with that firm. EPE has also been active in rural electrification for five years, so that the AID project will be part of an ongoing program and one which has in the past been competently executed.

The expected disbursement period is five years.

Assumptions Pertinent to Project Success:

Major assumptions pertinent to project success are that rural electrification continues to be a development priority of the SARG so that the project will receive high-level political and administrative support, and will receive adequate and timely

funding. Either of these conditions for a successful project would be disrupted by worsened political/military conditions, diverting attention and funding from development efforts in general. Specifically, it must be assumed that funds will be available for construction of program elements pre-requisite to the AID-financed project. For example, if AID undertakes distribution in a given area, transmission lines to that area to be provided by the SARG or other donors must be in place. Other donors have indicated interest in the project. The German Democratic Republic and the World Bank have made firm commitments. The SARG may be called on for significant foreign exchange expenditures, but since rural electrification continues to be a development priority, it is reasonable to assume sufficient resources will be found and applied to this sub-sector.

#### Other Donor Activity:

There is, or is expected to be, considerable other involvement in Syria's rural electrification program. Firm commitments by other donors to the expansion and improvement program at this time are four loans totalling \$100 million from the German Democratic Republic, and \$500,000 from the IBRD for a technical study of the overall program, which AID will also be using. In addition, the Dutch government has expressed interest, and the Bank plans to make a loan early in 1978. The Syrian Government itself has so far brought electricity to 500 of the largest villages.

#### Alternatives to the Project:

For provision of light to households there is no practical alternative to electricity. There are other uses of electricity for which there are substitutes, such as for irrigation pumps, corn grinding, and refrigeration. The substitutes such as diesel engines or autogenerators are often too expensive or unreliable. If lighting is considered imperative, then use of alternatives for other purposes becomes less attractive. The project has been selected for AID funding because USAID/Damascus believes that SARG interest is strong and that the project falls within the AID areas of emphasis in development programs. Progress in implementation of AID's first rural electrification loan will justify further U.S. support for Syria's investment program in this sector.

#### Beneficiaries:

If experience in 1971-1974 is relevant, about 65% of the rural population in the project area will benefit directly by the provision of electricity to their households. The manufacturing and service activities that will become economical, or that

will become cheaper, are not yet known. New production creates jobs and usually lower prices for the local consumers of the new products, while decreased operating costs resulting from electrification should result in lower prices to the consumer. Specific identification of these beneficiaries awaits the completion of project design. However, in general, the beneficiaries of this AID project are the rural population in Syria, which is with few exceptions the poorest element of the country's population.

#### Project Extension:

The project itself is not replicable in the usual sense: only the SARG can expand it to other areas. The project's benefits are, however, replicable. To the extent that rural electrification facilitates establishment of small scale industry and more use of irrigation pumps, the benefits may be spread through the rural population by imitation. The ubiquity of small workshops in Syria, and the experiences of East Asia and Central America with expansion of such workshops following electrification, indicate that the economic benefits of the project may diffuse rapidly.

#### Financial Requirements and Plans:

The proposed AID contribution in FY 1979 to the rural electrification program is \$30 million, all of which would be in the form of a loan to finance a portion of the foreign exchange costs. No other types of AID financing are expected. The local currency component of the program would be contributed by the SARG, which, along with other donors might also provide a portion of the foreign exchange.

#### Project Development:

Preparation of the project relies considerably on the IBRD study and progress under the first loan. While the SARG and USAID have discussed the proposed project in general, the precise work to be considered constituting the AID project has not yet been discussed in detail. The SARG and AID must, therefore, reach preliminary agreement on project elements. While the technical feasibility of an electrification program has been established, the degree to which the project will be economically attractive is not yet known. The SARG may wish to charge rates which brings the rate of return to a low but acceptable level for a utilities project. This issue will be addressed as the project is developed further.

USAID proposes to write a PRP, based on the IBRD study and negotiations with the SARG on the scope of the project. The PRP would be prepared by May 1978, and the PP by August 1978 and the funds

obligated in early FY 79. It is not anticipated at this time that any AID/W TDY or contract assistance will be required for PP preparation.

Policy Issues:

None

AGENCY FOR INTERNATIONAL DEVELOPMENT <b>PROJECT IDENTIFICATION DOCUMENT FACESHEET</b> TO BE COMPLETED BY ORIGINATING OFFICE				1. TRANSACTION CODE <input checked="" type="checkbox"/> A = ADD <input type="checkbox"/> C = CHANGE <input type="checkbox"/> D = DELETE		PID 2. DOCUMENT CODE 1																						
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5. PROJECT NUMBER (7 DIGITS) <input type="checkbox"/>		6. BUREAU/OFFICE a. SYMBOL NE    b. CODE 4		7. PROJECT TITLE (MAXIMUM 40 CHARACTERS) <input type="checkbox"/> Poultry Production <input type="checkbox"/>																								
8. PROPOSED NEXT DOCUMENT A. <input checked="" type="checkbox"/> 2 = PRP    B. DATE 11/4/77 <input type="checkbox"/> 3 = PP				10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = LS 3,9) <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="2">FUNDS SOURCE</th> <th>AMOUNT</th> </tr> <tr> <td>A. AID APPROPRIATED</td> <td></td> <td>10000</td> </tr> <tr> <td>B. OTHER</td> <td></td> <td>-</td> </tr> <tr> <td>    1. U.S.</td> <td></td> <td>-</td> </tr> <tr> <td>    2. OTHER COUNTRY</td> <td></td> <td>5000</td> </tr> <tr> <td>C. OTHER DONSOR(S)</td> <td></td> <td>-</td> </tr> <tr> <td colspan="2" style="text-align: right;">TOTAL</td> <td>15000</td> </tr> </table>				FUNDS SOURCE		AMOUNT	A. AID APPROPRIATED		10000	B. OTHER		-	1. U.S.		-	2. OTHER COUNTRY		5000	C. OTHER DONSOR(S)		-	TOTAL		15000
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13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)										14. SECONDARY PURPOSE CODE																		
15. PROJECT GOAL (MAXIMUM 240 CHARACTERS) [ To increase agricultural production and the supply of animal protein available in Syria ]																												
16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS) [ To expand the supply of broilers and of eggs available in Syria and to increase farm and cooperative incomes. ]																												
17. PLANNING RESOURCE REQUIREMENTS (staff/funds) Two to three man-months TDY or contract assistance will be required for the PRP in early fall, 1977																												
18. ORIGINATING OFFICE CLEARANCE Signature: <i>Robert S. Kanaw</i> Title: Director, USAID/Damascus Date Signed: MM DD YY 05 25 77								19. DATE DOCUMENT RECEIVED 1: AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY																				

Project Identification Document  
Poultry Production

I. The Problem to be Addressed

Syria is still a food deficit country. Despite its ample supply of natural and human resources, Syria is still not producing enough food to feed all its people properly. At the same time, because of this deficiency, the Syrian Arab Republic Government (SARG) is expending substantial sums of its limited foreign exchange each year to import needed foodstuffs and is not developing sufficient export markets. In addition, these production problems hamper efforts to increase incomes and nutritional intake for the Syrian people.

The SARG has become increasingly aware of these problems and is attempting to rectify the situation. One of the areas receiving attention is livestock, particularly poultry. Consumption of animal protein is low in Syria and is, with iron deficiency, one of Syria's major nutrition problems. The sources of animal protein - poultry, beef, and mutton - are popular in Syria, but are expensive. The official prices for these meats are as follows:

Broilers	\$0.90/lb.
Beef	1.22/lb.
Mutton	1.98/lb

The prices are somewhat misleading as they are in practice the minimum prices at which the products are sold. Also, the price for broilers refers to the whole bird, which is generally small and has little meat. The market (unofficial) price of beef is about \$1.75/lb. or more, depending on the cut. Thus a pound of chicken or beef costs about an average person's daily income.

In the case of poultry, the high selling price relative to wages and to selling prices in other countries is largely due to inefficiencies in production. Despite high incentive prices to farmers set by the state organization for marketing poultry production, most private producers of broilers make little, if any, profit, and turn to other activities. The state producers generally lose money also.

In the case of the private producers, assuring an adequate feed supply, both in quantity and quality, is a major problem and the incidence of disease is high. In the case of the public producers there is an additional problem: The SARG, through the General Organization for Poultry (GOP), has invested very heavily in buildings and equipment, thereby raising production costs.

Syrian businessmen have recognized the unmet demand for poultry production and are considering establishing large facilities. The smaller private farmer or cooperative, however, does not have the financial resources to participate in this market through purchase of equipment, independent importation of food, and hiring of production managers. Because the SARG has recently made a decision to encourage private sector poultry production and not construct further state facilities, this project addresses a large number of potential producers and major sources of supply.

A larger supply of poultry, beef, and mutton, with perhaps lower selling prices would alleviate the animal protein deficiencies in current diets. It appears that this is most likely to occur in poultry production for a number of reasons discussed below under alternatives to the project.

The principal obstacles to increasing poultry production by farmers and cooperatives have been noted above: inadequate food supply, disease incidence, inappropriate technology, and need for credit by cooperatives and other farmers. The response to these problems includes technical assistance in animal nutrition, feed procurement and disease control, creation of a specialized extension service for poultry production, and making credit available to farmers for purchase of buildings, new equipment, feed and other inputs.

In addition, during the project design the division of responsibilities for producing day-old chicks, growing broilers, slaughtering and marketing between the public and private sectors would be reviewed.

### Project Description

The Mission proposes to assist the SARG's General Organization for Poultry (GOP) in the Ministry of Agriculture in its responsibilities for management of the state poultry farms, for establishing pricing and marketing policy (in collaboration with Ministry of Supply and Internal Trade), and for providing feed (in collaboration with the General Organization for Fodder).

Improved feed supply and management of state farms are expected to significantly increase production and lower production costs, while pricing and marketing policies consistent with production costs and market demand are essential to making animal protein more available at the lowest possible price.

The Mission also proposes to assist the GOP in establishing a specialized poultry extension service to assist the farmers in selecting equipment and managing their production and marketing. Demonstration farms may be established for training of extension agents and instruction of the farmers.

Credit would be made available through the Agricultural Cooperative Bank (ACB) to private sector and cooperative producers for purchase of U.S. manufactured poultry production equipment or other facilities.

#### Assumptions

- 1) That the costs of poultry production can be decreased through the above assistance sufficiently to attract investment.
- 2) That the ACB will operate the credit program effectively.
- 3) That pricing and marketing policies now in force (or to be adopted) are consistent with production costs and demand.

The SARG has recognized the need for policy and institutional changes to promote agricultural production and recently held a ten-day seminar on agricultural policy with the Prime Minister presiding at opening and final sessions. Among the recommendations of the seminar were a number relating to poultry: (1) that increases in production be exclusively by the private and cooperative producers; (2) that an agricultural extension service be created; and (3) that the ACB's lending and resources should be increased, especially for medium and long-term loans. In addition, the General Organization for Poultry has recommended to the Ministry of Agriculture that a project very similar to that proposed here be implemented, basing its recommendations on an AID-financed technical study ("A Recommended Program to Increase Broiler and Egg Production in Syria by Experience, Inc., November 1976).

### SARG and Donor Activity in Meat Production

In the poultry field, there has recently been considerable SARG and other donor activity, including technical assistance from Italy, North Korea, Bulgaria, and Hungary. With one exception, a SARG facility which produced 108 tons of broilers in 1976, all the projects are either just beginning production, or are in design or construction stages. Total annual capacity of existing and planned facilities is:

Broilers	14.42 million
Table Eggs	275 million
Pullets	200,000
Day-old Chicks	4.42 million
Hatching eggs	2.42 million plus unknown number at new facility.

In other areas of meat production, a Kuwaiti government-owned investment company has begun a project to increase beef production, and a World Bank project to assist sheep production is just getting underway.

### Alternatives to the Project

A poultry project has been proposed for AID consideration because of the priority assigned to agricultural, particularly animal, production in the Fourth Five-Year Plan 1976-1980. Also poultry is the cheapest source of protein available in Syria, but could be made available more cheaply and in larger supply. Finally, poultry production has been selected because of the information available from the aforementioned AID-financed technical study. Similar studies in the future of, for example, beef or dairy production, may yield analogous projects.

### Beneficiaries

The direct beneficiaries of this project are expected to be cooperatives, whose membership generally consists of small farmers, and middle or large farmers. The indirect beneficiaries are the consumers of poultry products, as such food is expected to be available in greater quantities, and perhaps at a reduced price. Small farmers who are not members of cooperatives are not expected to be direct beneficiaries as the minimum fixed capital investment is expected to be beyond their means (\$20,000).

### Spread Effect

Use of demonstration farms and an extension service is expected to disseminate new technology and farm management methods.

### II. Financial Requirements and Plans

Preliminary cost estimates of project components are as follows:

Technical Assistance	\$450,000
Training	\$200,000
Demonstration Farms	\$850,000
ForEx for Sub-Loans	\$8,500,000

It is expected that the project could be incrementally funded to accommodate loan demand, and that the ACB would fund the local currency requirements of investment in poultry production.

### III. Development of the Project

A TDY team will be needed to design a project based on the Experience, Inc. report and discussions with the SARG. This team would be identified following an official request from the SARG for assistance. We anticipate this request will be received soon. The expertise required to develop the project is expected to include:

- a) Agricultural Economist - Pricing and Marketing Policy
- b) Agricultural Economist - Poultry Industry Organization and Farm Management
- c) Agricultural Credit Specialist
- d) Agricultural Extension Specialist

If possible, this project should be investigated at the same time as the agricultural credit project proposed for FY 79, as many of the same disciplines are required, and as they are closely related.

Assuming the SARG approves project preparation by June 30, 1977, a project design team might arrive in September, and a PRP submitted by November 1977 for AID/W approval. The PP would be submitted as soon thereafter as possible if FY 78 funding is available.

AID Staff Required

Specialized expertise will be required, as noted above, some of which may be available within AID. The Mission will assist the team in assembling background information coordinating project development with the SARG and ensuring that PRP requirements are met,

IV. Policy or Program Issues

This is a FY 1979 project, listed as "shelf" for FY 1978.

AGENCY FOR INTERNATIONAL DEVELOPMENT  
**PROJECT IDENTIFICATION DOCUMENT FACESHEET**  
 TO BE COMPLETED BY ORIGINATING OFFICE

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3. COUNTRY/ENTITY SYRIA  
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5. PROJECT NUMBER (7 DIGITS) [ ]  
 6. BUREAU/OFFICE  
 A. SYMBOL NE B. CODE [ ]  
 7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)  
 RURAL SERVICES - WATER

8. PROPOSED NEXT DOCUMENT  
 A.  2 = PRP B. DATE 01/17/81  
 3 = PP

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = 3.90 LS )

FUNDING SOURCE		AMOUNT
A. AID APPROPRIATED		10,000
B. OTHER		
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C. HIGHEST COUNTRY		7,000
D. OTHER DONOR(S)		
TOTAL		17,000

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION  
 A. INITIAL FY 79 B. FINAL FY 79

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 79		LIFE OF PROJECT	
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TOTAL					10,000		10,000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)  
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13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)  
 14. SECONDARY PURPOSE CODE

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)  
 Improve rural living conditions through the provision of basic services and amenities.

16. PROJECT PURPOSE (MAXIMUM 400 CHARACTERS)  
 Improve the quality of life in rural areas through the increased supply of potable water; a motivation for rural populations to stay on their farms and thereby increase agriculture production.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)  
 TDY support during preparation of the PRP in March-April 1978 and the PP in September 1978

18. ORIGINATING OFFICE CLEARANCE  
 Signature: Gordon B. Ramsey  
 Title: USAID Director  
 Date Signed: 05/24/77

19. DATE DOCUMENT RECEIVED 1: AID/W, OR FOR AID/W DOCUMENTS. DATE OF DISTRIBUTION  
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PROJECT IDENTIFICATION DOCUMENT

Project Title: Rural Services - Water

Problem to be Addressed

There has been a heavy migration of labor from rural areas to provincial capitals and Syria's major cities in search of higher incomes and better services than in rural areas. This exodus has been especially severe in the last three years as Syria's sharply increased development spending has created jobs mostly in urban areas. The migrants, as elsewhere, have included the most able-bodied of the workforce, leaving the farms short of labor. Seasonal migration to help out with peak demands for agricultural labor such as at harvest time has not solved the problem of scarce manpower in many rural areas. This has resulted in increased mechanization in areas where crops and land tenure permit, but has created severe difficulties in, for example, fruit-growing areas, and areas where small holdings predominate. The emigration from rural areas to the cities has also begun to strain urban services, so that, for example, considerable funds must now be invested in the Damascus and Aleppo water supply and sewer systems.

A comparison of rural and urban income levels is very difficult as there are significant differences in incomes between areas, and the cost of living and value of goods produced and consumed on the farm must be taken into account. However, some comparison of the availability of services can be made. According to the 1970 Housing Census 84% of urban dwellings were supplied with electricity, but only 10% of rural dwellings; 94% of urban houses had sewer facilities, but 11% of rural; 83% of urban dwellings had a piped water supply, as compared with 10% of the rural dwellings. Data on rural/urban distribution of education and health facilities is not available, but experience indicates that, similar to the other services mentioned, they are considerably less available, and of lower quality, than in urban areas. Finally, transport to and from rural areas is often poor because many roads are impassable in wet weather, making marketing and access to services provided in urban areas difficult.

The problem with water for domestic use in Syria is mainly one of distribution. Water exists, but it is difficult to provide adequate quantities of it in all the village areas to permit continued growth of the rural population centers. Hence, there is much interest in piping water from springs, rivers and good ground water sources. Such ideas are typified by the Sinn Spring source development near Baniyas and the Kalamoun District pipeline between Damascus and Homs.

### The Response and Project Description

Efforts by the SARG, in cooperation with AID and other donors, in increasing incomes and improving services in rural areas are expected to help alleviate some of the shortages of agricultural labor, facilitate increases in agricultural production, and ease strains on urban services. The SARG, AID, and other donors also have plans to improve rural services including two proposed AID loans for supplying electricity. As noted above, rural services is construed to include water supply, sewerage, electricity, roads, health, and education.

This Rural Services-Water project proposal is expected to be the first of several other rural services activities assisted by AID beginning in FY 1979 and extending into the 1980s. Under these subsequent projects, AID will help provide some of these services, or those most needed in specified areas and, to the maximum extent possible, in an integrated manner. For example, an area may be provided with adequate electricity and roads, but not water supply or health facilities. Identification will be made of services most urgently needed and for designated areas.

One of the areas now under active consideration for this and later projects is the coastal region where intensive crops (fruits and vegetables) are often grown on small plots. Farmers in this area are in need of labor because mechanization is difficult in these conditions. AID has already planned a project in this region near Tartous to increase agricultural production and farmer incomes in the Akkar Plain, and may have another to provide electricity in rural areas.

The population in the project area represents one of the lowest income groups in the country. The region also suffers from very limited water resources (ground water) and serious water shortages during dry seasons. Contaminated water has always been a major factor in the poor health conditions which prevail in this area as in much of rural Syria.

Under the proposed project AID would finance the foreign exchange costs of about \$10 million to pump water from the Sinn Spring located five-six km north of Baniason on the Syrian coast. The water would be pumped up to a balancing reservoir of 3,000 m<sup>3</sup> capacity at an elevation of 580 meters. The water would flow freely by gravity through a 45 km pipeline to a 15,000 m<sup>3</sup> reservoir in Tartous. Scattered along the pipeline route are 56 villages which would later be connected to the main pipeline through smaller feeder pipes and distribution networks.

One of the purposes of this project is that with provision of these services the quality of living for the rural population

will improve and this in turn will slow rural-urban migration. The overall results will include: (i) improved rural living conditions, particularly health in the case of rural water, (ii) continuing or increasing the level of agricultural production, and (iii) easing demands on urban services.

#### Host Country and Other Donor Activities in Rural Development

The SARG has emphasized the importance of developing Syria's rural areas in the Third and Fourth Five-Year Plans, and considerable progress has been made. In the present Fourth Five-Year Plan, covering 1976-1980, the SARG's projects in rural water supply call for expenditures of \$250 million, and for electrification another \$180 million. Expenditure targets during the Fourth Plan for the other services for which PIDs will be prepared when required have not been published. But the 1977 budget shows very large increases in the education budget, while the SARG has recently reaffirmed its intent to proceed with construction of additional health centers beyond the current 245 such centers in rural areas.

No other donors are involved in rural water supply at this time, although UNICEF has been considering some advisory services. The World Bank, the German Democratic Republic, and AID expect to lend to the SARG for rural electrification projects. World Bank is the only donor active in expanding the educational system in rural areas, while only limited efforts are being made by other donors (WHO, Czechoslovakia) in the health area.

Other donor involvement in rural services is evidently limited, while the SARG attaches great importance to their improvement. AID has also selected this project for development because it will directly benefit the small farmer as well as the recipients of the improved water supply.

#### Financial Requirements and Plans

The foreign exchange cost of providing potable water in the coastal area is estimated to be about \$10.0 million for engineering and commodities. Because the SARG has plans to expand services over the years, this first rural services project, if successful, will be followed by loans for water supply and other services in other areas. AID loan funds are expected to cover about 40-50% of the total cost of providing water, while the share on other types of projects has not yet been determined. The SARG will contribute local construction costs.

Development of the Project

The Mission is obtaining further information on SARG plans for expanding rural services and, in particular, water supply, and has discussed this project with the State Planning Commission and Ministry of Housing and Public Utilities. Expertise in engineering and rural development including health, farm finance and the social impact of such a project are expected to be needed. TDY of a rural development specialist is requested to assist the Mission in developing scopes of work for preparation of a PRP.

The current schedule for development and obligation of funds is as follows:

Project development TDY - rural development specialist (DH) - following PID review.

Project development team - 3/78 - 4/78

PRP submission - 6/78

PP submission - 10/78

Obligation - FY 1979

Policy or Program Issues.

There are no program or policy issues.

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8. PROPOSED NEXT DOCUMENT A. <input type="checkbox"/> 2 = PRP <input checked="" type="checkbox"/> 3 = PP				B. DATE MM   YY 10   77		10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = 3.9 )																									
9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION a. INITIAL FY <input type="checkbox"/> 7   9      b. FINAL FY <input type="checkbox"/> 7   9				<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="2">FUNDING SOURCE</th> <th>BASES</th> </tr> <tr> <td>A. AID APPROPRIATED</td> <td></td> <td>10,000</td> </tr> <tr> <td>B. OTHER</td> <td></td> <td></td> </tr> <tr> <td>    1.</td> <td></td> <td></td> </tr> <tr> <td>    2.</td> <td></td> <td></td> </tr> <tr> <td>C. HOST COUNTRY</td> <td></td> <td>5,000</td> </tr> <tr> <td>D. OTHER DONOR(S)</td> <td></td> <td></td> </tr> <tr> <td colspan="2" style="text-align: right;">TOTAL</td> <td>15,000</td> </tr> </table>				FUNDING SOURCE		BASES	A. AID APPROPRIATED		10,000	B. OTHER			1.			2.			C. HOST COUNTRY		5,000	D. OTHER DONOR(S)			TOTAL		15,000
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A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 79		LIFE OF PROJECT																									
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN																								
(1) SA	124	-	040	-	10,000	-	10,000																								
(2)																															
(3)																															
(4)																															
		TOTAL				10,000      10,000																									
12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)																															
13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)						14. SECONDARY PURPOSE CODE																									
15. PROJECT GOAL (MAXIMUM 240 CHARACTERS) To increase agricultural incomes and to increase the supply of agricultural commodities.																															
16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS) To improve the organization, management, and effectiveness of the Agricultural Cooperative Bank and to increase its lending capacity in order to expand agricultural production and productivity.																															
17. PLANNING RESOURCE REQUIREMENTS (staff/funds) Six to eight man-months TDY or contract assistance will be required for the PRP in the fall of 1977.																															
18. ORIGINATING OFFICE CLEARANCE Signature: <i>Gordon B. Ramsey</i> Title: Gordon B. Ramsey, Director, USAID/Damascus Date Signed: MM   DD   YY 05   26   77						19. DATE DOCUMENT RECEIVED OR AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM   DD   YY																									

PROJECT IDENTIFICATION DOCUMENT

Project Title: Agricultural Credit

1. The Problem

Three major obstacles discourage Syrian investment in agriculture, particularly in improving farm technology: These are:

- Cooperatives' and private farmers' lack of access to imported equipment and technology and their difficulties in obtaining credit to finance purchases of such equipment and technology;
- Lack of knowledge by farmers of improved technological processes;
- Impediments to agricultural investment affecting both private farmers and farmers' cooperatives under current institutional framework and policies.

a) Under present practice, the Agricultural Cooperative Bank (ACB) does not have direct access to foreign exchange to finance the importation of equipment and supplies needed by its potential clients in the agricultural sector. Virtually all of ACB's loans have been in local currency or in kind, and imported equipment and supplies must then be obtained or purchased by farm borrowers from various public enterprises in charge of importing equipment, such as TAFCO, AMDC, etc. The public sector has preferential access to foreign exchange, and ACB is obliged to depend on the foreign exchange available to the importing enterprises to finance the foreign equipment requirements of its borrowers. Furthermore, ACB relies almost entirely on its own resources to finance farm credit, since the Government contribution is small (2 million S.P. annually) and in any case has not been made since 1968. Thus, ACB lacks resources to finance major new programs in farm investment, particularly foreign exchange financing for imported equipment that would be required to introduce new and improved technology.

b) At present there is little organized effort to introduce farmers to improved technology. There is no farm extension service as such and agricultural agents of the Ministry of Agriculture and Agrarian Reform (MAAR) are mostly concerned with transmitting MAAR's annual production plans and targets to the ACB and cooperatives, rather than teaching farmers better production techniques. Instruction in the use of equipment, fertilizers, pesticides, etc. that was formerly provided by private equipment and supply distributors is no

longer available, since distribution of all agricultural equipment and supplies have been nationalized. The public enterprises in charge of importation and distribution of farm equipment and supplies do not provide technical assistance.

c) Various institutional difficulties discourage farmers from long-run investments in new technology. The management of cooperatives is frequently inexperienced in farm administration and its capacity to introduce new farm technology or lead cooperative members in undertaking new investment programs is limited. Since the enactment of farm nationalization and other restrictions on the private sector, private farmers have been uncertain about government agricultural policies and their own position, and consequently dubious about undertaking major farm investment programs. Price controls on farm inputs and outputs, middlemen's large margins, etc. weaken the incentives for investment by both cooperatives and private farmers.

The SARG has recognized the need for policy and institutional changes to promote agricultural production and recently held a ten-day seminar on agricultural policy with the Prime Minister presiding at opening and final sessions. Among the conclusions and recommendations approved in the seminar were the acknowledgement of the private sector's key role in agriculture along with renewed encouragements to cooperatives; recognition of the need to obtain more resources for the ACB both from the Government and international lenders; the need to improve the efficiency of ACB's operations, particularly its distribution of equipment and supplies under loans in-kind; the recognition that prices paid to farmers were too low to encourage farm investment; and the revelations of high profits made by government procurement agencies. A particularly significant recommendation for this project was that the private sector be allowed to establish companies in the agriculture field, that these companies be given the right to import directly all needed equipment and that other Arab and non-Arab firms, whether private or government-backed, be permitted to invest either directly or through joint ventures with local companies. With this recognition by the SARG's leaders that agricultural production must be increased, and the promise of the pragmatic approach to solving farm problems, the prospects for creating the conditions necessary for increasing agricultural production are better than they have been for many years.

## 2. AID Response

The sector goal of this project is to increase agricultural production in Syria, and in so doing, farm income. The project

purpose is to support farmers' investments in improved technology on their farms which would lead to expanded production. Specifically, the project would provide dollar credits to ACB to finance imports of equipment and supplies from the U.S. as well as technical assistance to the ACB management to improve its operations.

Technical assistance under this or companion projects could also include technical advice in particular fields, e.g. poultry, livestock, sugar beet production, etc. U.S. technical advisors would work with the ACB and the MAAR. Some demonstration farms might be established by the MAAR as part of a limited extension or supervised credit program, and these could also serve as training centers for specialized extension agents. The expertise for operating the farms could be provided by an advisory group or under a management contract with a U.S. agri-business firm or university. The only such companion project so far planned is in poultry production.

In addition, the SARG may undertake later, perhaps with AID assistance, re-establishment of broader extension services, which will, if well-managed, increase the availability of more productive technologies generally. In addition, technical assistance is likely to be needed to assist the SARG in developing marketing policies and carrying out institutional changes that may be necessary to create a favorable climate for long term investment by farmers.

The proposed project addresses the first problem mentioned above, namely, private and cooperative farmers' limited access to foreign exchange. The second problem is expected to be addressed either by the ACB's supervised credit or limited extension service, or by the SARG's establishing a general extension service. The third problem - institutional difficulties - is expected to be addressed in preparation of this project.

### 3. Description of the Proposed Project

The proposed project would strengthen and expand the operations of the ACB by:

a) providing technical assistance to the ACB to improve the efficiency of its current operations, and to assist it in managing an expansion of its lending, especially medium and long-term lending, as recommended by the Agricultural Seminar.

b) providing U.S. dollars to finance imported inputs required by ACB clients, in this way increasing the ACB's lending capacity.

Use of the dollar credits would be supervised by the ACB, and the selection of the imported inputs approved either by its own credit supervision or by a general extension service (to be established by the Ministry of Agriculture, perhaps with AID assistance) and/or specialized extension services, such as for poultry production. These two proposed activities - for creation of a general extension service, and a specialized poultry extension service within a poultry project - may be companion projects to this ACB project, complementing it through disseminating information on alternative technologies.

The U.S. origin, AID-funded inputs might be procured through the ACB and State importing organizations, through private importers, writing a letter of credit drawn on the ACB dollar account.

ACB's receipts from loan repayments would be added to their total resources available for lending, and the SARG would repay the U.S. loan from Syria's foreign exchange receipts.

The project does not have a specific, limited disbursement period, but is expected to receive additional funding as required by the demands of its sub-projects. Because the poultry sub-project is the only one with a technical study so far, and its objectives are to be attained in four years, the minimum anticipated disbursement period proposed for the project is four years.

4. Major Assumptions Pertinent to Project Success are:

- a) that price and marketing policies exist or will be adopted that provide incentives to farmers to invest.
- b) that the additional capital will be efficiently used to increase production and income.
- c) that the ACB will operate the credit program effectively.
- d) that SARG or private sector procurement of inputs will be efficient.
- e) supervised credit services will be provided by the ACB itself or through another activity or project.

5. Description of Activities in the Host Country by the Host Government and Other Donors.

Agricultural activity continues to dominate the Syria economy, contributing 16% of GDP in 1975, accounting for one-half

of total employment and 33% of exports. Cereals and cotton are the principal crops, but production of fruits and vegetables is also significant. Cattle, sheep and poultry production accounted for 35% of agricultural production in 1975. The principal channel for SARG direction of agricultural investment and production in the private sector and cooperatives is the ACB.

The ACB was established at the end of the 19th century, and it lends about LS 400 million per year in cash and kind, most of which is short-term (less than one year). It has received only one foreign-currency loan, for importation of livestock. In 1975 its operations were evaluated and found satisfactory by the IBRD, which is using the ACB as a vehicle for its First Livestock Development Project, approved in June 1976. The latter aims at increasing and stabilizing the production of and income from the sheep sub-sector throughout Syria through the strengthening of national feed policy, the increased use of supplementary feed and the reinforcement of the animal health services. In addition to this IBRD loan, foreign assistance in the agricultural sector has been extended by Italy, North Korea, the Federal German Republic, and several countries in the eastern Bloc. Much of this assistance, as well as another loan from the IBRD, has gone into development of the Euphrates Basin, which absorbed approximately 85% of SARG investment in agriculture during 1971-1975.

As explained earlier, the present project would provide agricultural credit and technical assistance in adapting new technology to those areas in which the SARG determines have priority.

## 6. Alternatives to the Project

USAID has explored alternative projects to raise agricultural production and income, e.g. the Euphrates-Balikh Irrigation Project, which AID decided not to pursue after a thorough investigation showed its rate of return was poor; the Akkar Plain Irrigation Project, a feasibility study for which will soon be performed by an AID-funded contractor; a planned Soils Survey/Land Classification project; an Agricultural Research and Production project; and various other agricultural studies, training and activities. However, there is no other likely alternative way of introducing new farm technology on a wide basis without providing at the same time credit to farmers to make investments utilizing the new technologies. Given the shortage of foreign exchange for private farmers, both in and out of cooperatives, to finance imported equipment and supplies and the lack of an effective organization and plan

for dissemination of improved technology to farmers along with the SARG's recent determination to increase production of both private farmers and cooperatives, a credit and companion technical assistance projects seem the most realistic response.

#### 7. Beneficiaries

The direct beneficiaries are the farmers receiving loan funds. These beneficiaries are expected to be small and medium farmers and cooperatives, whose membership generally consists of small farmers. In 1973, there were 1725 co-ops with 135,000 members in Syria, an average of 78 members per co-op. In 1975, 592,000 ha. were cultivated by co-ops (out of 1.27 million cultivable), with an average of 343 ha. per co-op and 4.4. ha. per member.

Indirectly, the entire population benefits through a larger supply of the agricultural commodities, especially as new techniques may permit a significant drop in price.

#### 8. Spread Effect

Strengthening and expansion of the ACB will facilitate introduction of new technologies, especially in coordination with the general or specialized, e.g. poultry, extension services. As their neighbors see the results, they too are expected to consider investing in the new technology.

#### 9. Financial Requirements and Plans

Funds would be required to provide technical assistance, training, perhaps some commodities, and loan funds for the ACB. The latter would be the principal project cost, but loan demand beyond ACB resources remains to be determined by future study. An estimated \$10 million is proposed for FY 1979, including technical assistance, training, commodities, if necessary, and a small loan fund. It is anticipated that further funds may be made available in the future in order to accommodate additional demand.

#### 10. Development of Project

Once the SARG has given definite approval to proceed with project preparation, the following expertise is expected to be needed to develop the project:

- a) Agricultural Economics - Farm Management/Production Economics
- b) Agricultural Economics - Price Policy and Marketing

- c) Cooperatives Organization and Management
- d) Agricultural Finance
- e) Development Banking

Six to eight man-months of expertise will be required.

11. Schedule

Assuming the SARG approves project preparation by June 30, 1977, the following actions are planned:

PRP submission November 1977

PP submission February 1978

12. AID Staff Required

Mission staff has some information already and will obtain and analyze additional data on the institutional framework for project and general economic background. Services of an AID/W agricultural credit specialist are expected to be required to coordinate and supervise the project development work noted above. It is expected that a 6-8 week TDY for such an expert will be required.

13. Issues of a Policy Nature

a) Project success depends on the willingness and success of the SARG to establish a favorable economic climate for investment in agricultural production by cooperatives and private farmers.

b) Some form of an extension service needs to be arranged, either through the supervised credit operations of the ACB or a broader extension system, to assure the technical success of the ACB's lending operations. This issue should be resolved with the SARG, based on the technical study.

PROGRAM ASSISTANCE INITIAL PROPOSAL  
AGRICULTURAL MACHINERY AND PRODUCTION INPUTS III

As indicated in the foregoing tables, USAID proposes non-project assistance in FY 1979 in the form of an Agricultural Machinery and Production Inputs III loan. This program loan is estimated to total \$25.5 million and will be used to finance the import from the U.S. of agricultural and construction equipment primarily for use in Syria's rural sector.

Because instructions have never been issued for the preparation of a PAIP and a PID is needed only for project assistance, USAID/Damascus is not submitting further information or documentation at this time.

C.3.  
PL 480 Title I

The PL 480 Title I program in Syria is intended to serve as part of the U.S. effort to establish and maintain a constructive relationship with the Government of the Syrian Arab Republic (SARG). Because Syria is a key to U.S. efforts to help achieve a just and lasting peace in the Middle East, a program for concessional sales of agricultural commodities constitutes a tangible demonstration of U.S. Government support for Syria's role. At the same time, because of Syria's continuing deficiency in some agricultural commodities, particularly food grains, the Title I sales supplement usual foreign purchases of commodities, on concessional terms, which helps to lessen the foreign exchange burden on Syria at a time when it is trying to make heavy investments in development projects to increase its economic growth and capability of either producing its consumable requirements or earning sufficient foreign exchange to pay for them through increased exports of other products.

While Syria is certainly a developing country intent on accelerating the pace of the nation's growth and improving the socio-economic conditions of its people, the discussion above indicates that PL 480 resources are not programmed entirely for development purposes as outlined in the FY 1979 ABS guidance messages. While the U.S. Mission is confident that the uses of the proceeds of the sales of Title I commodities are consistent with the precepts of Public Law 480, the Mission does not believe that the PL 480 program can be used to influence significantly the SARG's development policies, both because it is an essentially political program and because it is small relative to Syria's total agricultural imports.

In its development policies, the SARG has given agricultural production high priority, with emphasis on food grains, poultry, livestock and fruits and vegetable. The area planted with high-yield wheat varieties has increased from 38,000 ha. in 1971 to 284,000 ha. in 1975, with further increases planned depending mainly on extending the irrigated area. This is to be accomplished chiefly by the Euphrates River Basin program, by which the SARG plans to reclaim and irrigate some 640,000 ha. over the next 15-20 years. Recently the SARG has begun to redirect its attention to more intensive use of rainfed areas as well.

The SARG has pursued a Grain Silos Project since 1972 which includes the construction of eleven silos with a storage capacity of about 810,000 metric tons. A project for building flour mills was begun in 1970, but has proceeded slowly so far. Distribution of the most important food crops is handled by a government agency. Given the high priority

that self-sufficiency in agricultural production has in Syria, and the substantial efforts that are underway in this sector, significant improvements in many phases of agricultural production and distribution are anticipated.

Syria has a continuing need for agricultural commodity credits both at this time and in the near future. Heavy development expenditures and ongoing obligations have depleted the reserves built up over 1973-75, and Arab donors have slowed their flow of aid funds. This has continued into 1977, so that Syria's foreign exchange position is now very difficult. At the same time, agricultural, and especially food, imports have increased very rapidly. For these reasons, the SARG has requested both PL 480 and CCC credit assistance.

About 270,000 MT of flour will be imported in 1977, of which about 75,000 MT equivalent may be furnished in wheat form under the CCC program. Rice imports in the 1976-78 period are expected to be about 80,000 MT per year, up from 50,000 MT in 1975. An increase in PL 480 purchases from 35,000 to 40,000 MT is proposed to provide a part of the larger rice requirements.

In 1975, Syria imported 5,044 MT of tobacco valued at \$20.6 million. In that year, Syria exported 3,794 MT of oriental tobacco valued at \$7.8 million. Despite increased tobacco imports in 1976, and anticipated future increases, no increase in tobacco imports is requested.

Imports of vegetable and animal oils and fats have increased rapidly, from \$1.4 million in 1970 to \$10.4 million in 1975. To assist the SARG in meeting these increased demands, the U.S. Mission proposes a 5,000 MT vegetable oil program in FY 1978 and in 1979.

The U.S. Mission has responded to SARG requests for additional food assistance by initiating a CCC commercial credit program, with a line of credit of \$22.5 million in FY 1977 rather than requesting such an increase in the PL 480 concessional sales program. Nevertheless, the FY 1978 request detailed in the following table exceeds that presented in the FY 1978 Congressional Presentation. The Mission strongly recommends accepting this slightly higher request in view of Syria's deteriorating balance of payments position, increased consumption needs and the relatively small and decreasing share of agricultural imports that PL 480 provides. The Mission at this time proposes the same commodities for FY 1979, but may, as in FY 1978, increase or decrease its request, based on crop production, imports, and general balance of payments considerations.

This PL 480 proposal, which we request be included in the core program, is based on anticipated supply and distribution requirements, and the overall basically political purposes of the Title I program in Syria.

SYRIA: PL 480 Title I Agreements and Shipments

Commodity	FY 1977 Estimate			FY 1978 Request		
	Agreements (MT)	Shipments (MT)	Carryover to FY 78 (MT)	Agreements (MT)	Shipments (MT)	Carryover to FY 79 (MT)
Rice	35,000	35,000	0	40,000	40,000	0
Tobacco	1,200	1,200	0	1,200	1,200	0
Vegetable Oil	0	0	0	5,000	5,000	0

Commodity	FY 1979 Request		
	Agreements (MT)	Shipments (\$)	Carryover to FY 80 (MT)
Rice	10.24 40,000	10.24 40,000	0
Tobacco	5.82 1,200	5.82 1,200	0
Vegetable Oil	3.12 5,000	3.12 5,000	0

C.4.

PL 480 TITLE II

While Syria is still a food deficit country, and many of Syria's poor are unable to maintain an adequate diet, there are no plans for Title II commodities at this time. Syria's agricultural potential and eligibility for Title I and CCC commodities indicate that Title II requests will only occur in special circumstances, except under the continuing World Food Program. Consequently, no further information regarding Title II is provided in this FY 1979 ABS for Syria.

C.5. Technical Assistance to Cooperatives  
((\$000))

<u>Grants</u>	<u>FY 1977</u>	<u>FY 1978</u>	<u>FY 1979</u>
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NONE

Loans

Under the Agriculture Credit project proposed for FY 1979, technical assistance in improving the Agricultural Cooperative Bank's operations and an infusion of capital are being considered. The Agricultural Cooperative Bank is the government lending agency for private and cooperative farmers.

Under the Poultry project proposed for FY 1979, technical assistance and credit will be made available for poultry production facilities. The recipients are expected to be private farmers and cooperatives.

No additional details are available at this time, beyond what is contained in the attached PID's, until the abovementioned projects are developed further.

Table 1 (cont'd)  
 Program Analysis for the Oral and Condom Supplies Needed to Achieve Full Availability  
 (Thousands)

	1976	1977	1978	1979	1980	1981
F. Remaining Supply Gap						
1. Orals (Line A4a less Line E1)	2,250	2,315	2,372	2,413	2,451	2,500
2. Condoms (Line A4b less Line E2)	20,960	21,510	22,095	22,665	23,115	23,800
People Gap						
1. Orals (Line F1 divided by 13)	173	178	182	186	189	192
2. Condoms (Line F2 divided by 100)	210	215	221	227	231	238
3. TOTAL (Line G1 plus Line G2)	383	393	403	413	420	430

Sources: A) AIDTO CIRC A-86 of March 15, 1977; B) Syrian Family Planning Association, Damascus, S.A.R.

1/ Table 2 and 3 ("AID Bilateral Logistic and Financial Analysis of Orals" and that of condoms) are omitted as no bilateral AID assistance is anticipated at this time. 1 1/2

2/ The commercial supply of orals and condoms is assumed to increase at the same rate as the urban population growth rate (5% p.a.) as this is the area in which most contraceptives are sold. Because of reported similar import levels, 1976 estimates are the same for 1975, with corresponding increases in future.

3/ Supplied by IPPF. As current supplies significantly exceed distribution, increases in IPPF supply are not predicted.

4/ The SARG refuses to import contraceptives except as "Pharmaceuticals". This supply is sold commercially through pharmacies, and is reflected in line B1.

5/ Contraceptive use is an extremely sensitive issue in Syria. There is no agreement among responsible official and unofficial Syrians (medical professionals) on whether the country is under- or over-populated. Religious scruples inhibit use as in other Muslim countries. U.S. bilateral assistance to an officially stated family planning program is still sensitive as some Syrians would construe such assistance as an effort to limit future military manpower. AID has not received any requests for such assistance, and tentative suggestions have been fruitless. Consequently, AID intends to encourage multilateral or private organizations continue to pursue and augment such programs in Syria.

Table 1 <sup>1/</sup>  
 Program Analysis for the Oral and Condom Supplies Needed to Achieve Full Availability  
 (Thousands)

	1976	1977	1978	1979	1980	1981
<b>A. "Full Supply" Analysis</b>						
1. Married women of reproductive age - (See Annex A)	1,136	1,170	1,206	1,242	1,279	1,317
2. 65% of line A 1. (Contraceptive women required to achieve replacement fertility)	738	760	784	807	831	856
3. 50% of line A 1. (Contraceptive women utilizing orals and condoms)	568	585	603	621	639	658
4. Annual stock requirements for "full availability"						
a. Orals - 1/2 of line A 3. x 13 monthly cycles	3,692	3,802	3,924	4,035	4,153	4,282
b. Condoms-1/2 of line A 3. x 100 units	28,400	29,250	30,150	31,050	31,850	32,900
<b>B. Annual New Supply from Non-AID Bilateral Sources</b>						
1. Private Commercial Sector						
a. Orals	1,300	1,365	1,430	1,500	1,580	1,660
b. Condoms	6,000	6,300	6,615	6,945	7,295	7,660
2. Other Donors <sup>3/</sup>						
a. Orals	122	122	122	122	122	122
b. Condoms	1,440	1,440	1,440	1,440	1,440	1,440
3. Host Country Government Procurement <sup>4/</sup>						
a. Orals	-	-	-	-	-	-
b. Condoms	-	-	-	-	-	-
4. Total In-Country Stock						
a. Orals	1,422	1,487	1,552	1,622	1,702	1,782
b. Condoms	7,440	7,740	8,055	8,385	8,735	9,100
<b>C. Gap to be filled to Achieve "Full Availability"</b>						
1. Orals (line Af a less line B4a)	2,250	2,315	2,372	2,413	2,451	2,500
2. Condoms (line A4b less line B4b)	20,960	21,510	22,095	22,665	23,115	23,800
<b>D. AID Bilateral Supply Objectives <sup>2/</sup></b>						
1. Orals	-	-	-	-	-	-
2. Condoms	-	-	-	-	-	-
<b>E. Total New Supply</b>						
1. Orals (line B4a plus line D1)	1,422	1,487	1,552	1,622	1,702	1,782
2. Condoms (line B4b plus line D2)	7,440	7,740	8,055	8,385	8,735	9,100

MISSION EVALUATION SCHEDULE FOR FY 1978 AND FY 1979

<u>Project Title &amp; Number/Subject</u>	<u>Last Evaluation Submission Date</u>	<u>Number of Last PAR (if applicable</u>	<u>Date of Submission FY 77 &amp;/or FY 78</u>	<u>Period Covered by this Evaluation (months)</u>	<u>Remarks</u>
<u>Agriculture &amp; Rural Development:</u>					
1) <u>Agriculture Research &amp; Prod. (G) (276-0003)</u>					
	-	-	Aug. 1979	12 mos.	New project beginning FY 1979
2) <u>Land Classification/Soils Survey (G)</u>					
	-	-	July 1979	18 mos.	New project beginning FY 1978
3) <u>Rural Electrification I (L) (276-0018)</u>					
	-	-	June 1979	21 mos.	-
4) <u>Euphrates River Basin Maintenance (L) (276-0011)</u>					
	-	-	Oct. 1978	26 mos.	-
<u>Health and Nutrition:</u>					
1) <u>Damascus Water Supply I (L) (276-0008)</u>					
	-	-	Dec. 1977	24 mos.	These water supply loans will be evaluated jointly.
2) <u>Damascus Water Supply II (L) (276-0010)</u>					
	-	-	Dec. 1977	24 mos.	-
3) <u>Development of Health Services (G) (276-0006)</u>					
	-	-	Jan. 1978	18 mos.	-
4) <u>National Health Technical Institute (G) (276-0019)</u>					
	-	-	June 1979	21 mos.	-
<u>Manpower and Education:</u>					
1) <u>General Participant Training (G) (276-0004)</u>					
	-	-	Nov. 1977	27 mos.	-
2) <u>English Language Training (G) (276-0002)</u>					
	-	-	Jan. 1978	18 mos.	-

MISSION EVALUATION SCHEDULE FOR FY 1978 AND FY 1979

<u>Project Title &amp; Number/Subject</u>	<u>Last Evalua- tion Submission Date</u>	<u>Number of Last PAR (if applicable</u>	<u>Date of Submission FY 77 &amp;/or FY 78</u>	<u>Period Covered by this Evaluation (months)</u>	<u>Remarks</u>
<u>Transportation:</u>					
1) <u>Damascus-Dera'a Highway (L) (276-0012)</u>	-	-	July 1978	24 mos.	-
<u>Selected Development Activities:</u>					
1) <u>Technical Services/Feasibility Studies I (276-0001) (G)</u>	-	May 1977	June 1978	12 mos.	-
2) <u>Technical Services/Feasibility Studies II (276-0005) (G)</u>	-	-	July 1978	12 mos.	-

D.2.

Mission Evaluation Program

USAID/Damascus is in the process of establishing a Mission Evaluation Program. Project evaluations shall be prepared for all projects in operation as part of the normal project management requirements, taking into account the prescribed evaluation criteria discussed in the ABS and Evaluation guidance messages. Scheduling of regular evaluations shall be done in coordination with PPT/CPT networks. To the extent possible, Syrian Government personnel shall be involved in the evaluation process.

Because the AID program in Syria is still new, only one project evaluation will have been prepared by the time of the FY 1979 Annual Budget Submission (Technical Services/Feasibility Studies (001)). In short, there have simply been too few actions underway or completed to warrant formal evaluations. This situation relates to the newness of most activities in Syria, but also to the time required for Conditions Precedents to be met, contractors to be selected and to arrive, and other necessary project actions.

Listed on the foregoing table is the schedule for all project evaluations to be submitted during FY 1977, FY 1978 and FY 1979. This schedule is based upon the USAID's best current estimates as to when project will be ready for evaluation. Some projects which will only have been begun in FY 1978 or 1979 are not included because it is anticipated that very little implementation will have been initiated by the end of FY 1979. Excluded from the foregoing schedule are the commodity import loans because these funds are disbursed for commodities and equipment to be utilized in several areas and, therefore, an evaluation of these loans is not possible as a definable activity or focus.