

**AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT**



# **ANNUAL BUDGET SUBMISSION**

## **FY 1977**

### **TUNISIA**

BEST AVAILABLE

**DEPARTMENT  
OF  
STATE**

JULY 1975



F Y 1 9 7 7

=====

ANNUAL BUDGET SUBMISSION

=====

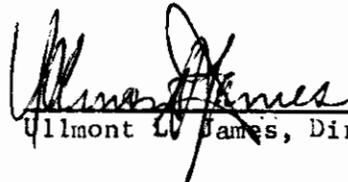
USAID/TUNISIA

=====

Prepared by:

Planning & Program Staff

Approved by:

  
Ullmont L. James, Director

June, 1975

## TABLE OF CONTENTS

	<u>Page</u>
Ambassador's Foreword	i
I. DAF Certification and Program Strategy	1
II. Research Problem Areas	3
A. Edible Cereal Legumes	3
B. Relationship between Education and Employment	3
III. Summary Tables and New Activities Discussion	4
A. Nutrition/Health Education (New FY 1976 Project)	4
B. Women's Activities	5
C. FY 1976 Summary Table	7
D. Interim Quarter Summary Table	8
E. FY 1977 Summary Table	9
IV. Ongoing Grant Projects	10
A. Food and Nutrition	10
1. Accelerated Cereals Production, 664-55-130-205.1	10
2. Agricultural Economic Research and Planning, 664-11-110-237.1	11
3. Accelerated Livestock Production, 664-11-130-276	13
4. Integrated Agricultural Development, 664-11-120-277	16
5. Nutrition Institute, 664-11-560-255.1	17
6. Lysine Fortification, 664-11-560-255.2	19
7. Nutrition Planning, 664-11-560-284	21
8. Rural Development - Siliana, 664-11-190-285	22
B. Population Planning and Health	24
1. Family Planning, 664-11-580-224	24
2. Bizerte Public Health, 664-11-520-286	26

	<u>Page</u>
C. Education and Human Resources Development	27
1. Management Education and Executive Development, 664-55-770-228	27
2. Agricultural Economics Education, 664-11-110-237.2	28
V. PL 480 Programs	30
A. Title I	30
B. Title II	31
1. General	31
2. Voluntary Agencies Programs	32
3. The Government-to-Government Program	33
C. Title II Tables	35
VI. Housing Investment Guaranty Program	39
A. Public Sector Housing Industry Organizations	39
B. Current Activities re HIG	39
VII. Private Voluntary Organizations' Summary Table	41

AMBASSADOR'S FOREWORD

At the time the Tunisia DAP was submitted to Washington in December 1974, I underscored the fact that a continuing but modest U.S. assistance program is an important factor in overall U.S. relations with Tunisia. In recent months the importance which the Government of Tunisia attaches to the program has been demonstrated, first by remarks made at the U.S.-Tunisia Joint Commission meeting held in Washington this spring, and second at the IBRD Consultative Group session in Paris during June of this year. The United States has been associated with Tunisia's development process since Tunisia's independence in the mid-1950's, and while our aid is not nearly on the scale that it was during the critical decade of the 1960's, it continues to be an important symbol of the close cooperation between the two countries which both Governments desire.

Moreover, our continuing technical assistance and PL 480 Title II grant programs serve important development objectives in Tunisia. While Tunisia's need for financial aid from the Western donor group is less than in the past, the continued provision of Western technological assistance is necessary to help Tunisia overcome constraints in key sectors of the economy and thus to attain sustained growth in the near future. I am particularly pleased that our two Governments are working together on a new rural development project which corresponds to GOT policy of achieving greater growth in interior regions of the country. I also would note that the USAID Mission, voluntary agencies, and the Government of Tunisia are working together to develop an integrated approach to nutrition activities which will provide a more rational setting for our Title II program, as well as for technical assistance activities in this area.

The program proposed herein is essentially a continuation of the course which we set for ourselves in the Tunisia DAP of FY 1975. I recommend its approval.



Talcott W. Seelye  
Ambassador

I. DAP Certification and Program Strategy

The strategy proposed in the USAID's DAP of January 1975, in general terms, continues to be appropriate for Tunisia. Specifically, the USAID will maintain the current level of assistance through FY 1977 while exploring means to gradually and selectively shift to less concessional forms of aid. The program will consist of technical assistance and Title II commodity grants concentrated in the areas of food production and nutrition, population and health, and manpower development. In addition, loan financing of \$5 million is programmed for the interim quarter, although this activity might move to FY 1977, to complement a rural development technical assistance project now in the design stage.

Apart from the possibility of two small operational program grants (OPG) to CARE/MEDICO in the area of nutrition and health education, proposed as new FY 76 activities, the USAID is not at this time considering any new FY 1977 technical assistance projects for Tunisia. Instead, the Mission intends to concentrate on thorough evaluation and revision of a number of our ongoing projects, and already tentatively approved new starts such as nutrition planning and rural development. Launching these two new activities, as well as revising the integrated agriculture, livestock, and agriculture planning projects, constitute the major USAID planning effort in the short term. As GOT preparation of its new Five Year Plan (1977-81) proceeds over the next twelve months, the possibility of new FY 1977 activities may be reconsidered.

As a result of the Consultative Group sessions held in Paris in June 1975, it is clear that the Tunisians are looking for continued Western donor assistance on substantial levels to finance their development programs. While the U.S. will remain a minor donor in this process, we have stated our intent to continue as an interested supporter of Tunisia's development program at approximately current aid levels. Furthermore, the GOT can be expected to press for a continuation of U.S. aid during the second Joint Commission session to be held in October 1975. The USAID hopes to develop, together with the GOT, technical assistance projects and occasional capital assistance loans (along the lines of the rural development loan proposed for the interim quarter) during the coming year, as a contribution to the GOT five year development plan. New proposals, however, will be considered on a case by case basis for possible inclusion in the FY 1978 ABS, to be submitted a year from now.

In summation, this Annual Budget Submission for FY 1977 is consistent with the DAP which called for continuation of our current modest technical assistance and Title II programs. The rest of this document sets forth our ideas for centrally funded research, and describes briefly current ongoing grant projects, PL 480 Title II programs, and continuing or proposed OPG grants. It was decided to include brief narratives on all our current projects in order to provide an updated view of Mission activity, even though PARs are generally current. No new Title I program is recommended, although the USAID will continue to watch closely Tunisia's wheat and vegetable oil requirements, and will only propose a Title I response if the economic situation is warranted in the future. We have received indications of a revived GOT interest in housing investment guaranty programs, and the status of our discussions with the GOT is also summarized in this budget submission. Summary fiscal tables constitute funding estimates as of this date, and will require minor revision when the more detailed backup tables are provided on July 31, 1975.

## II. Research Problem Areas

The subjects listed below appear to the Mission to have potential merit as centrally-funded research activities. They have been discussed on an informal basis with GOT officials and we believe there is sufficient evidence of interest, as well as substantive value to Tunisia, to list them here. USAID awaits AID/W reaction before pursuing these ideas any further.

### A. Edible Cereal Legumes

Edible legumes such as lentils, chick peas, horse beans, and green peas are an important part of the diet of rural Tunisians. Traditional methods of cultivation, however, including almost no application of fertilizer, have kept yields very low. The Government is carrying out studies, chiefly directed toward developing high-yielding and hardier seeds, but much more could be done in the research area. Informal discussions have indicated an interest by the GOT in gradually stepping up efforts on cereal legumes. The Tunisia DAP (page 48) recommended grain legumes as an area of study linked to ongoing or potential A.I.D.-financed research programs.

### B. Relationship between Education and Employment

The Government is quite concerned with the current unemployment situation and the general problem of relating Tunisia's educational training system to the needs of the economy. Some efforts have been initiated to study the matter but much remains to be done. The Ministry of Plan sent one of its employees to the University of California (Berkeley) to help develop a simulation model on education flow to be adapted to the Tunisian case. At this point, considerable study and research needs to be done in Tunisia on further adaptation of the model, as well as on the whole existing education and training system and its relationship to employment needs. An additional related concern of the GOT is the cost of financing the education system, and the cost/benefit of installing various reforms.

### III. Summary Tables and New Activities Discussion

A summary of funding requirements is included in this section. For FY 1976, new grant projects shown on the table include nutrition planning, rural development, Le Kef maintenance and nutrition/health education. FRPs were submitted for nutrition planning and rural development. The Le Kef maintenance proposal was submitted as an OPG to CARE/MEDICO in TOAID A-014 dated February 13, 1975. While the proposal calls for new FY 1976 dollar funding, the project is essentially a completion of an existing CARE/MEDICO activity previously financed through a PL 480 Section 204 local currency allocation.

A brief description of the nutrition/health education OPG follows, with FRP submission scheduled for early July 1975. Although not anticipated in the Tunisia DAP, USAID urges positive consideration of the activity since it is consistent with Agency and Mission policy of encouraging increased PVO participation in technical assistance. The USAID is also attempting to reconcile the PVO planning cycle in Tunisia so that in the future there will be improved coordination with A.I.D. programming deadlines.

A proposed \$5 million rural development loan is programmed for the interim quarter (and included in the FY 1976 Congressional Presentation). As noted in Part I, this activity may be rescheduled for FY 1977 depending on progress in designing the GOT/USAID rural development project. No other new activities for FY 1977 are now anticipated. A brief discussion of women's activities follows in section III.B. below.

#### A. Nutrition/Health Education (New FY 1976 Project)

##### 1. Purpose

To promote an increased awareness of the application of nutrition and health concepts among mothers and future mothers living in the province of South Tunis.

##### 2. Outputs

a. Tunisian health/social work personnel trained in modern nutrition concepts who will conduct recycling of other GOT personnel.

b. Host country staff trained in effective project implementation and evaluation techniques.

c. Developed nutrition education manuals useful in pilot site, and adaptable to other areas of Tunisia.

d. Equipped centers with nutrition education instructional materials, i.e., visual aids for seminars.

### 3. Implementation Progress

In early March 1975, USAID and CARE/MEDICO reviewed this Nutrition Education proposal as a possible new OPG grant activity. The consensus of the meeting was that the proposal appeared well documented, but needed additional refinement to meet programming design, implementation, and evaluation criteria required for Operational Program Grants. Two Peace Corps volunteers have completed additional research which strengthens the proposal design, including a logical framework. USAID is now reviewing the revised design and proposed A.I.D. funding requirements (\$47,000) and will submit it for AID/W consideration in early FY 1976.

#### B. Women's Activities

Since 1956 the Government of Tunisia has actively promoted equal rights and opportunities in society for women. A Tunisian national women's union exists, the Union Nationale des Femmes Tunisiennes (UNFT), which maintains 300 centers located throughout the country. The UNFT is linked very closely to activities of the Ministries of Health and Social Affairs, and to the National Destourian Party. Its executive committee of nine members and fourteen regional delegations coordinate the activities of UNFT in (a) social development (family related education and literacy programs, maternal and child welfare), (b) skills training for rural girls (e.g., weaving and sewing), and (c) family planning and nutrition. The UNFT centers, particularly in rural areas, are often poorly equipped and organized, and lack trained personnel.

USAID-supported family planning, nutrition and PL 480 Title II programs are directed toward problems of major concern to women in Tunisian society, and we are attempting to develop this dimension to other ongoing and new activities, e.g., the new rural development project. At the same time, USAID contacts with the UNFT have been expanded over the past year, and a more direct approach to assisting women's programs appears possible and desirable. While this ABS does not at this time recommend a bilateral project for women's activities as such, further assessment of possible specially tailored programs is desirable with AID/W guidance and suggestions.

Utilizing either AID/W central funds or a special allotment to the USAID, the USAID foresees three possible activities in the areas of technical assistance and training which could be launched in FY 1976:

1. An assessment by USAID of current UNFT programs in Tunisia, the effectiveness of the institutions designed to carry them out, and possible A.I.D. assistance programs,
2. Training of key UNFT leadership through exposure trips to the United States and third countries, where contact might be possible with local women's organizations and community programs focused on women's problems, and
3. Training of UNFT staff in specific skills and management of improved programs for women's centers. Subjects to be covered would include handicrafts, development of small community based industries, home economics and nutrition, gardening and agricultural related activities, literacy, hygiene, and family planning. USAID is aware that special programs can be arranged through the Community Development Foundation and UNICEF in Lebanon. Egypt may also be a possible site for training in these fields.

USAID would appreciate AID/W recommendations on the foregoing and advice as to whether central funds are available for undertaking one or several of the above approaches in FY 1976. It would be preferable to launch some activity along these lines on an exploratory basis over the coming year, prior to development of a specific bilateral project and as a means of maintaining our contact and interest in UNFT programs in Tunisia.

C.

**SUMMARY TABLE  
FISCAL YEAR 1976  
(\$000)**

	F+N	PP+H	E+HR	SDP	Dev. Assist. Subtotal	Assistance	TOTAL
<b>ON GOING GRANTS:</b>							
237.1 Ag. Econ. Res. & Planning	455				455		455
276 Accelerated Livestock	344				344		344
277 Integrated Ag. Development	281				281		281
255.1 Nutrition Institute	35				35		35
255.2 Lysine Fortification	125				125		125
224 Family Planning		742			742		742
286 Bizerte Public Health		52			52		52
228 Management Education			124		124		124
237.2 Economics Education			91		91		91
Sub-Total	1,240	794	215		2,249		2,249
<b>NEW GRANTS</b>							
284 Nutrition Planning	130				130		130
285 Rural Development	120				120		120
288 Le Kef Maintenance		45			45		45
289 Nutrition/Health Educ.		47			47		47
Sub-Total	250	92			342		342
<b>LOANS</b>							
	-	-	-		-	-	-
TOTAL	1,490	886	215		2,591		2,591
HIGs (non-add)	-	-	-	20,000*	-	-	-
Title I (non-add)	-	-	-	-	-	-	-
Title II (non-add)	3,6	-	-	-	-	-	3,6

\* Very tentative. Only preliminary discussions have been held, and no firm request yet received from the GOT.

D.

SUMMARY TABLE  
INTERIM QUARTER  
(\$000)

	F+N	PP+H	E+HR	SDP	Dev. Assist. Subtotal	Supporting Assistance	TOTAL
ON GOING GRANTS:							
237.1 Ag. Econ. Res. & Planning	7				7		7
276 Accelerated Livestock	77				77		77
277 Integrated Ag. Dev.	73				73		73
285 Rural Development	200				200		200
284 Nutrition Planning	50				50		50
224 Family Planning		51			51		51
228 Management Education		-	-	-	-		-
Sub-Total	407	51	-	-	458	-	458
NEW GRANTS							
Sub-Total	-	-	-	-	-	-	-
LOANS							
285 Rural Development	5,000	-	-	-	5,000	-	5,000
Sub-Total	5,000				5,000		5,000
TOTAL	5,407	51	-	-	5,458		5,458
HIGs (non-add)							
PL 480							
Title I (non-add)	-	-	-	-	-	-	-
Title II (non-add)	0,6	-	-	-	-	-	0,6

E.

SUMMARY TABLE  
FISCAL YEAR 1977  
(\$000)

	F+N	PP+H	E+HR	SDP	Dev. Assist. Subtotal	Supporting Assistance	TOTAL
<b>ON GOING GRANTS:</b>							
237.1 Ag. Econ. Res. & Planning	235				235		235
276 Accelerated Livestock	505				505		505
277 Integrated Ag. Development	371				371		371
285 Rural Development	250				250		250
284 Nutrition Planning	150				150		150
224 Family Planning	-	395	-	-	395		395
228 Management Education			113		113		113
Sub-Total	1,511	395	113		2,019	-	2,019
<b>NEW GRANTS</b>							
Sub-Total	-	-	-	-	-	-	-
<b>LOANS</b>							
Sub-Total	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,511</b>	<b>395</b>	<b>113</b>		<b>2,019</b>		<b>2,019</b>
<b>HIGs (non-add)</b>							
<b>PL 480</b>							
Title I (non-add)	-	-	-	-	-	-	-
Title II (non-add)	4,4	-	-	-	-	-	4,4

#### IV. Ongoing Grant Projects

##### A. Food and Nutrition

##### 1. Accelerated Cereals Production (Project 205.1)

###### a. Purpose

To strengthen by 1976, Tunisian institutional capabilities for developing, and implementing the adoption of, improved cereals technology.

###### b. Outputs

(1) A trained staff of 20 agronomists and 30 technical assistants implementing extensive research programs in wheat varieties, fertilizer application, and plant protection.

(2) An upgraded extension system to incorporate expanded demonstration programs, wherein an annual average of 3,000 farmers are exposed to improved technology.

(3) Cultivation of improved varieties on 250,000 hectares and incorporating a forage legume rotation system on 60,000 hectares.

###### c. Implementation Progress

The project was designed to assist the GOT in increasing average wheat yields by 1976 to 10-12 quintals/hectares, from an average of 8.5 when the project was begun in 1965, thereby contributing to raising overall GOT wheat production to a new high of 875,000 tons of wheat/year. The project was further intended to help create a nationally staffed and funded production program, fully operational and capable of integrating research and extension, so that the newest practices and varieties would be at the disposal of the Tunisian wheat farmer.

To date, the training objectives have been met with 50 participants recruited and trained or in training. Forty-five have returned and of these, four now occupy key research positions focusing on plant breeding and pathology. Over the past year, the program included 15 field day demonstrations involving over 2,500 farmers. The GOT estimates that the original goal of 250,000 hectares planted to improved varieties has been attained, although introduction

of forage legumes into Tunisian rotational patterns has fallen short since only 30,000 hectares were planted (see centrally funded research proposal in Part II). Ministry of Agriculture counterparts believe, however, that the project has played a key role in meeting overall GOT wheat production objectives. This year's expected yield in cereals is 1,100,000 MT or 250,000 MT in excess of the original goal for the project.

Although the USAID project in accelerated cereals production was scheduled for completion in FY 76, USAID and GOT officials have been convinced that the project in its present form has met its stated goals, and can be terminated during FY 1975, with only a contingent of 5 academic degree participants being forward-funded until completion of their M.S.-degree training. Further USAID activity in cereals production is under review, although no firm plans for a new bilateral project focused exclusively in this area have emerged.

## 2. Agricultural Economic Research and Planning (Project 237.1)

### a. Purpose

Assist the Ministry of Agriculture in developing a central institutional capacity for applied agricultural economic research, analysis and planning.

### b. Outputs

(1) A formally established service for conducting research, analysis and planning with the following characteristics:

- Established functions
- Qualified Tunisian staff, adequate in number, assigned within the organization
- Ongoing program of economic research, analysis and planning.

(2) A workable technical information collection, storage and retrieval system.

### c. Implementation Progress

The outputs listed above should help establish a Tunisian staff capable of independent research and planning in an organized fashion, and of a professional quality and timeliness to

meet the Ministry of Agriculture's needs. To accomplish this objective, USAID has been financing technical services, limited commodity support, and training through a contract with the University of Minnesota. Initially, the organization with which the contractor worked was the BPDA (Bureau for Planning and Agricultural Development). With the return of a number of participants and pressure to expand the output of agricultural economic analyses and planning, the BPDA was split into two organizations in September 1974, the Planning and Economics Analysis Division (D/PAEEP) and the Finance and Credit Division. Most A.I.D.-financed inputs are linked to the former; however, close liaison is also maintained with the Finance and Credit Division. Over the final three years of this project (FY 1976-1978), it is proposed to supplement the Minnesota contract through a PASA with the USDA to assist in establishing a modern statistical sampling and information gathering system.

Although off to a slow start in FY 1967, this project is now reasonably well on schedule. The training component has been successful so far, with the return of twelve Tunisians trained to the M.S. degree level in the United States, and employed by the Ministry of Agriculture, out of twenty-five planned over the life of the project.

The contractor has also recruited and maintained in Tunis a core of agricultural economists as research and planning advisors to the Ministry of Agriculture. The resident staff component of the project has been more difficult to implement - both in terms of identifying appropriate roles for the American team and measuring actual accomplishment. Initially, the American team was carrying out independent research activities for the Ministry; however, as participants returned, they gradually assumed an advisory role in planning and research, working in coordination with returned Tunisian participants. The contractor has had difficulty recruiting economists to fill the resident staff positions, now reduced to three working in the areas of sector analysis, production economics, and institutional economics (credit, marketing, and taxation). In addition, consultant services for specialized studies and inputs are provided.

The area of sector analysis has become an increasingly important component as D/PAEEP has strived to formulate a sector model upon which to base agricultural policy formulation. This model, for the most part complete, will be analyzed and reviewed within the coming three months.

Since the inception of this project, it was recognized that information collection, storage and retrieval was inadequate for research and planning. While some limited progress was made under the

contract in improving the library system within the Ministry's planning unit, this effort was insufficient. Following a reorganization of the statistical and data collection functions, the Ministry of Agriculture requested USAID to increase its assistance in this area so that by project completion this constraint would be resolved. USAID has recommended that the USDA/Statistical Reporting Service (SRS) be enlisted for the assignment under a PASA.

A PP revision was submitted to AID/W in February 1975 (1) to extend the termination date from FY 1977 to FY 1978, (2) to reflect certain changes in the role and functions of the contractor's team members, (3) to revise the project design using the current PP format, and (4) to include an expanded program of assistance in statistics and data collection. In response AID/W has proposed that an in-depth project evaluation be scheduled for mid-July and that approval of the statistics component be deferred until after the evaluation is complete. AID/W also requested that a more complete statement of the proposed assistance program in statistics be provided as an addendum to the PP. This document will be forwarded to AID/W in July 1975. For further information on project implementation, see PAR dated November 25, 1974.

### 3. Accelerated Livestock Production (Project 276)

#### a. Purpose

To establish a viable, self-sustaining livestock extension system throughout Tunisia which contributes to accomplishing the Tunisian Government's objective of increasing the quantity and quality of livestock products.

#### b. Outputs

(1) Through training (short-term, on-the-job, and academic), establishment of a core of Tunisian livestock production specialists, and an administrative organization, capable of implementing a long range livestock production program.

(2) Through comprehensive on-farm demonstrations and forage seed production programs, establishment of a technological package of improved animal husbandry practices, range and pasture management.

#### c. Implementation Progress

The purpose will have been achieved if at the end of this project a core of qualified personnel exists within the Office of Livestock

Development (OEP), consisting of 18 M.S. level supervisors and 100 livestock extension agents, specializing in one of several key production areas. In addition, the active and effective extension program should be carrying out 5,000 farmer contacts per year, and evidence should exist of farmer acceptance of a program of increased forage production and improved animal husbandry practices.

Since original FROP approval in 1971, USAID has concentrated its efforts in assisting the OEP in establishing a livestock extension service in the five Northern governorates. During the past four years a PASA team has directed itself toward expanding forage production and utilization of irrigation within this area through a "grass roots" approach of on-farm demonstrations. From a 1971 total of 50 farm demonstrations covering 188 hectares of forage, the project had expanded by 1974 to include 1,751 farm demonstrations totaling 2,457 hectares in forage production. Of the latter, 50% is under irrigation. In 1974, improved animal husbandry techniques were demonstrated on over 900 farms reaching over 7,000 heads of cattle. In addition, there have been eight M.S. candidates to date, of which three have returned and are presently on the job. Three additional candidates will depart for academic training within the coming fiscal year.

The GOT, confident that past experience in the Northern governorates had successfully demonstrated extension efforts on small farms to be a key component to increased livestock production, requested USAID in the fall of 1974 to expand its contribution so that a viable self-sustaining livestock extension system could be created nationwide. In this capacity, the GOT believed the U.S. inputs could best complement the multi-donor effort (6 countries) at accomplishing GOT production objectives. To meet the Tunisian request, an initial USAID assessment indicated that a U.S. team composed of seven experts would be required for the remaining life of project (FY 1976-1981).

The current approved PP covers the first phase of the project scheduled for completion at the end of FY 1975. In February 1975, USAID submitted a revised PP incorporating the GOT recommendations for second phase activity. This PP has not yet received AID/W approval, pending USAID response to questions raised during the AID/W review. Specifically, USAID is revising the PP in order to provide (1) a more complete description and assessment of project activity to date, (2) an economic overview of the livestock subsector and its role in Tunisian agriculture, and (3) a more thorough analysis of the objectives to be achieved and justification for a revised second phase program.

An outline of the information required has been drawn up and provided to AID/W and the GOT. The latter has indicated a readiness to reexamine the project prior to moving ahead, and has already initiated a series of internal reviews, which seem likely to alter the role for USAID project activity from what was initially requested by the GOT nine months ago. Close coordination with the GOT is being maintained as USAID undertakes this reassessment. Preliminary conclusions should be reached by mid-July 1975, with a completed PP revision available by the end of August.

4. Integrated Agricultural Development (Project 277)

a. Purpose

To demonstrate by 1978 the beneficial effect, in terms of increased farmer income, of the proper utilization and integration of all agricultural production factors on irrigated land, and to develop an institutional capacity within the Office for Development of the Medjerda Valley (OMVVM) to expand such a program.

b. Outputs

(1) An irrigation infrastructure consisting of the following:

Optimum agricultural development plans for entire perimeter. Developed land (2,700 ha.) under irrigated cultivation and land (1,350 ha.) ready for active irrigation.

Completed field demonstrations and established model farm demonstration units.

Core of farmers utilizing improved practices and as a result deriving markedly increased yields.

Functioning coop-marketing service and credit institutions.

Redistribution of land with owners accorded legal title.

(2) Permanent OMVVM office having adequate staff and financial resources.

c. Implementation Progress

By end of project the following conditions should have been realized:

(1) A significant increase attained in net income of participant farmers, with concomittant GOT conviction of the effectiveness of an integrated approach to increased agricultural production.

(2) Sufficient information and examples to aid the dissemination of improved production methods elsewhere within the country.

(3) An established GOT infrastructure capable of maintaining, expanding and improving the existing system.

The status of this project was covered in detail by a PAR dated March 11, 1975. In May 1975, an A.I.D. contractor, Engineering Consultants, Inc. (ECI), began a feasibility study to assess different approaches for development of 5,000 hectares in the Ghardimaou Valley, with special emphasis on irrigation alternatives. In cooperation with OMVVM, the study is well underway concentrating in the early stages on the accumulation and review of data relevant to the irrigation issue. It appears likely that some mix of pressure and gravity flow systems will be recommended. This project is eighteen months behind schedule, and the contractor, well aware of GOT and USAID desire for speedy resolution of the issues involved, is attempting to complete a draft of the study by mid-August.

In the interim period, and in order to maintain some project momentum, a USDA PASA engineer has been retained on the project. He is assisting the OMVVM regional office for Ghardimaou in land leveling operations within the future project area. Approximately 35 hectares of land have been leveled for irrigation and 15 hectares seeded to alfalfa and the other forage crops. This area will serve as a source of locally produced seed available to farmers included in the program for the valley. Small amounts of U.S. purchased seed have been distributed to farmers who own land adjacent to some of the irrigation wells that were put into operation while the project was being designed. These wells have pumps but no fixed water distribution facilities. Portable pipe is used to reach land which has not been leveled and is being irrigated in the traditional manner.

It is likely that the current ECI study will require substantial revision of the PP and project design as was approved two years ago. Moreover, it is not certain that system recommendations by ECI will be acceptable to both A.I.D. and the GOT, permitting development of a joint project design. These issues are of such importance, and considering the inordinate delay in project implementation already, USAID recommends that an A.I.D. team plan to arrive in Tunis in mid August to assist the GOT and USAID in reviewing the ECI report. A firm decision must be reached by early September on the appropriate course of action, and particularly whether A.I.D. should remain active in the project. If A.I.D. remains involved, recruitment must begin by early September so that a project team can be assembled with an absolute minimum of delay.

## 5. Nutrition Institute (Project 255.1)

### a. Purpose

To establish by the end of FY 1977 a viable Nutrition Institute capable, without significant foreign assistance, of planning and implementing operational programs and conducting basic and applied research in areas of (1) human nutrition, (2) food technology, (3) nutrition education, and (4) food economics and planning.

b. Outputs

Outputs originally planned for this project are the following:

(1) Construction of permanent facilities consisting of 1 clinic, 10 laboratories, 3 classrooms, 1 library administrative offices, 1 auditorium.

(2) Equipment of the Institute's laboratories.

(3) Trained manpower: Long-term and short-term training of staff members, i.e. six to the MS/MPH degree level and short-term participants.

(4) National Nutrition Survey: To test a population base of 15,000 people.

c. Implementation Progress

Construction of permanent facilities for the Nutrition Institute was completed in December, 1973, and the inauguration by the Tunisian President followed in March 1974. Adequate equipment and supplies required to equip ten laboratories have been procured and installed in the institute. All 6 long-term participants programmed under this project have been sent to the U.S. for academic degree training. Two have returned to Tunisia with MS or MPH degrees and are employed by the Institute where they are utilizing knowledge acquired in the U.S. Four participants are now pursuing advanced degree training in the U.S., and the last one is expected to return to Tunisia by June 1977. Two staff members of the Institute have completed short-term training in the U.S.

The National Nutrition Survey, the 4th output under this project, will be completed in August 1976; thus bringing this activity to completion. The National Nutrition Survey requires testing a population of 15,000 individuals. To date, about 70% of the field work has been completed; i.e. 10,500 persons have been tested. Tests involving the remaining 4,500 persons will be completed in December, 1975 instead of June, 1975 as originally planned.

The Nutrition Institute project started in 1969 and is proceeding satisfactorily according to the schedule outlined in the Project Paper, Revision No. 2 dated July 17, 1974. Likewise, the initial life of project budget is still accurate and no changes are anticipated in the scope of the approved Project Paper.

6. Lysine Fortification (Project 255.2)

a. Purpose

This project is designed to conduct and complete by the end of August 1976, under village conditions, a controlled trial among a sufficiently large number of people in order to determine the nutritional benefits which can be derived from the fortification of wheat products with lysine. If the results are positive, the project contractor will provide the Tunisia Government with information as to whether, and how, an effective operational fortification program can be established in Tunisia, including the feasibility of local manufacture of lysine.

b. Outputs

Outputs originally planned for this project consist of the following:

(1) Background baseline data collection - eight surveys:

- Economic/demographic
- Anthropological
- Parasites
- Nutrition consumption
- Anthropometrix
- Radiological
- Biochemical
- Clinical

(2) Seven post-fortification measurements at six months intervals for a period of 3-1/2 years.

(3) Two special studies as follows:

- A study of the effect of lysine and vitamin fortification on mortality rates among 1500 new-born babies.
- A measles epidemic study.

c. Implementation Progress

The eight baseline data surveys (listed among outputs) were successfully completed on schedule among test villages in Southern Tunisia. Two special studies were added to Outputs planned for this

project. The study of an estimated 1500 newborn babies was designed to identify the incidence of high-risk babies, and to determine whether wheat fortified with lysine or vitamins is of significant value in reducing infant mortality rates. The study began in February 1974 and will continue through September 1975. To date, 900 babies have been studied.

During the life of this project, a measles epidemic in the test villages resulted in a significant number of infant deaths. The second study, now underway, will evaluate possible correlation between the consumption of fortified wheat and reduced mortality from this specific infant illness.

This research project is being assisted by a Harvard University contract. The contractor provides three full-time personnel, short-term consultants, laboratory supplies and equipment. After five and a half years of continuous field study, partial results obtained through measurements completed indicate that while child growth and development is influenced by wheat products fortified with lysine, the economic cost/benefit factors are still to be determined. A definite assessment of the magnitude and significance of this influence on growth, will be determined following an analysis of data currently being collected in test villages. The initial life-of-project costs are still adequate and no changes are anticipated in the scope of the revised Project Paper dated June 17, 1974.

## 7. Nutrition Planning (Project 284)

### a. Purpose

(1) To assist the Tunisian Government to establish a viable institutional capacity capable of assessing nutritional needs, objectives, and strategies.

(2) To assist in the formulation of policies and programs designed to meet national nutritional needs.

### b. Outputs

Outputs planned for this new project will consist of the following:

(1) An analysis of the Tunisian food and nutrition system and sub-systems, i.e., agricultural production, food processing and distribution and consumption patterns, and identification of national nutrition policy and program objectives for Tunisian Government consideration.

(2) A team of trained Tunisian professionals capable of maintaining systematic analyses without foreign technical help.

(3) Increased awareness and advocacy of nutrition planning by key decision makers and senior technical personnel in various ministries.

### c. Implementation Progress

This project was initially planned to start in FY 1975. USAID developed a PRP which was reviewed and approved by AID in March of this year. Both the USAID and GOT Institute of Nutrition were prepared to complete design work for the PP this Spring, and AID/W assisted in selecting consultants for this purpose.

While the GOT has continued to indicate a clear interest in launching a nutrition planning activity, their review of the PRP is not yet complete. An inter-ministerial working group was convened on May 26, 1975 to review the proposed activity under the chairmanship of the International Cooperation Division of the Ministry of Foreign Affairs. USAID was subsequently informed that further GOT study of this proposal was required, and that the Government intended to resume discussions with USAID in late June. Consequently, a decision was reached to defer obligation to FY 1976.

Given the complexity of issues involved, and the potential impact of integrated nutrition planning on traditional agricultural and health planning and policy decision-making, USAID must await GOT intensive review of this activity, thereby permitting the GOT to examine the implications.

8. Rural Development - Siliana (Project 285)

a. Project Purpose

To promote economic improvement, in keeping with national quality of life and economic standards, in a rural area of Tunisia and to develop capabilities for sustained rural development.

b. Outputs

(1) Increased productivity/net income will be realized for rural populations from increased agricultural yields and other economic activities achieved through integrated development.

(2) Increased delivery of health and educational services to effectively reach remote areas.

(3) Increased popular participation in planning and implementation of economic and social development.

c. Implementation Progress

USAID/GOT discussions on a possible U.S. assistance project in rural development began over one year ago. In February 1975 a PRP was submitted to AID/W proposing such an activity in Siliana Gouvernorat (province) -- one of the rural gouvernorats of the interior -- along the lines of the above stated purpose and outputs. The GOT is fully committed under its current Four Year Plan (CY 1973 - 76) to stimulating development in the interior gouvernorats, such as Siliana, and considers launching this new joint activity of particular significance.

Following AID/W review of the PRP this Spring, USAID was instructed to continue design work on the project, with initial funding reserved for FY 1976. The target date for completing a revised design was June 30; however, due to the complex set of issues involved, such a target has not proven

realistic. Nevertheless, both the USAID and GOT have agreed to move ahead quickly with the project design leading hopefully to a final decision on the project this Fall.

Having tentatively selected Siliana Gouvernorat in Central Tunisia, USAID and the gouvernorat staff have begun assessing potential project sites. An initial difficulty has been selection of a site with reasonable economic potential and which also would have significant impact on the gouvernorat's rural poor. Determining the appropriate balance between productivity and equity objectives has been one of the first project design tasks with the GOT assisted by AID/W consultants. The GOT is also beginning work on the coming Five Year Plan (CY 1977-81), and revisions in national Rural Development policy which will emerge must also be considered.

USAID will be continuing design work with the GOT, and hopes to settle the issue of site selection, and arrive at a tentative project framework early in FY 1976. Further TDY assistance will be requested in the near future as project development unfolds.

B. Population Planning and Health

1. Family Planning (Project 224)

a. Purpose

To develop an institutional capacity to attract the patronage of, and to deliver effective family planning services to, a sufficiently large portion of the population in the reproductive age group as to permit attainment of demographic objectives of the Tunisian Government.

b. Outputs

(1) Efficient, cost effective management of the national family planning program, including an adequate system of personnel administration, accounting, property management and communications and records.

(2) An integrated and effective health education and public information program.

(3) An adequately staffed and organized medical program effectively assuring good quality medical and para-medical services to family planning patients throughout the country.

(4) A statistical and research unit producing accurate, timely service statistics and operationally-oriented applied research needed in the management and improvement of the national program.

c. Implementation Progress

The last PAR was submitted in September, 1974. Positive developments with regard to outputs which were commented on at that time have continued since then, while a number of questionable points noted in the PAR are now being dealt with in a constructive way by the National Office of Family Planning. Personnel, property management and accounting have continued to improve and appear to be approaching an acceptable end of project level. Communications and records are adequate for basic needs. Health education is good at the mass media level and in reaching leadership groups; it has not yet gotten down in an acceptable way to the potential client in an MCH center, hospital or home, and a major effort is needed here. On the other hand, good progress has been achieved in the last year in developing population education in the high schools

and in agricultural extension. A reasonably adequate medical division exists, but much remains to be done in developing and applying national standards for clinical services, supervision of medical services, and improving training of doctors and para-medical personnel. The statistical and research office is becoming a more and more professional unit. The service statistics are accurate and timely, and an increasingly meaningful, operationally-oriented research and evaluation effort is being developed. Only in the area of cost/effective management has little been accomplished to date; however, a research effort to measure costs is now included in the current work program. Nationally, the number of married women protected from unwanted pregnancy has increased from 6 to 7 per cent two years ago to about 10 per cent today.

Two important new developments require mention. First, the Office of Family Planning, in response to AID/W suggestions, is embarking on a broadscale program to distribute pills and condoms through non-medical channels. This development could mean a breakthrough in expanding use of these methods, which have lagged in Tunisia, while tubal ligations, abortions and IUD use have expanded rapidly in the past two years. AID/W, in approving the new PROP, has agreed to provide some 2,000,000 cycles of pills and 64,000 gross of condoms for this new effort in the next two years. The GOT now plans to distribute these contraceptives without prescription through pharmacies, pharmaceutical agents, social workers and Family Planning Association offices as well as through the network of public health family planning centers. A first phase to test administrative requirements, educational needs and public response will be carried out in two health regions this year. Second, in approving the PP, AID has confirmed plans to carry out a comprehensive evaluation of the project in early FY 76. USAID/Tunis believes the evaluation team should include a public health physician, a statistics/research specialist, a health educator, and a management/supply specialist if at all possible. The Tunisian Family Planning Office has concurred in the review, which is now planned for late July or August.

In summary, USAID believes this project is now moving at an acceptable rate of progress toward a successful completion in 1977. This progress is in large part the result of stable and dynamic leadership for the last year and a half, and a change in that leadership could be damaging. There is an increasing depth of competent staffing however, at both senior and middle levels, which provides further grounds for long-term confidence.

2. Bizerte Public Health (Project 286)

a. Purposes

(1) To improve the quality and quantity of potable water supply affecting approximately 60% of the rural population in two villages in Bizerte area.

(2) To increase community awareness as to benefits and advantages of an improved water supply.

(3) To establish an institutional capability designed to improve and maintain water sources and thus improve public health.

b. Planned Outputs

(1) Construction/renovation of one hundred potable water sources, each to serve roughly 500 people and 1,000 hooved animals.

(2) Establishment of a permanent maintenance and disinfection team under governorat supervision and control.

(3) Establishment of a mobile health education team for the life of the project.

(4) Establishment of a governmental capacity to continue construction and maintenance of water supply sources in the area.

c. Implementation Progress

This activity constitutes USAID's first operational program grant (OPG) to a private voluntary organization. A grant agreement was signed between AID/W and CARE/Medico on May 30, 1975 providing FY 1975 funding of \$105,000. A second and final A.I.D. grant contribution to the project of \$52,000 will be made out of FY 1976 funds.

Field work has begun in Bizerte with four Peace Corps personnel now assigned and at the project site. Well digging teams financed by the Tunisian Government have also begun project activity. For further details, see Project Paper submitted via TOAID A-169 of December 20, 1974 and the above-mentioned grant agreement.

C. Education and Human Resources Development

1. Management Education and Executive Development  
(Project 228)

a. Purpose

To help establish a Graduate School of Business Management within the University of Tunis.

b. Outputs

(1) A modern case-study oriented curriculum; trained staff including 18 Ph.D.'s in Business Management, 3 MBA's, and 1 M.A. in Teaching English as a foreign language; and a faculty development program.

(2) An executive seminar program of 4-6 seminars each academic year.

(3) An efficient library, administrative office with counseling and job placement services, and a research bureau producing studies of value to the community.

c. Implementation Progress

This project is designed to improve both the quantity and quality of managers and administrators in the public and private sectors. To that end, A.I.D. contracted in 1968 with the University of Illinois to help establish a modern MBA level curriculum in Business Management adapted to Tunisia's needs.

There were problems in the early years of the project related to degree equivalency and low salaries that resulted in fewer candidates for training than expected. These problems were finally resolved by Tunisian Government legislation in 1973 but the project had gotten somewhat behind its original schedule. In 1974 the original PP was revised and updated (in the new format) to extend the termination date from FY 1974 to FY 1977 in order to fund project participants to completion of their Ph.D. studies. The project is progressing well on the basis of the revised schedule.

After five and one-half years of project activity, the basic institutional foundation of a graduate school of business is in place. A modern curriculum has been established at the MBA level and accepted by the Government. Both U.S. and Tunisian-oriented case studies are being utilized. Nine U.S.-trained Ph.D.'s are teaching at the University and an additional 7 Ph.D. candidates are still studying in the U.S. Two remain to be nominated. The 3 MBA's have also returned from their U.S. training and are teaching at the University along with 1 M.A. in Teaching English as a Foreign Language. The school has been graduating an average of 18 students per year (35-40 is the target) but enrollment is increasing steadily. Moreover, all 72 graduates since 1971 have found meaningful employment, or are continuing toward Ph.D. training. The staff is already capable of organizing the required number of annual seminars and, to date, has organized a total of 37 seminars in relevant fields such as financial analysis, accounting, inventory management, and operational research. A research Bureau was set up in 1974 by a U.S.-trained Ph.D. though it is not yet fully operative. A properly staffed library has been established with 7,250 volumes.

No changes are presently anticipated in the scope, purpose or budget of the project as approved in the PP of June 1974. Additional details on this project may be found in the PAR of February 14, 1975.

2. Agricultural Economics Education (Project 237.2)

a. Purpose

To help improve the quality of instruction in the undergraduate economics school of the University of Tunis.

b. Outputs

(1) A total of 15 Ph.D.-trained faculty members, plus short-term training in the U.S. to acquaint French-trained professors with U.S. universities and economics teaching methodologies.

(2) Short courses and seminars by visiting U.S. professors plus 3 man-years of teaching and advisory services by a U.S. economics professor; also, short visits to the U.S. by the Tunisian Dean of the Economics School.

(3) A total of 500 basic economics books plus calculators and other equipment for research.

c. Implementation Progress

This project was designed to produce trained economists at the University of Tunis qualified to apply modern economic theory in practical solutions to Tunisia's economic problems. To that end, AID contracted with the University of Minnesota to improve the quality of instruction at the Economics School of the University of Tunis by strengthening the teaching staff and introducing new subject matter and improved teaching methods. The work plan called for (1) staff development to the point where half (19 at the time) of the total staff requirement would be met through U.S. training, (2) short courses and seminars by U.S. professors, and (3) library development.

Recruitment of participants for U.S. training was slow in the early years of the project due to problems of degree equivalency, and some participants did not progress past the Masters level. The problem of degree equivalency has been partially resolved, and is no longer a major obstacle to U.S. training. The total U.S. training requirement for the project was reduced in the PP revision of 1974 from 19 to 15 PhDs (50% of the technical staff of the Economics Department). All 15 have been sent to the U.S. for training; 3 have returned to Tunisia and are employed by the Economics School; the rest are scheduled to return over the next 2 years.

The Contractor - the University of Minnesota - provided the 3 man-years of advisory services through a qualified professor who served at the Economics School through FY 1973. During that period, the Contractor successfully created a climate of acceptance, among key Tunisian faculty members, of U.S. academic training in the field of economics. Visiting professors from Minnesota have held 20 short courses and/or seminars. The Contractor has also provided 500 economics books plus statistical and scientific calculators which are being fully utilized at the School. Some short-term advisory services will be required in FY 1976 to help complete the project.

The graduating class of 1974 is a good indicator of the quality of instruction. Out of 100 graduates; 35 were accepted for higher education (15% is considered a good standard) and the other 65 are all believed to have secured appropriate employment in the Tunisian economy.

The project is progressing on schedule and no change is anticipated in scope or purpose as approved in the PP of August, 1974. Additional details on this project may be obtained in the PAR dated May 13, 1975. .

V. PL 480 Programs

A. Title I

No Title I Sales Agreements were signed in either FY 1974 or FY 1975. None is programmed for FY 1976 or FY 1977, unless present circumstances change significantly. Given the susceptibility of the Tunisian economy, particularly its agriculture, to vagaries of weather and world price movements, the possibility of such a change should not be excluded.

As was envisaged when the program was undertaken, the pattern of Tunisian consumption of cooking oil has been profoundly altered as a result of imports of U.S. vegetable oil under Title I Sales Agreements from 1962 to 1973. Cheaper imported oil, mainly soybean oil, is mixed with olive oil to provide a product which, as a staple in the Tunisian diet, is available at a price within the reach of low-income families. At the same time, higher priced olive oil is released for export, producing a net gain for the country's foreign exchange position.

The supply of U.S.-origin vegetable oil, which had accounted for between 76% and 98% of all vegetable oil imports in each of the previous five years, was disrupted in 1973 by shortages and the U.S. export embargo and licensing system. At that time, Tunisia turned to European and Brazilian supply sources. It is not yet clear to what extent this action, together with the unavailability of PL 480 vegetable oil in the past two fiscal years, may have resulted in a loss of a market for U.S. vegetable oil.

Wheat sales under PL 480 were ended in 1972. Domestic production in the three years 1972, 1973, and 1974 was sufficient to permit the reduction of wheat imports to about 225,000 MT in each of the last two years (1973 and 1974) and a projected 250,000 MT in 1975 as compared to 425,000 MT in 1970 and about 300,000 MT in each of the years 1971 and 1972.

Tunisia's improved balance of payments situation has enabled it to meet this lower level of imports without concessional financing, even as prices doubled during the past two years. A disastrous crop year, however, such as was narrowly averted by last minute rains this year, could necessitate temporary renewal of such assistance at some time in the future.

B. Title II

1. General

Nutrition activities are an important element of the USAID program in Tunisia. In addition to the continuing assistance to the National Nutrition Institute, and the lysine research activity taking place in Southern Tunisia, USAID and the GOT have been considering a new nutrition planning project scheduled for initial financing in FY 1976. PL 480 Title II commodity assistance is being more closely coordinated with these nutrition activities than in the past. The GOT's acceptance of a phasedown schedule for primary school feeding, and its cooperation with the voluntary agencies in developing nutrition education and related feeding programs through maternal and child health centers (MCH), indicate a willingness to adjust priorities in line with A.I.D. Title II strategy.

USAID's Title II program in Tunisia constitutes essentially of three elements:

a. A reduced but continuing commodity input to the GOT's primary school lunch program reaching 6 to 12 year olds and managed through CARE/MEDICO and Catholic Relief Services (CRS).

b. A maternal and child health program aimed at pregnant and nursing mothers and infants in the 0 to 3 year old category also managed by the Voluntary Agencies CARE/MEDICO and CRS.

c. A government-to-government feeding program reaching rural and urban poor children in the 3 to 6 year old category through municipal centers located nationwide and under the direction and management of the National Committee for Social Solidarity (NCSS).

Each of these three program elements involves coordination with different GOT ministries and offices and, consequently, the transition we are now trying to make through deemphasis of primary school feeding, and increased attention to the preschool group, involves careful coordination and planning. Nevertheless, USAID believes that substantial progress has been made during the past year in obtaining GOT acceptance of, and planning for, a gradual phasedown and out of the primary school lunch program, and consideration of new ways to target Title II commodity aid on the younger children.

## 2. Voluntary Agencies Programs

As indicated above, CARE and CRS provide intermediary management of both the MCH and the primary school lunch program. The latter was reduced last year from a total coverage of 525,000 recipients, or over half the primary school population, to 300,000 school children, concentrating on schools located in rural communities and the poorer sections of the major urban centers. The MCH program reaches 20,000 recipients through 100 centers located nationwide and the voluntary agencies hope to expand the program next year to reach 40,000.

With regard to U.S. commodity assistance to the school lunch program, a five-year phaseover plan was proposed several months ago by the Tunisian Government, discussed with USAID and the voluntary agencies, and submitted with the FY 1976 AERs. The plan calls for maintaining the current level of 300,000 primary school recipients through FY 1977, and, thereafter, beginning an annual 25% reduction in U.S. commodity inputs, with the final contribution scheduled for FY 1981. The Ministry of Education representatives responsible for managing this program have emphasized to USAID the necessity of phasing out our Title II assistance only on a gradual basis since the budgetary implications of effecting this transfer are considerable. For example, the GGT contribution to the primary school lunch program amounts to somewhat more than \$3.2 million annually, and reduction of our commodity inputs will require nearly a 50% increase in this budget. Considering the pressures in Tunisia to reduce educational costs, which absorb around 25% of the annual national budget, a transition which permits the Tunisians to absorb the costs of our commodity aid in incremental steps is absolutely vital if the program, in its present form, is to be maintained.

The attached FY 1977 program plans by CARE and CRS call for a continuation of U.S. assistance at FY 1976 levels to the school feeding program. It should be noted that the voluntary agencies and the GGT place considerable stress upon the importance of maintaining the wheat flour-for-semolina commodity exchange approved by AID/W for 1975 program. This commodity exchange has permitted the voluntary agencies to support a highly successful macaroni program, utilizing a formula developed by CARE nutritionists in Tunisia that contains a high percentage of WSB. The formula arrived at requires semolina rather than wheat flour, in order to attain the proper consistency for making macaroni. While appreciating AID/W hesitancy to approve commodity exchanges of this nature, the success of this program is reason to consider continuing Title II support. As U.S. commodity aid is diminished, USAID proposes to reduce first the wheat flour element of the program, and maintain the WSB component through the final years of our assistance, so that this highly nutritious macaroni program can be retained.

The Voluntary Agencies, CARE and CRS, in cooperation with the GOT Ministry of Health, are planning an expansion of the MCH commodity/nutrition education assistance program to 40,000 recipients. While the USAID endorses these plans, increases beyond the 40,000 recipient level probably cannot be anticipated, unless the number of centers is expanded or another method developed for reaching this target group nationwide. Various proposals have been considered, including development of nutrition education, combined with commodity assistance, and channeled through Ministry of Health dispensaries throughout the country. The USAID will be reviewing various proposals together with the voluntary agencies over the coming year, and also anticipates that the nutrition planning project, if approved for FY 1976 financing, will help develop the kind of national nutrition plan and strategy required before the various options for MCH commodity assistance can be assessed.

### 3. The Government-to-Government Program

The GOT and USAID for many years have sponsored a government-to-government feeding program operated through 446 municipal centers located predominantly in the poorer urban and rural communities. This program is targeted at 193,000 preschool recipients in the 3 to 6 year old age group and consists of a small, light early morning snack of milk and bread for the children involved. The program is sponsored by the Ministry of Social Affairs through the Tunisian National Committee for Social Solidarity (NCSS). During FY 1975, the GOT contributed \$1.6 million to the program in addition to our commodity aid.

While some preliminary thought has been given to developing a nutrition education component to this program, a firm step in this direction has not yet been taken. Among the difficulties to be resolved are (a) inter-ministerial coordination between the Ministries of Health and Social Affairs, and (b) the fact that children participating in the municipal center programs generally are not accompanied by an adult when they visit the center, thereby prohibiting any significant impact through nutrition education.

USAID is currently beginning an internal evaluation of the preschool government-to-government program and will be submitting to AID/W a project paper in the near future. This paper will be of a tentative nature, since a long-term strategy for dealing with programs reaching the 3 to 6 year old groups in Tunisia must be linked to development of an integrated nutrition plan and Tunisian national nutrition

strategy. While we hope the GOT is moving in the direction of developing such a plan, as demonstrated by their interest in a joint nutrition planning project, we do not believe that the managerial and program issues involved in this transition can be resolved over the short run. If the nutrition education approach, which was developed with the Ministry of Health and conducted through the MCH centers, continues to prove successful, consideration will be given to developing a parallel program with the Ministry of Social Affairs and NCSS for the municipal centers program. Eventually, the GOT may choose to merge the two programs; however, that is an option requiring further assessment and forward planning.

V. C. TABLES (1/3)

P.L. 480 Title II FY 1977

TUNISIA  
(Country)

Sponsor's Name: CARE

A. Maternal and Child Health (0-3 years old)

Total Recipients: 25.0 (000s)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Pounds (000s)</u>	<u>U.S. \$ (000s)</u>
25.0 a)	WSB d)	<u>1,200</u>	<u>135</u>
	Total:	<u>1,200</u> =====	<u>135</u> ===

B. Primary School Feeding Total Recipients: 186.2 (000s)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Pounds (000s)</u>	<u>U.S. \$ (000s)</u>
186.2 c)	( Flour	4,934	527
	( Oil	466	163
	( WSB	<u>1,397</u>	<u>157</u>
	Total:	<u>6,797</u>	<u>847</u>

C. Other Feeding Programs - NONE

C. TABLES (2/3)P.L. 480 Title II FY 1977TUNISIA  
(Country)Sponsor's Name: CRS

## A. Maternal and Child Health (0-3 years old)

Total Recipients: 15.0 (000s)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Pounds (000s)</u>	<u>U.S. \$ (000s)</u>
15.0 a)	WSB d)	<u>720</u>	<u>81</u>
	Total:	720 ===	81 ==

## B. Primary School Feeding -

Total Recipients: 115.2 (000s)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Pounds (000s)</u>	<u>U.S. \$ (000s)</u>
115.2 c)	( Flour	3,064	327
	( Oil	289	101
	( WSB	<u>867</u>	<u>97</u>
	Total:	4,220 =====	525 ===

## C. Other Child Feeding -

Total Recipients: .8 (000s)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Pounds (000s)</u>	<u>U.S. \$ (000s)</u>
.8 (CARITAS)	( Flour	11	e)
	( Oil	3	e)
	( WSB	<u>10</u>	<u>e)</u>
	Total:	24 =====	e) ===

C. TABLES (3/3)P.L. 480 Title II FY 1977TUNISIA  
(Country)Sponsor's Name: GOT/National Committee for Social Solidarity

## A. Government-to-Government Preschool Feeding Program

Total Recipients: 192.6 (000s)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Pounds (000s)</u>	<u>U.S. \$ (000s)</u>
192.6 b)	(Flour	14,860	1,587
	(Oil	1,486	520
	(ICSM	<u>5,944</u>	<u>773</u>
	Total:	22,290	2,880
		=====	=====

## B. Other Feeding Programs - None

NOTES:

- a) Mothers plus children 0-3 years of age. Operating period is 12 month a year.
- b) Children 3-6 years of age: Operating period is 12 month a year.
- c) Students 6-12 years of age: Operating period is 5 months a year.
- d) Tentative: GOT indicated recently a rethinking of WSB as a commodity for MCH Program use, beginning 1976. They will try using a national blended food<sup>1/2</sup> which manufacturing will be starting next fall. Will confirm after negotiations.
- e) Amount less than \$1,000.00.

Typical daily rations per beneficiaryPreschool (350 days per year)

100 grams flour (bread)  
40 grams ICSM (gruel)  
10 grams Oil

MCH (350 days per year)

60 grams WSB (gruel)

School Canteens (100 days per year)

120 grams flour (part macaroni, part bread)  
35 grams WSB  
10 grams Oil

## VI. Housing Investment Guaranty Programs

### A. Public Sector Housing Industry Organizations

The National Housing Agency, SNIT (Societe Nationale Immobiliere de Tunisie), a government agency, was created in 1969 to finance and construct subsidized low cost housing in urban areas. Since its inception it has been involved in all aspects of the housing industry. Because of material shortages, financial shortfalls, and a highly centralized organization, SNIT has fallen short of meeting its objectives. SNIT is in the process of decentralization to permit expansion into rural and urban areas outside Tunis, to a larger extent than hitherto possible. SNIT will continue its activities in construction of low and middle income housing but will not remain pre-eminent in government subsidized financing for low-cost housing.

Financing of this latter type will be largely handled by a new organization, the National Savings and Loan Institute, CNEL (Caisse Nationale d'Epargne-Logement), which was recently established for this purpose. CNEL does not supervise or in any way engage in construction, being a contract savings and loan organization. Their terms are identical with those of SNIT, i.e., a four year savings period earning 4%, and subsequent guaranteed mortgage for double the value of the savings, to be amortized in 10 years. As will be seen below, both SNIT and CNEL have recently expressed an interest in a Housing Investment Guaranty.

### B. Current Activities re HIG

In December 1972, AID guaranteed a \$10 million loan, No. 664-HG-002, to the National Housing Institute of Tunisia (SNIT), which at that time was the primary source for GOT subsidized long-term mortgage financing for low-cost housing. This Housing Investment Guaranty of \$10 million was expected initially to finance construction of a total of 5,100 units in three price ranges: Class A, 1,200 units at \$5,149 per unit; Class B, 1,800 units at \$2,725 per unit; and Class C, 2,100 units at \$1,736 per unit. Costs per unit have more than doubled in dollar terms since the HIG loan was signed. This development is due to increased costs of construction materials, labor costs, and changes in exchange rates. It became apparent in early 1974 that the \$10 million HIG would serve to finance only about 1,800 units. SER/H initiated during May 1974, therefore, general discussions with SNIT, the GOT Ministry of Plan, and made contact with the Housing Savings and Loan Institute (CNEL) concerning the possibilities for a new HIG loan. Because of the

prevailing high interest rate at that time, the GOT was reluctant to accept HIG loan terms unless the HIG terms, which were then incompatible with a largely subsidized low cost housing program, were softened by some other form of assistance. The idea of a new Housing Investment Guaranty was abandoned at that time.

Beginning late in CY 1974, however, the GOT learned that the commercial interest rate in the United States had begun to decline. Accordingly, the President of CNEL, who was the GOT representative to the Housing Conference for Africa held in Kinshasa in January 1975, discussed with SER/H officials at that conference the possibility of negotiating another new HIG loan to enable CNEL to begin its activities in financing the construction of houses. This matter was also discussed by the USAID Mission Director during his TDY to Washington (February/March 1975). As a result, CNEL was advised to submit through GOT channels its formal request for a HIG loan. CNEL's formal request has not yet been received by USAID, but it is believed that CNEL is directing a request through the Ministry of Plan.

More recently, SNIT has also inquired about the possibility of resuming negotiations for a HIG loan, in the amount of \$15 to \$20 million, in order to complete the remaining units, in Classes B and C only, originally planned under Loan 664-HG-002. This was to be discussed further with SER/H, by the President of SNIT who was in Washington during June 1975.

Assuming interest rates remain attractive to the GOT and negotiations continue towards a new HIG, AID will have to weigh the merits of 1) financing the remainder of the 664-HG-002 units, 2) financing a specific rural project or projects, or 3) generally assisting CNEL through increasing the capital available for low cost subsidized housing. In any event, any HIG financed units would be identifiable, and it should be possible to focus HIG efforts on increasing housing starts in rural areas if so desired.

At present, action concerning a new HIG lies with the GOT. USAID is firmly convinced, however, that if another HIG is to be considered, the shelter analysis done in the Fall of 1973 would have to be reviewed and possibly revised to take into account recent changes in the Tunisian housing industry and market.

VII.

SUMMARY TABLE

A.I.D. Financial Support for Private Voluntary  
Organizations (\$000)

Country: Tunisia

<u>ONGOING GRANTS:</u>	<u>FY 1976</u>	<u>Int. Qtr.</u>	<u>FY 1977</u>
A. Ongoing OPG (initiated FY 75)	-	-	-
1. Bizerte Public Health	52	-	-
Subtotal	52	-	-
of which cooperatives (non-add)	(-)	(-)	(-)
B. Non-OPG	-	-	-
Subtotal	-	-	-
of which cooperatives (non-add)	(-)	(-)	(-)
<u>NEW GRANTS:</u>			
A. OPGs			
1. Le Kef Maintenance and Repair	45	-	-
2. Nutrition Education in Tunis Sud	47	-	-
Subtotal	92	-	-
of which cooperatives (non-add)	(-)	(-)	(-)
B. Non-OPG	-	-	-
Subtotal	-	-	-
of which cooperatives (non-add)	(-)	(-)	(-)
<u>LOANS:</u>			
Subtotal	-	-	-
of which cooperatives (non-add)	(-)	(-)	(-)
<u>TOTAL</u>	144	-	-
	===	===	===