

**AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT**



**FIELD BUDGET SUBMISSION  
FY 1975**

**TUNISIA**

BEST AVAILABLE

**DEPARTMENT  
OF  
STATE**

AUGUST 1973



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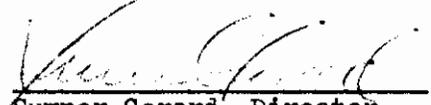
FIELD BUDGET SUBMISSION  
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USAID/TUNISIA  
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Prepared by:

Planning & Program Staff

Approved by:

  
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Sumner Gerard, Director

August, 1973

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## A. Total Country Program Summary

### 1. Overview

United States economic assistance to Tunisia was reduced substantially in FY 1973. Although a PL 480, Title I soybean oil Agreement for \$10.5 million (30,000 MT) was signed in June, 1973, no shipments have been authorized due to the current embargo on U.S. exports of this commodity. PL 480 Title II shipments were one-third less than anticipated due primarily to the termination of U.S. assistance to Tunisia's food-for-work rural employment program. Development assistance grant funds were also reduced approximately 25%. As a result, total new U.S. aid commitments to Tunisia in FY 1973 were \$17.8 million (including \$10.5 million still subject to the oil embargo), compared to a \$35-\$40 million average annual level in recent years.

The Government of Tunisia has informed the Embassy and the USAID Mission that its current soybean oil stocks will be depleted by August 15; i.e., in two weeks' time, and has repeatedly asked that the embargo with respect to Tunisia's outstanding agreement for 30,000 MT be lifted as soon as possible. Obviously, U.S. balances of payments and domestic market requirements are important considerations. The USAID must point out, however, that the embargo comes at a time when U.S. assistance has already been cut back in several other program areas, causing many GOT officials at the highest levels to question both our methods and purpose.

Reductions in PL 480 require a reassessment and restructuring of our assistance effort in Tunisia, since PL 480 has been the largest single factor in terms of total resource transfers. The new directions of the A.I.D. Reform Plan also require a new look and better targeting of our aid resources. This reassessment is timely since the GOT has just finished its Four-Year Plan (1973-1976). Consequently, AID/W's decision to defer the requirement for a Tunisia DAP was appropriate and will provide USAID the opportunity it needs to review the Four-Year Plan with the GOT and coordinate our DAP with their development strategy. The USAID has scheduled discussions with the Ministry of Plan this Fall and intends to submit a DAP about one year from now.

In the course of the next two years, several current U.S. technical assistance projects in our areas of concentration will either have reached their scheduled completion dates or be in the process of redesign. Consequently, next year's FBS will mark more of a turning point than this year's budget submission which is heavily committed to funding of on-going activities. Nevertheless, the USAID has continued to concentrate its resources with the limited flexibility we now have, and several new initiatives are being proposed in this budget submission.

With respect to the total donor aid effort in Tunisia, the U.S. role is important but diminishing. In terms of projected aid flows into Tunisia for CY 1973, rather than commitments, the GOT estimates that U.S. grant assistance will be around \$10 million out of total donor grant aid of \$49 million. Of a projected \$128 million in public lending to Tunisia for 1973, two-thirds will be tied to projects. Of the non-project loans (\$42 million), roughly one-third is anticipated in the form of U.S. PL 480 sales and aid-financed commodity imports from the U.S.

In terms of drawdowns on available loans, United States' assistance accounted for 11% of the total in CY 1972, ranking fifth behind the multilateral organizations (primarily World Bank), Germany, France, and Italy. The level of U.S. financial assistance will continue to diminish, if PL 480 availabilities remain tight.

Where other donor assistance relating to our areas of program concentration deserves particular comment, it is included in the balance of this narrative. Otherwise, comments on other donor activities included in last year's FBS still apply.

## 2. Areas of Concentration

U. S. assistance to Tunisia is currently concentrated in four major areas: food production, nutrition, family planning and manpower development. In addition, we are recommending Title I sales of cereals and soybean oil, and housing investment guaranties for both FYs 1974 and 1975, totalling \$24 million each year. These two latter programs are not within our present areas of major program emphasis; however, they would constitute, if approved, the principal source of resource transfers financed via U.S. aid, and therefore of considerable importance to Tunisia in terms of its budgetary and balance of payments projections.

Increasing food production is one of the key objectives of the USAID program. This area of concentration is broad in recognition of the variety and magnitude of resource inputs we are making to agriculture. Any further refinement of the way we describe this sector of concentration will be part of the assessment over the next year leading up to a DAP.

An Agricultural Development Loan of \$11 million was authorized in FY 1972 and provides local currency for the agriculture portion of the GOT development budget. Our technical assistance grants focus on accelerating production of livestock and cereals crops, expanding the use of irrigation together with other inputs to increase productivity, and assisting in the development of an improved economic research and planning capacity in agriculture.

We also propose to launch a survey in FY 1974 of Tunisia's evident grain collection, storage and delivery problems, particularly as they affect small farmers in remote areas. We propose to finance technical advisory services to the Ministry of Agriculture to assist the GOT in developing a demonstration project in the use of stabilization ponds for treating sewage for irrigation purposes. This latter proposal is of the very highest priority to the GOT. Pending results of both the cereals storage survey and the demonstration of stabilization ponds to be financed with FY 1974 funds, and confirmation that they fit our over-all DAP strategy, we tentatively propose project loans in each of these new program areas in FY 1975.

In sum, USAID is requesting approximately \$1.5 million in new grant assistance to agriculture in FYs 1974 and 1975, a \$10 million Agricultural Development Loan for authorization in the last quarter of FY 1974, and foresees the possibility of financing the above two new project loans in FY 1975 totalling \$8 million (\$3 million for cereals storage and \$5 million for treatment of sewage for irrigation).

The second USAID program objective is to improve nutrition, particularly among the poor. Resource requirements include grant technical assistance to establish a new Nutrition Institute and carry out an important research project on the benefits of lysine fortification of wheat. Grants of PL 480, Title II commodities provide nutritional supplements to Tunisia's poor pre-school and primary school children and pregnant and nursing mothers. Title II assistance is a major resource for the support of CARE and CRS nutrition research and nutrition development programs in Tunisia.

\$304,000 in grant technical assistance is requested in FY 1974 as a final contribution to our two nutrition technical assistance projects. It is requested that PL 480 Title II assistance continue at between \$4 - \$4.5 million for child feeding programs; however, if Title II is cut substantially during the next year due to world-wide funding and commodity limitations, USAID will have to reconsider nutrition as an area of program concentration.

Our third objective in Tunisia is to assist the substantial GOT effort under way to reduce population growth. Tunisia's population growth rate must be contained and gradually reduced or else population pressure on a fragile economy will diminish Tunisia's chances for sustained growth. We propose a continuation of our current program at the level of \$1.1 million in FY 1974 and \$2.1 million in FY 1975 covering technical assistance and budgetary support to the Office of Family Planning.

Our fourth program objective is to assist in upgrading Tunisia's technical and managerial expertise for development. We have already helped create a viable graduate business management program and an improved economics program at the University of Tunis. We propose in FY 1974 to begin a new project aimed at improving the engineering program at the University, and this effort is being proposed as a candidate for block grant assistance.

In FY 1974 and FY 1975, respectively, \$357,000 and \$448,000 in new funding for manpower development is requested. While assistance to the business management and economics programs is terminating, USAID proposes that U.S. assistance continue to play a reduced role in the fields of technical and managerial training. In addition to the proposed block grant for the engineering school, for example, USAID is discussing with the GOT their goals for non-formal training of technical school graduates required to fill middle-level management and technical positions throughout the economy. We are considering a possible small training program in this area in the near future.

### 3. Proposed TC/DG Funding Levels

It will be noted in Table I that USAID's total request for technical assistance development grant funding in FY 1974 is \$2.7 million, i.e., \$300,000 more than our request in last year's FBS. There are three principal reasons for the increase. Last year's FY 1974 request for \$2.4 million in TC/DG funds assumed funding at a \$2.2 million level in FY 1973, when in fact our budget ceiling in this category for FY 1973 was reduced to \$1.6 million. As a result, on-going budget requirements which could not be eliminated were deferred to FY 1974.

Secondly, among USAID's deferred obligations was a backlog of participant training starts, particularly in livestock production (Project 276). New A.I.D. funding directives have substantially increased costs charged to Mission programs for training services by AID/W. We have predicated our FY 1974 and FY 1975 participant funding requirements on the basis of the provisions of AIDTO Circular A-430 which provides for increased allotments to the USAID to cover increased training costs.

Thirdly, local support costs of U.S. technicians (housing, international travel, utilities, etc.) will be covered with excess U.S.-owned dinars purchased with project dollars, rather than charged to GOT funds as in the past. The GOT will continue to provide a substantial contribution to U.S. project costs via Trust Funds provided to the USAID (350,000 dinars annually) as well as through their regular budget. The USAID considers, however, that U.S. technician local costs are no longer an appropriate charge to GOT funds, particularly given the reduced levels of U.S. financial aid availabilities to Tunisia.

Summary of Commitments by Appropriation Category

(Loan Authorizations/Obligations/PL 480 Shipments/HIG Authorizations)  
(\$ thousands)

	<u>FY 1973 Actual</u>	<u>FY 1974 Estimate</u>	<u>FY 1975 Request</u>
1. Development Loans			
- Project Loans	( - )	( - )	(8,000)
- Sector Loans	( - )	(10,000)	( - )
- Program Loans	( - )	( - )	( - )
2. Technical Assistance <sup>a/</sup>	1,595	2,699	2,541
3. Population	870	1,146	2,071
4. International Narcotics Control	-	-	-
<u>Sub-total</u>	2,465	13,845	12,612
5. PL 480 Title I Shipments	10,500 <sup>b/</sup>	14,000	14,700
6. PL 480 Title II Shipments	4,789	4,212	5,612 <sup>c/</sup>
7. Housing Investment Guaranties	-	10,000	10,000
Total Commitments	17,754	42,057	42,924

<sup>a/</sup> Includes technical support.

<sup>b/</sup> Sales Agreement signed June 13, 1973 for vegetable oil now subject to embargo on exports.

<sup>c/</sup> Includes \$1,100,000 possible Title II Food For Work Program for 10,000 tons of wheat to support housing construction for the poor.

Country or Sub-region

Summary of Commitments by Worldwide Areas ofEmphasis and Other Activities

(\$ thousands)

	FY 1973 <u>Actual</u>	FY 1974 <u>Estimate</u>	FY 1974 <u>Request</u>
<b>A. <u>Food Production and Nutrition</u></b>	<b><u>730</u></b>	<b><u>11,763</u></b>	<b><u>9,504</u></b>
- Grants ..... Sub-total	(730)	(1,763)	(1,504)
205.1 Ag. Production - Cereals	68	236	199
237.1 Ag. Econ. Research and Planning	161	449	440
255.1 Institute of Nutrition	86	72	-
255.2 Lysine Fortification Study	63	232	-
276 Livestock Production	172	408	498
277 Integrated Agric. Development	180	366	367
- Loans ..... Sub-total	( - )	(10,000)	(8,000)
- Agriculture Development Loan	-	10,000	-
- Sewage treatment for Irrigation	-	-	5,000
- Regional Cereals Storage	-	-	3,000
- PL 480 Title I Shipments	-	-	-
- PL 480 Title II Shipments	-	-	-
<b>B. <u>Population and Health</u></b>	<b><u>870</u></b>	<b><u>1,146</u></b>	<b><u>2,071</u></b>
- Grants ..... Sub-total	(870)	(1,146)	(2,071)
224 Family Planning Project	870	1,146	1,071
- Family Planning Program Grant	-	-	1,000
- Loans .....	-	-	-
- PL 480 Title I Shipments	-	-	-
- PL 480 Title II Shipments	-	-	-
<b>C. <u>Education and Human Resources Development</u></b>	<b><u>290</u></b>	<b><u>357</u></b>	<b><u>448</u></b>
- Grants ..... Sub-total	(290)	(357)	(448)
228 Management Education	189	157	63
237.2 Economics Education	101	-	66
264 Engineering Education	-	200	319
- Loans .....	-	-	-
- PL 480 Title I Shipments	-	-	-
- PL 480 Title II Shipments	-	-	-

TABLE II (cont'd)

	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>
D. <u>Power, Transportation and Industry</u>	-	-	-
E. <u>Program Assistance</u>	<u>10,500</u>	<u>14,000</u>	<u>14,700</u>
- Grants .....	-	-	-
- Loans .....	-	-	-
- PL 480 Title I Shipments	10,500	14,000	14,700
- PL 480 Title II Shipments	-	-	-
- H.I.G.'s	-	-	-
F. <u>Activities Outside Above Areas</u>	<u>4,789</u>	<u>14,212</u>	<u>15,612</u>
- Grants .....	-	-	-
- Loans .....	-	-	-
- PL 480 Title I Shipments	-	-	-
- PL 480 Title II Shipments	4,789	4,212	5,612
- H.I.G.'s	-	10,000	10,000
G. <u>Technical Support (Grants)</u>	<u>575</u>	<u>579</u>	<u>589</u>
<u>Total Commitments</u>	<u>17,754</u>	<u>42,057</u>	<u>42,924</u>
Grants	2,465	3,845	4,612
Loans	-	10,000	8,000
PL 480 Title I Shipments	10,500	14,000	14,700
PL 480 Title II Shipments	4,789	4,212	5,612
H.I.G.'s	-	10,000	10,000

Excess      Currency Narrative  
for  
Tables III, III-A and III-B

Attached are local currency tables illustrating USAID estimated requirements for Fiscal Years 1974 and 1975 under PL 480 Section 104(h) Grants and Section 104(f) Loans. Table III summarizes our estimated requirements of 576,000 Dinars for FY 1974 and 1,066,000 Dinars for FY 1975. In order to illustrate the importance of timing of obligations and expenditures by project we have also prepared two back-up tables, one for 104(h) Grant project requirements and one for 104(f) loans (III-B). These tables have an additional column showing the GOT budget year (calendar year) against which excess currency allocations will be made.

Table III-A: Section 104(h) Grant Requirements

Funds under this section support USAID and GOT nutrition projects. Table III-A shows a decrease in 104(h) funding levels for FY 1974 and FY 1975 as U.S. dinar grant financing of the Institute of Nutrition operating budget is discontinued.

A 66,000 Dinar grant will be required in both FY's 1974 and 1975 to complete the important lysine fortification study. Since funds are released quarterly for nutrition programs, it is important that the 76,000 Dinars requested for CY 1974 be made available in January so as to assure continuation of project activity.

Table III-B: Section 104(f) Loan Requirements

104(f) lending supports specific priority economic development projects in the GOT budget. The latest loan amounting to 1,436,000 Dinars was signed in January 1973. An additional 743,000 Dinars was subsequently authorized by STATE 114781 of June 14, 1973 for final U.S. financing of the Tunis-Carthage Airport Project, and the agreement is now in preparation.

For FY 1974, we anticipate a reduced 104(f) program request of 500,000 Dinars. This loan will provide financing of local currency costs of GOT subsidized housing programs for the poor. For further discussion of this program, see the narrative portion of the FBS relating to housing.

The funds requested in FY 1975 relate to two projects which are described in the Food Production Narrative. They are the Tunis Sewage Irrigation Project and the Regional Cereals Storage Project. The tentative funding level of 1,000,000 Dinars is required for mid FY 1975, dependent upon the results of FY 1974 dollar financed surveys pertaining to both dinar loans.

The following table summarizes our PL 480 Section 104(f) loan requirements for FY 1974, and tentative estimates for FY 1975 according to timing of authorization and estimated date of proposed loan agreement. USAID will alert AID/W of any changes in timing and funding levels requested as more firm programming and planning with the GOT is undertaken.

<u>Project Title</u>	<u>Amount 000's Dinars</u>	<u>GOT Budget Year</u>	<u>Date Authorization Requested</u>	<u>Estimated Date Loan Agreement</u>
Housing Program	500	1974	January 1974	March 1974
Tunis Sewage for Irrigation	500	1975	January 1975	March 1975
Regional Storage Facilities	500	1975	January 1975	March 1975

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TABLE III

## Excess Currency Requirements

Under Mandate Allocations  
(000's dinars)

<u>Project or Area of Concentration</u>	<u>Actual U.S. FY 1973</u>	<u>Estimate U.S. FY 1974</u>	<u>Planned U.S. FY 1975</u>
<u>Grant Projects</u>			
Nutrition Institute Operations	22	10	-
Moving Expenses (Institute)	2	-	-
National Nutrition Survey	56	-	-
Lysine Fortification	<u>65</u>	<u>66</u>	<u>66</u>
<u>Sub-Total</u>	<u>145</u>	<u>76</u>	<u>66</u>
<u>Loan Projects</u>			
Tunis/Carthage International Airport	743	-	-
Housing Program	-	500	-
Tunis Sewage for Irrigation	-	-	500
Regional Storage Facilities	<u>-</u>	<u>-</u>	<u>500</u>
<u>Sub-Total</u>	<u>743</u>	<u>500</u>	<u>1,000</u>
<u>TOTAL</u>	888 <u>(\$2,315)</u>	576 <u>(\$1,515)</u>	1,066 <u>(\$2,805)</u>

Exchange Rate: \$1.00 = 0<sup>d</sup>,380

## P.L. 480 Section 104 (h) Grant

Excess Currency Requirements  
 (000's dinars)

<u>Project or Area of Concentration</u>	<u>GOT Budget Year (CY)</u>	<u>Actual U.S. FY 1972</u>	<u>Actual U.S. FY 1973</u>	<u>Estimate U.S. FY 1974</u>	<u>Planned U.S. FY 1975</u>
<u>Authorized and Released to GOT.</u>					
Nutrition Institute Operations	1972	30	-	-	-
Nutrition Institute Construction	1972	285	-	-	-
National Nutrition Survey	1972	30 <sup>a/</sup>	-	-	-
Lysine Fortification	1972	59	-	-	-
	<u>Sub-Total</u>	<u>404<sup>b/</sup></u>			
<u>Authorized for Release to GOT in CY 73</u>					
Nutrition Institute Operations	1973	-	22	-	-
Moving Expenses	1973	-	2	-	-
National Nutrition Survey	1973	-	56	-	-
Lysine Fortification	1973	-	65	-	-
	<u>Sub-Total</u>	-	<u>145<sup>c/</sup></u>	-	-
<u>USAID Program Request</u>					
Nutrition Institute Operations	1974	-	-	10	-
National Nutrition Survey	1974	-	-	-	-
Lysine Fortification	1974	-	-	66	-
Lysine Fortification	1975	-	-	-	66 <sup>e/</sup>
	<u>Sub-Total</u>	-	-	<u>76<sup>d/</sup></u>	<u>66</u>
	<u>TOTAL</u>	<u>404</u>	<u>145<sup>c/</sup></u>	<u>76<sup>d/</sup></u>	<u>66<sup>e/</sup></u>

- a) Of which 15,000 dinars released in CY 1972. The Balance is carried over in addition to the 56,000 dinars requested in CY 1973 for total and final program of 70,000 dinars during CY 1973.
- b) Includes carryover funds available from CY 1971 and 224,000 dinars granted June 1972 to carry out total CY 1972 program (State 119 450). Funds released to GOT quarterly.
- c) Funds requested in TQAID A-281 of December 22, 1972 and made available to USAID by STATE 114781 of June 14, 1973.
- d) Funds required in January 1974 in order to assure continuation of project activity.
- e) Plans are to extend project and financing by one year to complete two additional surveys required by the research project.

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PL 480 Section 104(f) Loan

TABLE III-B

Excess Currency Requirements  
(000's dinars)

<u>Project or Area of Concentration</u>	<u>GOT Budget Year (CY)</u>	<u>Actual U.S.FY 1972</u>	<u>Actual U.S.FY 1973</u>	<u>Esti- mated U.S.FY 1974</u>	<u>Planned U.S.FY 1975</u>
<u>A. Released to GOT from previous loans</u>					
Faculty of Science	1971	326	-	-	-
Tunis/Carthage Airport	1971	276	-	-	-
<u>Sub-Total</u>		<u>602</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>B. Released to GOT from Loan G-049</u>					
Completion CY 1971 Program	1971	720	-	-	-
Tunis/Carthage Airport	1972	716	-	-	-
<u>Sub-Total</u>		<u>1,436</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>C. Authorized and loan document in process (664-G-051)</u>					
Tunis/Carthage Airport	1972 & 1973	-	743	-	-
<u>Sub-Total</u>		<u>-</u>	<u>743</u>	<u>-</u>	<u>-</u>
<u>D. USAID Program Request</u>					
Housing Program	1974	-	-	500	-
Tunis Sewage for Irrigation	1975	-	-	-	500
Regional Storage Facilities	1975	-	-	-	500
<u>Sub-Total</u>		<u>-</u>	<u>-</u>	<u>500</u>	<u>1,000</u>
<u>TOTAL</u>		<u>2,038</u>	<u>743</u>	<u>500</u>	<u>1,000</u>

B. Area of Concentration:

1. Food Production

a. Food Production: General

Our proposed assistance in this sector comprises important financial aid via an agricultural development loan and loans of PL 480-generated local currencies. Technical assistance projects include agricultural planning and research, cereals and livestock production, and demonstration of an integrated approach to development of an important irrigation perimeter in the Upper Medjerda Valley.

In addition to our on-going projects, we are proposing two new initiatives in FY 1974 and FY 1975 which will involve a mix of resources--capital and technical assistance, local currency, loans, and agricultural development loan counterpart funds. We propose assisting the GOT to (1) develop an effective low-cost system of treating Tunis sewage for irrigation purposes and (2) increase small farmer income and access to farmer services through expansion and decentralization of grain storage facilities in rural areas of Tunisia.

b. Food Production: Development Lending

About a year and a half ago, we changed our development lending policy in recognition of Tunisia's improved Balance of Payments position. A.I.D. and the GOT agreed to focus U.S. development lending on the agricultural sector rather than continue with general program lending to finance commodity imports as in previous years. An agricultural development loan of \$11 million was approved in late FY 1972, signed by the two Governments in January, 1973, and the conditions precedent have now been met for its implementation. This loan will, in addition to financing commodity imports primarily from the U.S., generate local currency counterpart funds for agricultural development which will be programmed jointly by A.I.D. and the GOT beginning with their CY 1974 budget now in preparation.

Budgeting of these funds will also take into account the agriculture portion of the new Four Year Plan (1973-1976). The Plan sets sound priorities, but the quantitative objectives will be difficult to attain. Nevertheless, the policies reflected in that Plan, e.g., greater reliance on private capital and government-subsidized agriculture credit programs rather than direct budgetary outlays, and concentration on short-term productive investments rather than long-term infrastructure projects, represent a positive approach which we can support even if the investment targets are probably too high.

We intend to take a position with the GOT that a portion of the local currency funds generated by the agriculture loan should be concentrated on extending improved technology and farmer services to as broad a spectrum of the rural farm population as possible with particular emphasis on the small farmer. Such redirection must be gradual, since the Tunisian effort over the past several years to get the agricultural sector moving again has concentrated on larger farm units, rather than on the small private farmer and his needs. The next phase, however, should emphasize small farm units since that is where the best hope for increased acreage lies.

The GOT has accepted the agricultural sector emphasis of our lending program in their forward planning. Their Four Year Plan calls for an agricultural loan of \$10 million in 1974 and 1976, which also corresponds to the Mission's view as to timing and levels (a loan every other year amounting to an additional annual resource of about \$5 million for the agriculture sector.) The success of our discussions with the GOT on the budgeting of counterpart allocations for the CY 1974 budget will be important in determining future assistance to the sector. If the budgeting exercise proceeds smoothly, USAID proposes to begin preparation of a new loan paper in January, 1974. A new agricultural development loan of \$10 million is tentatively projected for the last quarter of FY 1974.

c. Food Production: Technical Assistance

USAID provides technical assistance funding for advisory services, training, and commodities in four activities associated with increasing food production. These are: agricultural economic research and planning, accelerated cereals production, accelerated livestock production, and integrated agricultural development.

(1) Project 237.1 - Agricultural Economic Research and Planning.

As a result of a review by the USAID, the GOT, and University contractor over the past year, the Minnesota Contract portion of the project has been redesigned to place more emphasis on planning and design of a research program which can make a useful input to the Plan. The University of Minnesota Contract team in Tunis has been reduced to four people: two concentrating in the areas of research and sector analysis and two in planning. In carrying out the purposes of this project, the contractor will concentrate upon guiding research and planning activities of returned participants as they are integrated into the BPDA structure.

Due to budgetary limitations in FY 1973, the Mission only obligated \$180,000 for an additional six months' extension of the Minnesota contract (July 1 to December 31, 1973). \$449,000 in new

funding is estimated for FY 1974, and we are requesting \$440,000 in new funding for FY 1975. (FY 1974 funding includes \$50,000 for a new initiative discussed in Part d (1) which follows). Terminal funding for the contract is projected for FY 1978.

The GOT and UNDP/FAO have tentatively agreed on a project allied with the Bureau of Plan and Agricultural Development (BPDA) of the Ministry of Plan for training Tunisians in project analysis. The project is expected to be signed by September, 1973 and the FAO has already started recruitment of some of the six experts to serve for two years, after which the terms of the project will be renegotiated. The aim of the GOT is to create an agricultural studies center outside the Ministry of Agriculture for analysis of projects for BPDA. While we have questioned the advisability of a separate center outside BPDA, we recognize the need for competence in project analysis and believe that the training to be provided by FAO is important. UNDP/FAO activities in this area should complement and hopefully will not infringe on our assistance to BPDA in planning and over-all economic analysis and research.

(2) Project 205.1 - Accelerated Cereals Production

This activity is a coordinated one, involving four agents: the Government of Tunisia, CIMMYT, Ford Foundation, and A.I.D. Substantial progress has been made in increasing the quantity of cereals production in Tunisia, extending fertilizer utilization, introducing wheat varieties and improving seed technology.

In an attempt to reach small farmers who lack normal security guaranties for short-term credit, the GOT is exploring new forms of agricultural credit. It is expected that funds generated by the agriculture loan will be attributed to the rural credit sector. In the interim, a pilot credit program is being carried out with technical assistance provided under the cereals project, emphasizing supervised credit, closer identification with small farmers and increased farmer services to insure loan repayments.

USAID assistance under this project provides financing of direct hire technicians, participant training, and agricultural demonstration equipment. Funding requirements for FY 1974 are \$236,000 and for FY 1975, \$199,000. (FY 1974 funding includes \$50,000 for a new initiative discussed in Part d (2) which follows.) USAID inputs to the project as currently designed will terminate as of FY 1975, at which time it is anticipated that the Government of Tunisia, with continued assistance from CIMMYT and Ford, can plan its own effort toward self-sufficiency in bread wheat production and continue development of improved hard wheat.

(3) Project 276 - Accelerated Livestock Production is a 10-year program begun in FY 1971, of which the first phase is expected to terminate in FY 1975. USAID has begun a review of this project to determine if a redesign is required to improve the focus of project activities and coordinate it with the emphasis on investment in livestock contained in the Four Year Plan.

Increased meat production is still one of the key measures of project achievement. As a prerequisite, the project has: established production demonstration on 124 farms in five of Tunisia's thirteen Gouvernorates; established, with the GOT, a functioning livestock production organization; assisted in the improvement of irrigated forage on 19 farms; introduced improved range management and forage production practices on 10,000 hectares of government farms; and introduced modern animal husbandry practices on 27 selected farms in Northern Tunisia.

For FY 1974 and FY 1975, our anticipated requirements for new funds are \$408,000 and \$498,000, respectively. Over half of this assistance is required for stepping up both our short-term and long-term participant training program in order to leave behind a significant pool of Tunisian manpower in livestock production technology.

(4) Project 277 - Integrated Agriculture Development intends to install and expand an irrigation system as part of a coordinated effort taking account, for example, of land tenure, marketing and credit factors in the Upper Medjerda Valley region. Important objectives will be to increase productivity and output on small private farms. Initial financing for the project was made available in FY 1973, and the project will be carried out over a six-year period terminating in FY 1978. Due to budgetary limitations in FY 1973, only \$180,000 was approved as six months' funding to permit hiring of PASA technicians early in FY 1974 and launch the project on the ground in the fall of CY 1973. For FY 1974 and FY 1975, respectively, we are requesting new funding authority of \$366,000 and \$377,000 to cover technician costs, participants, and demonstration farm and engineering equipment.

d. Food Production: New Initiatives

(1) Treating Sewage for Irrigation

Over the past year, the Government of Tunisia, in cooperation with a number of outside sources, has begun developing a program for reducing and ultimately stopping the disposal of waste into the Lake of Tunis. The Smithsonian Institution has for some years now been studying the particular ecology of the lake. A Swedish

consultant has recommended a program for immediate aeration, treatment, and dredging. The U.S. Environmental Protection Agency (EPA) has plans for a contract with the GOT to study the ecology of the lake both before and during treatment, and after the lake has been reclaimed.

Diversion of sewage creates the need for alternative methods of treatment rather than disposal; therefore, the U.S. Government financed in FY 1973 the services of a consultant to develop a plan for utilization of waste stabilization ponds. In USAID discussions with the GOT Ministry of Agriculture, we have emphasized that an improved sewage disposal system for the Lake of Tunis using the stabilization pond system can also provide an inexpensive and effective means for generating a treated water resource for agricultural irrigation. The Government of Tunisia agrees with this approach. A plan must be worked out, however, and the proper design of a demonstration stabilization pond system prepared. The Ministry of Agriculture has asked us to provide consultant services to design the demonstration system, and to develop with the GOT, and in coordination with the other donors and agencies involved, a plan for treatment of Greater Tunis sewage that will have as its goal increasing scarce water resources for agricultural irrigation.

USAID has included \$50,000 for this purpose in FY 1974 under Project 237.1, since design of the proposal is of direct concern to on-going forward planning by the Ministry in the irrigation sub-sector. If the demonstration ponds are a success, and assuming a coordinated plan can be agreed upon during the course of the current fiscal year, we tentatively recommend for FY 1975 financing a project loan of up to \$5 million for U.S. participation in a sewage treatment and irrigation system. The proposed project loan would provide resources for development of the stabilization ponds system and collection of irrigation water from ponds. The loan would provide only a part of the resources required in conjunction with GOT and other donor inputs.

We anticipate that in conjunction with this project loan, a PL 480, 104 (f) local currency loan of approximately 500,000 dinars would be required to launch construction. In CY 1975, and subsequent years, the GOT Ministry of Agriculture would be expected to finance continuing and maintenance costs for the stabilization ponds and irrigation system out of its budgetary resources.

The USAID considers this proposed new activity as being of high priority on several counts. It is of great importance to Tunisia's development, in that sewage is one of the few untapped fresh water resources available for irrigation. Adequate sewage treatment for the greater Tunis area is essential for public health and proper urban planning. Development of a successful waste stabilization pond system

adaptable to irrigation is of scientific and technological importance to the Mediterranean Basin area, where we understand this approach would be a pilot effort. Such a project would be of important research interest to the U.S. as reflected by the active involvement of EPA. The collateral benefits from the ancillary cleaning up of the Lake of Tunis and the elimination of its odor in terms of the reduction of risk from fish pathology reclamation of valuable urban real estate, encouragement of tourism, and contribution to national pride and morale are impossible to estimate.

Finally, both adequate sewage treatment for Tunis and its suburbs and the cleaning of the Lake are among the highest priority objectives of the Tunisian Government.

## (2) Regional Cereals Storage Facilities

Tunisia lacks sufficient regional facilities throughout the grain producing areas of the country that would permit the small private farmer to get his production into covered storage and into the commercial sector rapidly and efficiently. Considerable loss and waste occur every year due to the fact that small farmers do not have ready access to storage, transport, and other farmer services. Small regional storage facilities, similar to the small farm elevators that contributed so much to the development of the Mid-Western United States, could also provide the focal point for provision of other farmer services (extension, credit, seed, etc.), as well as points for storage and marketing of farm produce.

We have begun discussions with the Minister of Plan and the Office of Cereals on the proposal, and it has been agreed that if A.I.D. funds are made available, we would jointly explore the rural grain storage problem and related services with special emphasis on providing these services to the small farmer. USAID proposes to include \$50,000 under Project 205.1 this year in order to undertake a survey of the need for regional storage facilities in Tunisia, and to propose the framework for a preliminary design for such a project. Subject to the findings of the survey, we tentatively propose a project loan of up to \$3 million in FY 1975 to carry out a feasibility study and to cover commodity imports in conjunction with the construction phase. A PL 480, 104 (f) excess currency loan for 500,000 dinars is also contemplated for FY 1975 to provide local currency support to the construction phase. Subsequent financing of the construction, installation and maintenance of such a system would be borne by the GOT budget.

The survey which we propose in FY 1974 is of importance to increasing cereals production in Tunisia. It also represents an initiative designed to increase small farmer income and greater access of small farmers to Government services. The USAID recommends that this proposal be tentatively accepted for funding as a project loan in FY 1975 and that the minimal funding requested in FY 1974 to carry out the survey be approved as part of Project 205.1.

TABLE IV

TUNISIA  
Country or Sub-region

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

Area of Concentration: <u>Food Production</u>		<u>FY 1973</u> <u>Actual</u>	<u>FY 1974</u> <u>Estimate</u>	<u>FY 1975</u> <u>Request</u>
<u>Loans</u>	Total	-	10,000	8,000 <sup>a/</sup>
- Agriculture Development Loan		-	10,000	-
- Sewage Treatment for Irrigation		-	-	5,000 <sup>a/</sup>
- Regional Cereals Storage		-	-	3,000 <sup>a/</sup>
<u>Grants</u>	Total	581	1,459	1,504
205.1 Agric. Production - Cereals		68	236 <sup>b/</sup>	199
237.1 Agric. Econ. Research & Planning		161	449 <sup>c/</sup>	440
276 Livestock Production		172	408	498
277 Integrated Agric. Development		180	366	367
<u>PL 480 Title I Shipments</u>		-	-	-
<u>PL 480 Title II Shipments</u>		-	-	-
<u>H.I.G.'s</u>		-	-	-
	<u>Total Commitments</u>	581	11,459	9,504

a/ Dollar figures are tentative only pending results of surveys and analysis to be carried out under Projects 237.1 and 205.1. In addition, two PL 480 10<sup>4</sup> (f) loans of approximately 500,000 dinars each are contemplated in connection with these two proposed capital projects for FY 1975 (see Excess Currency Narrative).

b/ Includes \$50,000 for survey of regional grain storage facilities in connection with above proposed loan "Regional Cereals Storage".

c/ Includes \$50,000 for advisory services in connection with a demonstration project to determine feasibility of above loan "Sewage Treatment for Irrigation" in FY 1975.

TABLE V

**PROJECT BUDGET TABLE**  
(\$ thousands)

Project Title Agricultural  
Production - Cereals

Project Number 664-55-130-205.1

Appropriation TA

Area of Concentration (if appropriate) Food Production

Financing Dates (FY)

Begin	End
FY 1965	FY 1975
FY 1966	FY 1976

Obligations  
Expenditures

Project Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN						
	\$	MM	\$	MM					
<b>FY 1973 Oblig.-Total</b>	18	4	-	-	45	89	5	-	68
Direct	18	4	-	-	45	89	5	-	68
PASA	-	-	-	-	-	-	-	-	-
Contract	-	-	-	-	-	-	-	-	-
<b>FY 1973 Expend.-Total</b>	17	4	-	-	** 4	51	19	-	40
Direct	17	4	-	-	4	51	19	-	40
PASA	-	-	-	-	-	-	-	-	-
Contract	-	-	-	-	-	-	-	-	-
<b>6/30/73 Unlig.-Total</b>	* 1	-	-	-	39	77	-	-	***40
Direct	1	-	-	-	39	77	-	-	40
PASA	-	-	-	-	-	-	-	-	-
Contract	-	-	-	-	-	-	-	-	-
<b>FY 1974 Oblig- Total</b>	103	22	-	-	108	57	25	-	236
Direct	43	12	-	-	108	57	25	-	176
PASA	10	4	-	-	-	-	-	-	10
Contract	50	6	-	-	-	-	-	-	50
<b>FY 1974 Expend.-Total</b>	104	22	-	-	81	119	12	-	197
Direct	44	12	-	-	81	119	12	-	137
PASA	10	4	-	-	-	-	-	-	10
Contract	50	6	-	-	-	-	-	-	50
<b>6/30/74 Unlig.-Total</b>	-	-	-	-	66	105	13	-	79
Direct	-	-	-	-	66	105	13	-	79
PASA	-	-	-	-	-	-	-	-	-
Contract	-	-	-	-	-	-	-	-	-
<b>FY 1975 Oblig.-Total</b>	55	16	-	-	139	108	5	-	199
Direct	45	12	-	-	139	108	5	-	189
PASA	10	4	-	-	-	-	-	-	10
Contract	-	-	-	-	-	-	-	-	-
<b>FY 1975 Expend.-Total</b>	55	16	-	-	156	195	18	-	229
Direct	45	12	-	-	156	195	18	-	219
PASA	10	4	-	-	-	-	-	-	10
Contract	-	-	-	-	-	-	-	-	-

\* Represents storage and transportation of things.

\*\* Reflects actual expenditures in FY 1973 of \$28,000 less FY 1972 over-accrual of \$24,000.

\*\*\* Reflects a \$12,000 deobligation shown in the U-203 Report of 6/30/73.

Table Vb

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

Project Number 664-55-130-205.1

PASA/~~Contract~~ Name To be negotiated

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

FY 1972	FY 1973	FY 1974	FY 1975

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

TABLE Vc

Direct Hire Back-Up Budget Table

	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>
Number of Technicians	1	1	1

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

Project Number 664-55-130-205.1

RASA/Contract Name Not yet determined

Contract No. From (mo/yr) To (mo/yr)	FY 1972	FY 1973	FY 1974	FY 1975
			December 1973	
			June 1974	

Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TEN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations									
FY 1973 Expenditures									
6/30/73 Unliquidated									
FY 1974 Obligations	50	6							50
FY 1974 Expenditures	50	6							50
6/30/74 Unliquidated									
FY 1975 Obligations									
FY 1975 Expenditures									

TABLE VI

Project Number 664-55-130-205.1

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

	FY 1974 Obligations			FY 1975 Obligations		
	No.	MMS	\$000	No.	MMS	\$000
<u>U.S. Technicians</u>	-	-	-	-	-	-
<u>PASA:long-term</u>	2	4	10	2	4	10
<u>PASA:short-term</u>	-	-	-	-	-	-
<u>Contract:long-term</u>	2	6	50	-	-	-
<u>Contract:short-term</u>	-	-	-	-	-	-

U.S. Personnel (PASA/CONTRACT, Contract)	Actual FY 1973			Estimated FY 1974			Projected FY 1975			Projected FY 1976		
	On-board 6/30 73	MMS	Expenditures (\$000)	On-board 6/30 74	MMS	Expenditures (\$000)	On-board 6/30 75	MMS	Expenditures (\$000)	On-board 6/30 76	MMS	Expenditures (\$000)
PASA (USDA?)					4	10		4	10			
Total												
Short Term Consultants				-	4	10	-	4	10			
Contract					6	50						
Senior Consultant (Agric. Research)					6	50						

(for contract personnel only)

PROJECT PARTICIPANT TABLE  
(\$ thousands)

Project Number 664-55-130-205.1

(Direct/Indirect/Contract)  
PASA/Contract Number (if appropriate)

FY 1974 Obligations		FY 1975 Obligations	
No.	MMS	No.	MMS
7	42	-	-
-	-	11	66
5	15	6	42
			33

Participants  
L-T (new) 67 \$000  
L-T (cont'g)  
Short-term 41 \$000

Participants	Actual FY 1973				Estimated FY 1974				Projected FY 1975				
	No. In Trng. Dur- ing FY 73	MMS of Trng. Dur- ing FY 73	Expenditures (\$000) Funded In		No. In Trng. Dur- ing FY 74	MMS of Trng. Dur- ing FY 74	Expenditures (\$000) Funded In		No. In Trng. Dur- ing FY 75	MMS of Trng. Dur- ing FY 75	Expenditures (\$000) Funded In		
			FY 72	FY 71 and Prior			FY 73	FY 72 and Prior			FY 74	FY 73 and Prior	FY 75
<b>Participants - Total</b>	10	51	*1	*27	21	119	-	27	24	195	14	54	88
<b>I. U.S. Training</b>	7	38	1	22	16	85	-	16	19	165	12	54	80
A. Long-term	6	37	1	20	11	70	-	16	11	132	12	34	55
New	-	-	-	-	11	70	-	16	-	-	-	-	-
Continuing	6	37	1	20	-	-	-	-	11	132	12	34	55
B. Short-term	1	1	-	2	5	15	-	-	8	33	-	20	25
New	1	1	-	2	5	15	-	-	3	18	-	-	25
Continuing	-	-	-	-	-	-	-	-	5	15	-	20	-
<b>II. 3rd Country Trng.</b>	3	13	-	5	5	34	-	11	5	30	2	-	8
A. Long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
New	-	-	-	-	-	-	-	-	-	-	-	-	-
Continuing	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Short-term	3	13	-	5	5	34	-	11	5	30	2	-	8
New	-	-	-	-	5	34	-	11	3	24	-	-	8
Continuing	3	13	-	5	-	-	-	-	2	6	2	-	-

\* The TABLE V figure of \$4,000 takes into account the actual expenditures of \$28,000 less an FY 1972 over-accrual of \$24,000.

TABLE VIII

COMMODITY AND OTHER COST BUDGET  
(\$ thousands)

Project Title Accelerated Cereals Production Project Number 664-55-130-205.1

Commodity Budget (Type and amount)  
FY 1974 Obligations

Agricultural Demonstration Equipment	10
Research Equipment	<u>15</u>
Total	25

FY 1975 Obligations

Replacement of Equipment and Spare Parts	<u>5</u>
Total	5

Other Cost Budget (Type and amount)  
FY 1974 Obligations

None

FY 1975 Obligations

None

TABLE V

**PROJECT BUDGET TABLE**  
(\$ thousands)

Project Title AGR ECONResearch and PlanningProject Number 664-11-110-237.1Appropriation TAArea of Concentration (if appropriate) Food Production

Financing Dates (FY)

<b>Begin</b>	<b>End</b>
FY 1967	FY 1978
FY 1968	FY 1979

Obligations  
Expenditures

Project Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN						
	\$	MM	\$	MM					
<b>FY 1973 Oblig.-Total</b>	157	52			2	2	-	2	161
Direct	32	12			2	2	-	2	36
PASA	-	-							
Contract	125	40							125
<b>FY 1973 Expend-Total</b>	221	87			65	123	2	2	290
Direct	31	12			2	2	-	2	35
PASA	-	-							
Contract	190	75			63	121	2		255
<b>6/30/73 Unliq.-Total</b>	141	38			39	70	1		*181
Direct	-	-					-		-
PASA	-	-					-		-
Contract	141	38			39	70	1		*181
<b>FY 1974 Oblig- Total</b>	362	97			84	158	3		449
Direct	37	12							37
PASA	-	-					-		-
Contract	325	85			84	158	3		412
<b>FY 1974 Expend-Total</b>	350	89			81	148	4		435
Direct	37	12							37
PASA	-	-					-		-
Contract	313	83			81	148	4		398
<b>6/30/74 Unliq.-Total</b>	153	40			42	80	-		195
Direct	-	-					-		-
PASA	-	-					-		-
Contract	153	40			42	80	-		195
<b>FY 1975 Oblig.-Total</b>	342	92			94	174	4		440
Direct	46	12					-		46
PASA	-	-					-		-
Contract	296	80			94	174	4		394
<b>FY 1975 Expend-Total</b>	351	92			92	172	4		447
Direct	46	12					-		46
PASA	-	-					-		-
Contract	305	80			92	172	4		401

\* Reflects a downward adjustment of \$34,000 as reported in the U-203 Report of 3/31/73.

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

Project Number 664-11-110-237.1

~~XXXX~~/Contract Name University of Minnesota

Contract No. From (mo/yr) To (mo/yr)	FY 1972	FY 1973	FY 1974	FY 1975
	AID/AFR-469	AID/AFR-469	AID/AFR-469	AID/AFR-469
	April 1972	July 1973	January 1974	January 1975
	June 1973	December 1973	December 1974	December 1975

Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations	125	40	-	-	-	-	-	-	125
FY 1973 Expenditures	190	75			63	121	2		255
6/30/73 Unliquidated	141	38			39	70	1		181
FY 1974 Obligations	275	79			84	158	3		362
FY 1974 Expenditures	263	77			81	148	4		348
6/30/74 Unliquidated	153	40			42	80			195
FY 1975 Obligations	296	80			94	174	4		394
FY 1975 Expenditures	305	80			92	172	4		401

TABLE Vc

Direct Hire Back-Up Budget Table

	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>
Number of Technicians	1	1	1

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

Project Number 664-11-110-237.1

~~RISA~~/Contract Name Not yet determined

Contract No.	FY 1972	FY 1973	FY 1974	FY 1975
From (mo/yr)	-	-	-	-
To (mo/yr)	-	-	October 1973	-
	-	-	March 1974	-

Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations									
FY 1973 Expenditures									
6/30/73 Unliquidated									
FY 1974 Obligations	50	6							50
FY 1974 Expenditures	50	6							50
6/30/74 Unliquidated									
FY 1975 Obligations									
FY 1975 Expenditures									

TABLE VI - A

Project Number 664-11-110-237.1

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

	FY 1974 Obligations			FY 1975 Obligations		
	No.	MMS	\$000	No.	MMS	\$000
U.S. Technicians						
PASA: long-term						
PASA: short-term	9	76	269	9	75	285
Contract: long-term	2	3	6	2	5	11
Contract: short-term						

U.S. Personnel ( <del>PASA</del> Contract, implementing agent, and position title)	Actual FY 1973			Estimated FY 1974			Projected FY 1975			Projected FY 1976		
	On-board 6/30	MMS	Ex-pen- tures (\$000)	On-board 6/30	MMS	Ex-pen- tures (\$000)	On-board 6/30	MMS	Ex-pen- tures (\$000)	On-board 6/30	MMS	Ex-pen- tures (\$000)
Contract (University of Minnesota)	4	75	190	10	77	263	9	80	305	4	80	288
1. Long Term												
a. Agricultural Economist		3	5	1	2	5						
b. Agricultural Economist		5	8	1	12	31						
c. Agricultural Economist		8	13	1	12	42						
d. Agricultural Economist	1	12	24	1	12	26	1	12	29	1	12	34
e. Agricultural Economist	1	12	22	1	12	31	1	12	43	1	12	42
f. Planning Advisor	1	6	15	1	9							
g. Planning Advisor	1	1	2	1								
h. Agricultural Economist		1										
Total												

(for contract  
personnel only)

Project Number 664-11-110-237.1

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

U.S. Personnel (PASK/Contract, implementing agent, and position title)	Actual FY 1973		Estimated FY 1974		Projected FY 1975		Projected FY 1976	
	On- board 6/30 73	Ex- pendi- tures (\$000)	On- board 6/30 74	Ex- pendi- tures (\$000)	On- board 6/30 75	Ex- pendi- tures (\$000)	On- board 6/30 76	Ex- pendi- tures (\$000)
2. Short Term								
a. Policy Consultant	3	4	-	-	-	-	-	-
b. Planning Advisor	2	3	-	-	-	-	-	-
c. TDY Consultants	-	-	3	6	-	11	-	11
3. Travel Transport and Other Direct Costs		30		41		56		33
4. Overseas Overhead		20		26		25		25
5. Home Office Salaries & Benefits	23	30	5	37	5	39	27	39
6. Home Office Overhead		14		18		20		20
								(for contract personnel only)

TABLE VI - B

Project Number 664-11-110-237.1

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

	FY 1974 Obligations		FY 1975 Obligations	
	No.	MMS	No.	MMS
U.S. Technicians		\$000		\$000
PASA: long-term				
PASA: short-term				
Contract: long-term				
Contract: short-term	1	6	50	

	Actual FY 1973		Estimated FY 1974		Projected FY 1975		Projected FY 1976	
	On-board 6/30	Expenditures (\$000)	On-board 6/30	Expenditures (\$000)	On-board 6/30	Expenditures (\$000)	On-board 6/30	Expenditures (\$000)
U.S. Personnel (PASA/Contract, implementing agent, and position title)	73		74		75		76	
Contract: Total			-	50			(for contract personnel only)	
Senior Consultant (Engineer)				30				
Travel, Transportation and Other Direct Costs				10				
Overhead				10				

PROJECT PARTICIPANT TABLE  
(\$thousands)

Project Number 664-11-110-237.1  
(~~RKSSA/MSA/Contract~~)  
XMSA/Contract Number (if appropriate)  
AID/AFR-469

Participants	FY 1974 Obligations		FY 1975 Obligations	
	No.	MMS	No.	MMS
L-T (new)	6	14	2	6
L-T (cont'g)	13	144	15	168
Short-term				90

Participants	Actual FY 1973				Estimated FY 1974				Projected FY 1975					
	No. In Trng. Dur- ing FY 73	MMS of Trng. Dur- ing FY 73	Expenditures (\$000) Funded In		No. In Trng. Dur- ing FY 74	MMS of Trng. Dur- ing FY 74	Expenditures (\$000) Funded In		No. In Trng. Dur- ing FY 75	MMS of Trng. Dur- ing FY 75	Expenditures (\$000) Funded In			
			FY 72 and Prior	FY 73			FY 73 and Prior	FY 74			FY 74 and Prior	FY 75		
<u>Participants - Total</u>	16	121	-	63	17	148	39	-	42	19	172	-	43	49
I. <u>U.S. Training</u>	16	121	-	63	17	148	39	-	42	19	172	-	43	49
A. <u>Long-term</u>	16	121	-	63	17	148	39	-	42	19	172	-	43	49
New	8	56	-	29	5	40	-	-	23	6	52	-	8	20
Continuing	8	65	-	34	12	108	39	-	19	13	120	-	35	29
B. <u>Short-term</u>														
New														
Continuing														
II. <u>3rd Country Trng.</u>														
A. <u>Long-term</u>														
New														
Continuing														
B. <u>Short-term</u>														
New														
Continuing														

TABLE VII-B

PROJECT PARTICIPANT TABLE  
(\$thousands)

Project Number 664-11-110-237.1

(Direct/FASA/00005000)

FASA/Contract Number (if appropriate)

Participants	FY 1974 Obligations		FY 1975 Obligations	
	No.	MMS	No.	MMS
L-T (new)		\$000		\$000
L-T (cont'g)				
Short-term				

Participants	Actual FY 1973				Estimated FY 1974				Projected FY 1975			
	No. In Trng. Dur- ing FY 73	MMS of Trng. Dur- ing FY 73	Expenditures (\$000) Funded In		No. In Trng. Dur- ing FY 74	MMS of Trng. Dur- ing FY 74	Expenditures (\$000) Funded In		No. In Trng. Dur- ing FY 75	MMS of Trng. Dur- ing FY 75	Expenditures (\$000) Funded In	
			FY 72 and Prior	FY 73			FY 73 and Prior	FY 74			FY 74 and Prior	FY 75
<u>Participants - Total</u>	2	2			2	2			2	2		
<u>I. U.S. Training</u>	2	2			2	2			2	2		
<u>A. Long-term</u>												
New												
Continuing												
<u>B. Short-term</u>	2	2										
New	2	2										
Continuing												
<u>II. 3rd Country Trng.</u>												
<u>A. Long-term</u>												
New												
Continuing												
<u>B. Short-term</u>												
New												
Continuing												

TABLE VIII

COMMODITY AND OTHER COST BUDGET  
( \$ thousands)

Project Title Agricultural Economic Research Project Number 664-11-110-237.1  
and Planning

Commodity Budget (Type and amount)  
FY 1974 Obligations

Office Equipment, Furniture and Automobile Spare Parts: Total: 3

FY 1975 Obligations

Office Equipment, Furniture, and Automobile Spare Parts: Total: 4

Other Cost Budget (Type and amount)  
FY 1974 Obligations

None

FY 1975 Obligations

None

TABLE V

**PROJECT BUDGET TABLE**  
(\$ thousands)

Project Title Accelerated Livestock  
Production

Project Number 664-11-130-276

Appropriation TA

Area of Concentration (if appropriate) Food Production

Financing Dates (FY)

	Begin	End
Obligations	FY 1971	FY 1975
Expenditures	FY 1972	FY 1976

Project Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
<b>FY 1973 Oblig.-Total</b>	100	35			38	48	32	2	172
Direct	60	24	-		38	48	32	2	132
PASA	40	11	-		-	-	-	-	40
Contract	-	-	-		-	-	-	-	-
<b>FY 1973 Expend.-Total</b>	180	64	-		11	15	58	2	251
Direct	* 55	24	-		11	15	58	2	126
PASA	125	40	-		-	-	-	-	125
Contract	-	-	-		-	-	-	-	-
<b>6/30/73 Unlig.-Total</b>	50	16	-		44	56	22	-	116
Direct	1	1	-		44	56	22	-	67
PASA	49	15	-		-	-	-	-	49
Contract	-	-	-		-	-	-	-	-
<b>FY 1974 Oblig.-Total</b>	152	48	-		240	228	15	1	408
Direct	64	23	-		240	228	15	1	320
PASA	88	25	-		-	-	-	-	88
Contract	-	-	-		-	-	-	-	-
<b>FY 1974 Expend.-Total</b>	202	64	-		83	100	37	1	323
Direct	65	24	-		83	100	37	1	186
PASA	137	40	-		-	-	-	-	137
Contract	-	-	-		-	-	-	-	-
<b>6/30/74 Unlig.-Total</b>					201	184	-	-	201
Direct	-	-	-		201	184	-	-	201
PASA	-	-	-		-	-	-	-	-
Contract	-	-	-		-	-	-	-	-
<b>FY 1975 Oblig.-Total</b>	230	64	-		263	256	4	1	498
Direct	78	24	-		263	256	4	1	346
PASA	152	40	-		-	-	-	-	152
Contract	-	-	-		-	-	-	-	-
<b>FY 1975 Expend.-Total</b>	230	64	-		274	258	4	1	509
Direct	78	24	-		274	258	4	1	357
PASA	152	40	-		-	-	-	-	152
Contract	-	-	-		-	-	-	-	-

\* Reflects actual FY 1973 expenditures of \$59,000, less a \$4,000 overaccrual shown in the U-203 Report of 6/30/73.

Table Vb

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

Project Number 664-11-130-276PASA/~~Contract~~ Name United States Department of Agriculture

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

FY 1972	FY 1973	FY 1974	FY 1975
AFR(AJ)04-72	AFR(AJ)04-72	AFR(AJ)04-72	AFR(AJ)04-72
July 1972	July 1972	July 1973	July 1974
June 1973	June 1973	June 1974	June 1975

Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations	40	11							40
FY 1973 Expenditures	125	40							125
6/30/73 Unliquidated	49	15							49
FY 1974 Obligations	88	25							88
FY 1974 Expenditures	137	40							137
6/30/74 Unliquidated	-	-							-
FY 1975 Obligations	152	40							152
FY 1975 Expenditures	152	40							152

Table Vc

Direct-Hire Back-Up Budget Table

	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>
Number of technicians	2	2	2





TABLE VIII

COMMODITY AND OTHER COST BUDGET  
( \$ thousands)

Project Title Accelerated Livestock Production Project Number 664-11-130-276

Commodity Budget (Type and amount)

## FY 1974 Obligations

Seed and inoculants	11
Miscellaneous Spares, Replacement Parts	
Small demonstration equipment and supplies	<u>4</u>
Total	15

## FY 1975 Obligations

Demonstration Equipment & Supplies	Total	4
------------------------------------	-------	---

Other Cost Budget (Type and amount)

## FY 1974 Obligations

Operational Travel and per/diem for Tunisians Not covered under PIO/P's	Total	1
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## FY 1975 Obligations

Operational Travel and per/diem for Tunisians Not covered under PIO/P's	Total	1
--	-------	---

TABLE V

**PROJECT BUDGET TABLE**  
(\$ thousands)

Project Title Integrated Agricultural

Financing Dates (FY)

DevelopmentProject Number 664-12-120-277

Obligations

BeginEndAppropriation TA

Expenditures

FY 1973

FY 1978

Area of Concentration (if appropriate) Food Production

FY 1974

FY 1979

Project Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM \$			
	\$	MM \$	\$	MM \$			\$	MM \$	\$
<b>FY 1973 Oblig.-Total</b>	84	39	-	-	12	16	84	-	180
Direct	-	-	-	-	-	-	-	-	-
PASA	84	39	-	-	12	16	84	-	180
Contract	-	-	-	-	-	-	-	-	-
<b>FY 1973 Expend-Total</b>	-	-	-	-	-	-	-	-	-
Direct	-	-	-	-	-	-	-	-	-
PASA	-	-	-	-	-	-	-	-	-
Contract	-	-	-	-	-	-	-	-	-
<b>6/30/73 Unlig.-Total</b>	84	39	-	-	12	16	84	-	180
Direct	-	-	-	-	-	-	-	-	-
PASA	84	39	-	-	12	16	84	-	180
Contract	-	-	-	-	-	-	-	-	-
<b>FY 1974 Oblig- Total</b>	129	40	-	-	72	52	165	-	366
Direct	35	12	-	-	-	-	-	-	35
PASA	94	28	-	-	72	52	165	-	331
Contract	-	-	-	-	-	-	-	-	-
<b>FY 1974 Expend-Total</b>	213	79	-	-	51	44	169	-	433
Direct	35	12	-	-	-	-	-	-	35
PASA	178	67	-	-	51	44	169	-	398
Contract	-	-	-	-	-	-	-	-	-
<b>6/30/74 Unlig.-Total</b>	-	-	-	-	33	24	80	-	113
Direct	-	-	-	-	-	-	-	-	-
PASA	-	-	-	-	33	24	80	-	113
Contract	-	-	-	-	-	-	-	-	-
<b>FY 1975 Oblig.-Total</b>	223	89	-	-	50	36	94	-	367
Direct	35	12	-	-	-	-	-	-	35
PASA	188	77	-	-	50	36	94	-	332
Contract	-	-	-	-	-	-	-	-	-
<b>FY 1975 Expend-Total</b>	223	89	-	-	61	44	130	-	414
Direct	35	12	-	-	-	-	-	-	35
PASA	188	77	-	-	61	44	130	-	379
Contract	-	-	-	-	-	-	-	-	-

Table Vb

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

Project Number 664-12-120-277

PASA/~~CONTRACT~~ Name (Not yet negotiated)

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

Budget & Expenditures	Personnel				Partici-pants		Commod-ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations	84	39	-	-	12	16	84	-	180
FY 1973 Expenditures	-	-	-	-	-	-	-	-	-
6/30/73 Unliquidated	84	39	-	-	12	16	84	-	180
FY 1974 Obligations	94	28	-	-	72	52	165	-	331
FY 1974 Expenditures	178	67	-	-	51	44	169	-	398
6/30/74 Unliquidated	-	-	-	-	33	24	80	-	113
FY 1975 Obligations	188	77	-	-	50	36	94	-	332
FY 1975 Expenditures	188	77	-	-	61	44	130	-	379

Table Vc

DIRECT-HIRE BACK-UP BUDGET TABLE

	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>
Number of Technicians	-	1	1

Project Number 64-12-120-277

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

	FY 1974 Obligations			FY 1975 Obligations		
	No.	MMS	\$000	No.	MMS	\$000
U.S. Technicians						
PASA: long-term	6	23	69	6	72	177
PASA: short-term	5	5	25	4	5	11
Contract: long-term	-	-	-	-	-	-
Contract: short-term	-	-	-	-	-	-

U.S. Personnel (PASA/Contract, implementing agent, and position title)	Actual FY 1973		Estimated FY 1974		Projected FY 1975		Projected FY 1976	
	On-board 6/30	Ex- pendi- tures (\$000)	On- board 6/30	MMS	On- board 6/30	Ex- pendi- tures (\$000)	On- board 6/30	Ex- pendi- tures (\$000)
PASA (USDA) - Total	73	-	74	67	75	188	76	(for contract personnel only)
1. Project manager - USDA	-	-	1	10	1	29	-	-
2. Civil Engineer (Irrigation)	-	-	1	10	1	23	-	-
3. Farm Development Specialist	-	-	1	9	1	23	-	-
4. Agron./Horticulturist	-	-	1	9	1	23	-	-
5. Farm credit/mktg Spec.	-	-	1	9	1	23	-	-
6. Equip. Oper./Maint Advisor	-	-	1	9	1	17	-	-
7. Short term specialists/consultants	-	-	-	11	-	10	-	-
8. Travel, transportation, etc.	-	-	-	-	-	2	-	-
9. USDA Overhead (25%)	-	-	-	-	-	39	-	-

TABLE VII

PROJECT PARTICIPANT TABLE  
( \$thousands )

Project Number	664-12-120-277	FY 1974 Obligations	FY 1975 Obligations
PASA/Contract Number (if appropriate) (Not yet negotiated)	<del>664-12-120-277</del> / PASA / <del>664-12-120-277</del>	No. MMs \$000	No. MMs \$000
Participants			
L-T (new)			
L-T (cont'g)			
Short-term	13	52	9
		72	36
			50

Participants	Actual FY 1973				Estimated FY 1974				Projected FY 1975					
	No. In Trng. Dur- ing FY 73	MMs of Trng. Dur- ing FY 73	Expenditures (\$000) Funded In		No. In Trng. Dur- ing FY 74	MMs of Trng. Dur- ing FY 74	Expenditures (\$000) Funded In		No. In Trng. Dur- ing FY 75	MMs of Trng. Dur- ing FY 75	Expenditures (\$000) Funded In			
			FY 72 and Prior	FY 73			FY 73 and Prior	FY 74			FY 74 and Prior	FY 75		
Participants - Total	-	-	-	-	11	44	-	12	39	11	44	-	33	28
I. U.S. Training														
A. Long-term					11	44		12	39	11	44		33	28
New														
Continuing														
B. Short-term					11	44		12	39	11	44		33	28
New					11	44		12	39	11	44		33	28
Continuing														
II. 3rd Country Trng.														
A. Long-term														
New														
Continuing														
B. Short-term														
New														
Continuing														

TABLE VIII

COMMODITY AND OTHER COST BUDGET  
(\$ thousands)

Project Title Integrated Agricultural Development Project Number 664-12-120-277

Commodity Budget (Type and amount)

FY 1974 Obligations

1. Farm implements and equipment for demonstration	100
2. Engineering equipment and supplies	30
3. Demonstration materials and supplies including seed, fertilizer and insecticides	26
4. Vehicles	9
Total	165

FY 1975 Obligations

1. Farm and engineering equipment and supplies	60
2. Demonstration materials and supplies including seed, fertilizer and insecticides	31
3. Vehicles	3
Total	94

Other Cost Budget (Type and amount)

FY 1974 Obligations

N/A

FY 1975 Obligations

N/A

## B. Area of Concentration

### 2. Nutrition

#### a. Nutrition: General

Programs to improve the quality of food are of great importance in Tunisia. The portion of the population below even minimum desired nutritional levels is extremely high, ranging from 25% to 61% for the country as a whole with greater deficiencies in the rural areas. The most recent data available, i.e., a 1969 Tunisian Government estimate of nutritional levels, indicated a per capita daily intake of 2340 calories and 65 grams of protein.

The U.S. Government has devoted a substantial portion of its program in recent years to improving the quality of food production and upgrading human nutrition. The accelerated cereals and livestock production projects, for example, have as objectives improving both the quantity and quality of production. In USAID's nutrition area of concentration are grouped both technical assistance and PL 480 Title II child feeding assistance.

#### b. Nutrition: Technical Assistance

(1) Project 255.1 Institute of Nutrition is helping Tunisia establish by 1974 a viable National Institute of Nutrition and Food Technology to improve nutritional standards and child development. The Institute will centralize applied research and programs in human nutrition, food science, nutrition education, and food economics and planning. U.S. technical assistance covers technical advisory services, participant training and laboratory equipment and supplies for the new Institute.

Short-term consultants will also be provided over the coming year to conduct a national nutrition survey aimed at defining more specifically the nutritional problem. It is anticipated that this survey, when completed, will form a basis for developing a GOT multi-annual nutrition plan.

New funding requested for FY 1974 is \$72,000 which constitutes the final contribution of dollar grant funds to the project. We have also provided PL 480, 104(h) grant funds for the construction of the Nutrition Institute building scheduled for completion this fall. A final contribution is planned from Section 104(h) in support of the operational budget of the National Institute of Nutrition in fiscal 1974 (10,000 dinars). (For a breakdown of 104(h) requirements for this project, see the Excess Currency Narrative.)

(2) Project 255.2, Lysine Fortification Study is part of a worldwide effort to determine the feasibility of correcting protein deficiency in children by fortifying wheat products with the amino acid, lysine, and with minerals and vitamins. The project is being carried out in Tunisia under a Harvard University contract providing four full-time contract personnel, short-term consultants and minimum laboratory equipment and supplies.

The project involves essentially the compilation and evaluation of baseline and post fortification data based on several clinical examinations of 3,000 pre-school children in project villages. In the fall of 1973, the second evaluation of preliminary data will be available. It has been determined by the contractor, however, that although this project is scheduled to terminate in fiscal 1974, two additional surveys will be required beyond the end of the fiscal year. USAID proposes, therefore, an additional \$232,000 in new FY 1974 funding of the contract to carry the contract through FY 1975, instead of the \$145,000 projected in last year's FBS. No further new funding is required in FY 1975 and beyond.

c. Nutrition: Child Feeding

U.S. PL 480, Title II programs provided both on a bilateral Government-to-Government basis and through the voluntary agencies CARE and CRS, are intended to improve the nutritional content in the daily diets of needy Tunisian children. The program has centered over the last several years both on primary school age children and on the younger pre-school age child. At present, the two voluntary agencies concentrate on the primary school feeding program, which reaches approximately 500,000 needy beneficiaries with a cold or hot lunch. The bilateral program, on the other hand, reaches an additional 180,000 children between the ages of three to six, conducted through urban centers.

Considering the evidence that nutrition supplement programs should be redesigned to reach children in the ages of 0 to 3 as well as pregnant and nursing mothers, the GOT, USAID and the voluntary agencies are in process of developing a Maternal and Child Health Care program which will include 20,000 beneficiaries. An infra-structure is being set up within MCH centers capable of reaching the target group with a food supplement, basic nutrition education, and family planning information.

The focusing of nutrition and food supplement programs on the 0 to 3 year old age group, and nursing and pregnant mothers, can only gradually be applied on a national level as it will take time to set up the necessary infra-structure. Secondly, there is considerable evidence in Tunisia that the school lunch program, which

reaches nearly half of the school population, has had a beneficial effect on school attendance and alertness among the poor element of the population. For the immediate future, therefore, we foresee efforts to reach pregnant women, nursing mothers and the very youngest children as supplemental to the ongoing effort in urban centers and primary school programs.

Considering the financial and commodity limitations on Title II resources world-wide, USAID accepts the desirability of phasing down food assistance to nutrition programs. The USAID and GOT will draw upon next year's results from the national nutrition survey to establish a nutrition plan and set a timetable for phased reduction of Title II support.

The GOT is also developing its own weaning food industry with assistance from UNICEF and the Swedish Government. A factory for the production of the weaning food "SAHA" ("Health" in Arabic) will be completed and the product will begin to appear on the market some time in mid calendar year 1975. Swedish assistance for plant construction totals \$860,000, with the GOT contributing \$907,000. The capacity of the SAHA plant will only be 1200 tons per year for the first five years. After this period, the GOT expects to double the plant's tonnage capacity. Given this limited capacity and the fact that SAHA is intended to be sold both commercially and distributed free through schools, urban and MCH centers, USAID foresees a continued need for instant CSM and WSB on substantial levels.

USAID anticipates the need for at least a five-year program to phase out Title II flour and oil beginning in FY 1976. Such a phased plan would, of course, have to take into account our commodity and financial availabilities under PL 480, GOT budgetary constraints, results of the nutrition survey, and progress made in Tunisia toward achieving agricultural self-sufficiency.

USAID requests additional PL 480 Title II funding in the nutrition sector at a level of \$4.2 million in FY 1974 and \$4.5 million in FY 1975. (See Tunisia Title II FBS Submission for fuller details, separate submission.)

## TUNISIA

## TABLE IV

Country or Sub-region

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

Area of Concentration: Nutrition

		<u>FY 1973</u> <u>Actual</u>	<u>FY 1974</u> <u>Estimate</u>	<u>FY 1975</u> <u>Request</u>
<u>Loans</u>	Total	-	-	-
<u>Grants</u>	Total	149	304	-
255.1	Institute of Nutrition	86	72 <sup>a/</sup>	-
255.2	Lysine Fortification Study	63	232 <sup>b/</sup>	-
<u>PL 480 Title I Shipments</u>		-	-	-
<u>PL 480 Title II Shipments</u>		3,689	4,212	4,512
	Maternal and Child Feeding	1,919	2,109	2,409
	School Feeding	1,728	2,086	2,086
	Other	42	17	17
<u>H.I.G.'s</u>		-	-	-
	<u>Total Commitments</u>	<u>3,838</u>	<u>4,516</u>	<u>4,512</u>

a/ In addition a PL 480 104 (h) Grant of 10,000 dinars is requested in FY 1974 as a final contribution to the Nutrition Institute's operating budget. (See Excess Currency Narrative).

b/ In addition PL 480 104 (h) Grants of 66,000 dinars in FY 1974 and 66,000 dinars in FY 1975 are requested to cover local costs of the lysine study. (See Excess Currency Narrative).

TABLE V

**PROJECT BUDGET TABLE**  
(\$ thousands)

Project Title Food Fortification & Nutrition, Institute of Nutrition & Food Technology

Project Number 664-11-560-255.1

Appropriation TA

Area of Concentration (if appropriate) Nutrition

Financing Dates (FY)

<b>Begin</b>	<b>End</b>
FY 1969	FY 1974
FY 1969	FY 1976

Obligations  
Expenditures

Project Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN			MM \$	\$	\$	\$
	\$	MM \$	\$	MM \$					
<b>FY 1973 Oblig.-Total</b>	48	16	-	-	13	25	25	-	86
Direct	2	1	-	-	13	25	25	-	40
PASA	37	12	-	-	-	-	-	-	37
Contract	9	3	-	-	-	-	-	-	9
<b>FY 1973 Expend.-Total</b>	21	13	-	-	6	13	25	-	52
Direct	2	1	-	-	6	13	25	-	33
PASA	18**	12	-	-	-	-	-	-	18
Contract	1	1	-	-	-	-	-	-	1
<b>6/30/73 Unlig.-Total</b>	45	15	-	-	28	54	19	-	92 *
Direct	-	-	-	-	28	54	19	-	47
PASA	***36	12	-	-	-	-	-	-	36
Contract	9	3	-	-	-	-	-	-	9
<b>FY 1974 Oblig.- Total</b>	18	4	-	-	49	61	5	-	72
Direct	9	3	-	-	49	61	5	-	63
PASA	*** 6	-	-	-	-	-	-	-	6
Contract	3	1	-	-	-	-	-	-	3
<b>FY 1974 Expend.-Total</b>	63	19	-	-	30	50	24	-	117
Direct	9	3	-	-	30	50	24	-	63
PASA	42	12	-	-	-	-	-	-	42
Contract	12	4	-	-	-	-	-	-	12
<b>6/30/74 Unlig.-Total</b>	-	-	-	-	47	65	-	-	47
Direct	-	-	-	-	47	65	-	-	47
PASA	-	-	-	-	-	-	-	-	-
Contract	-	-	-	-	-	-	-	-	-
<b>FY 1975 Oblig.-Total</b>	-	-	-	-	-	-	-	-	-
Direct	-	-	-	-	-	-	-	-	-
PASA	-	-	-	-	-	-	-	-	-
Contract	-	-	-	-	-	-	-	-	-
<b>FY 1975 Expend.-Total</b>	-	-	-	-	38	48	-	-	38
Direct	-	-	-	-	38	48	-	-	38
PASA	-	-	-	-	-	-	-	-	-
Contract	-	-	-	-	-	-	-	-	-

\* Reflects downward adjustments to prior year obligation of \$31,000 as reflected in U-203 Report of 6/30/73.

\*\* Takes into account deobligations totalling \$16,000 per cable TUNIS 1048 of 2/28/73.

\*\*\* Forward funded in accordance with the procedures established in prior years.

\*\*\*\* Consists primarily of expenses covered previously under Trust Fund, but now being proposed for dollar funding.

Table Vb

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

Project Number 664-11-560-255.1

2 Private Service Contracts. (1) AID/afr- 835;

XFOA/Contract Name (2) to be negotiated.

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

Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations	9	3	-		-		-	-	9
FY 1973 Expenditures	1	1	-		-		-	-	1
6/30/73 Unliquidated	9	3	-		-		-	-	9
FY 1974 Obligations	3	1	-		-		-	-	3
FY 1974 Expenditures	12	4	-		-		-	-	12
6/30/74 Unliquidated									
FY 1975 Obligations									
FY 1975 Expenditures									

Table Vc

DIRECT HIRE BACK UP BUDGET TABLE

	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>
Number of Technicians	1 (1 mos)	1 (3 mos)	0

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

Project Number 664-11-560-255.1

PASA/~~PROJECT~~ Name Dept of Health, Education and Welfare

PASA <del>PROJECT</del> No. From (mo/yr) To (mo/yr)	FY 1972	FY 1973	FY 1974	FY 1975
	AFR (HA) 16-68	AFR (HA) 16-68	AFR (HA) 16-68	
	7/71	7/72	7/73	
	6/72	6/73	6/74	

Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations	37	12	-		-		-	-	37
FY 1973 Expenditures	* 34	12	-		-		-	-	34
6/30/73 Unliquidated	36	12	-		-		-	-	36
FY 1974 Obligations	** 6	-	-		-		-	-	6
FY 1974 Expenditures	42	12	-		-		-	-	42
6/30/74 Unliquidated	-	-	-		-		-	-	-
FY 1975 Obligations	-	-	-		-		-	-	-
FY 1975 Expenditures	-	-	-		-		-	-	-

\* The Table V figure of \$18,000, takes into account deobligations totalling \$16,000 per cable TUNIS 1048 of 2/28/73.

\*\* Consists primarily of expenses covered previously under Trust Fund but now being proposed for dollar funding.

Project Number 664-11-560-255.1

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

U.S. Technicians	FY 1974 Obligations			FY 1975 Obligations		
	No.	MMs	\$000	No.	MMs	\$000
PASA: long-term	1	-	6	-	-	-
PASA: short-term	-	-	-	-	-	-
Contract: long-term	-	-	-	-	-	-
Contract: short-term	1	1	3	-	-	-

U.S. Personnel (PASA/Contract, implementing agent, and position title)	Actual FY 1973			Estimated FY 1974			Projected FY 1975			Projected FY 1976		
	On-board 6/30	MMs	Ex-penditures (\$000)	On-board 6/30	MMs	Ex-penditures (\$000)	On-board 6/30	MMs	Ex-penditures (\$000)	On-board 6/30	MMs	Ex-penditures (\$000)
PASA (HEW) - Total	1	12	* 35	1	12	42	-	-	-	-	-	-
1. Health Administration Advisor (Nutritionist)	1	12	33	1	12	**37						
2. Travel, Transport, etc.			-			3						
3. Overhead			2			2						
PS C's - Total		2			4	12						
1. Program Analyst (AFR-835)	-	2	5	-	3	9						
2. Laboratory Technician	-	-	-	-	1	3						

\* The Table V figure of \$18,000, takes into account deobligations totalling \$16,000 per cable TUNIS 1048 of 2/28/73.

\*\* FY 1974 costs exceed 6% of FY 1973 costs due to payment of the educational allowance.

(for contract personnel only)

TABLE VII

PROJECT PARTICIPANT TABLE  
(\$thousands)

Project Number 664-11-560-255.1 (Direct/Indirect/Contract)	FY 1974 Obligations		FY 1975 Obligations	
	No.	MMS	No.	MMS
PASA/Contract Number (if appropriate)	-	-	-	-
L-T (new)	5	61	-	-
L-T (cont'g)	-	49	-	-
Short-term	-	-	-	-

Participants	Actual FY 1973				Estimated FY 1974				Projected FY 1975			
	No. In Trng. Dur- ing FY 73	MMS of Trng. Dur- ing FY 73	Expenditures (\$000) Funded In		No. In Trng. Dur- ing FY 74	MMS of Trng. Dur- ing FY 74	Expenditures (\$000) Funded In		No. In Trng. Dur- ing FY 75	MMS of Trng. Dur- ing FY 75	Expenditures (\$000) Funded In	
			FY 71 and Prior	FY 72			FY 73	FY 74			FY 73 and Prior	FY 74
Participants - Total	2	13	3	-	5	50	18	9	4	48	-	38
I. U.S. Training	2	12	3	-	4	30	12	9	3	36	-	28
A. Long-term	1	12	2	-	4	30	12	9	3	36	-	28
New	1	12	2	-	3	30	12	6	-	-	-	-
Continuing	1	12	3	-	1	10	-	3	3	36	-	28
B. Short-term	1	1	-	-	-	-	-	-	-	-	-	-
New	1	1	-	-	-	-	-	-	-	-	-	-
Continuing	-	-	-	-	-	-	-	-	-	-	-	-
II. 3rd Country Trng.	-	-	-	-	1	10	6	-	1	12	-	10
A. Long-term	-	-	-	-	1	10	6	-	1	12	-	10
New	-	-	-	-	1	10	6	-	-	-	-	-
Continuing	-	-	-	-	-	-	-	-	1	12	-	10
B. Short-term	-	-	-	-	-	-	-	-	-	-	-	-
New	-	-	-	-	-	-	-	-	-	-	-	-
Continuing	-	-	-	-	-	-	-	-	-	-	-	-

TABLE VIII

COMMODITY AND OTHER COST BUDGET  
(\$ thousands)

Project Title National Institute of Nutrition  
and Food Technology. Project Number 664-11-560-255.1

Commodity Budget (Type and amount)  
FY 1974 Obligations

Laboratory equipment and Supplies - Total 5

FY 1975 Obligations

None

Other Cost Budget (Type and amount)  
FY 1974 Obligations

None

FY 1975 Obligations

None

TABLE V

**PROJECT BUDGET TABLE**  
(\$ thousands)

Project Title Lysine Fortification Study

Project Number 664-11-560-255.2

Appropriation TA

Area of Concentration (if appropriate) \_\_\_\_\_

Financing Dates (FY)

	Begin	End
Obligations	FY 1969	FY 1974
Expenditures	FY 1969	FY 1975

Nutrition

Project Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN			MM	\$	\$	\$
	\$	MM	\$	MM					
<b>FY 1973 Oblig.-Total</b>	61	18	-		-		2	-	63
Direct	-	-					-		-
PASA	-	-					-		-
Contract	61	18					2		63
<b>FY 1973 Expend.-Total</b>	127	47	-		-		5	-	132
Direct	-	-					-		-
PASA	-	-					-		-
Contract	127	47					5		132
<b>6/30/73 Unlig.-Total</b>	52	17	-		-		9	-	* 61
Direct	-	-					-		-
PASA	-	-					-		-
Contract	52	17					9		61
<b>FY 1974 Oblig.- Total</b>	213	96	-		-		19	-	232
Direct	-	-					-		-
PASA	-	-					-		-
Contract	213	96					19		232
<b>FY 1974 Expend.-Total</b>	125	48	-		-		18	-	143
Direct	-	-					-		-
PASA	-	-					-		-
Contract	125	48					18		143
<b>6/30/74 Unlig.-Total</b>	140	48	-		-		10	-	150
Direct	-	-					-		-
PASA	-	-					-		-
Contract	140	48					10		150
<b>FY 1975 Oblig.-Total</b>	-	-	-		-		-	-	-
Direct									
PASA									
Contract									
<b>FY 1975 Expend.-Total</b>	140	48	-		-		10	-	150
Direct	-	-					-		-
PASA	-	-					-		-
Contract	140	48					10		150

\* FY 1972 "Other Cost" pipeline of \$18,000 reclassified in U-203 Report of 9/30/72, with distribution of \$10,000 to "personnel" and \$8,000 to "commodities".

Table Vb

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

Project Number 664-11-560-255.2NSA/Contract Name Harvard University

	FY 1972	FY 1973	FY 1974	FY 1975
Contract No.	Afr-650, A-6	Afr-650, A-7	Afr-650, A-8	-
From (mo/yr)	9/71	9/72	9/73	-
To (mo/yr)	8/72	8/73	6/75	-

Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations	61	18	-		-		2	-	63
FY 1973 Expenditures	127	47	-		-		5	-	132
6/30/73 Unliquidated	52	17	-		-		9	-	61
FY 1974 Obligations	213	71	-		-		19	-	232
FY 1974 Expenditures	125	48	-		-		18	-	143
6/30/74 Unliquidated	140	40	-		-		10	-	150
FY 1975 Obligations	-		-		-		-	-	-
FY 1975 Expenditures	140	40	-		-		10	-	150

TABLE VI

Project Number 664-11-560-255.2

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

	FY 1974 Obligations			FY 1975 Obligations		
	No.	MMs	\$000	No.	MMs	\$000
U.S. Technicians	-	-	-	-	-	-
PASA: long-term	-	-	-	-	-	-
PASA: short-term	6	71	213	-	-	-
Contract: long-term	-	-	-	-	-	-
Contract: short-term	-	-	-	-	-	-

U.S. Personnel ( <del>PASA</del> Contract, implementing agent, and position title)	Actual FY 1973			Estimated FY 1974			Projected FY 1975			Projected FY 1976		
	On-board 6/30	MMs	Ex- penditures (\$000)	On-board 6/30	MMs	Ex- penditures (\$000)	On-board 6/30	MMs	Ex- penditures (\$000)	On-board 6/30	MMs	Ex- penditures (\$000)
Contract (Harvard) - Total	6	50	* 117	6	48	125	6	48	140	76	(for contract personnel only)	
1. Chief of Party	1	2	4	-	-	-	1	12	-	-	-	-
2. Lab. Director & Chief of Party	1	12	20	1	12	23	1	12	26	1	26	26
3. Pediatrician	1	12	19	1	12	20	1	12	22	1	22	22
4. Statistician	1	12	19	1	12	20	1	12	22	1	22	22
5. Travel, Transport and other direct costs	-	-	11	-	-	15	-	-	19	-	-	19
6. Overseas Overhead	-	-	18	-	-	20	-	-	22	-	-	22
7. Home Office Salaries and Benefits	3	12	19	3	12	20	3	12	21	3	21	21
8. Home Office Overhead	-	-	7	-	-	7	-	-	8	-	-	8

\* The table V figure of \$127,000 takes into account an FY 1972 underaccrual of \$10,000 shown in the U-203 Report of 6/30/73.

TABLE VIII

COMMODITY AND OTHER COST BUDGET  
(\$ thousands)

Project Title Lysine Fortification Study Project Number 664-11-560-255.2

Commodity Budget (Type and amount)  
FY 1974 Obligations

Laboratory equipment and supplies, and vehicle  
spare parts.

Total 19

FY 1975 Obligations

None

Other Cost Budget (Type and amount)  
FY 1974 Obligations

None

FY 1975 Obligations

None

B. Area of Concentration:

3. Population Planning

a. Population Planning: General

As with most of the developing countries today, Tunisia has experienced over the last decade a rapidly declining death rate with continued high birth rates. As a result, the population growth rate had reached 2.8 per cent by 1968, a rate which if maintained would lead to a doubling of Tunisia's population in 25 years. This rate of population growth is unacceptable for a small country of limited resources, particularly in view of Tunisia's sluggish economic performance in the 1960s. While the economic situation has improved significantly over the past three years, it is evident that continued high rates of population growth will tend to retard economic growth in the decade ahead.

The GOT recognizes the threat posed by this situation if continued unchecked. The Government has set a goal of reducing population growth from 2.8 per cent to 2.0 per cent by 1980. (In fact, there has been some slight decline since 1968.) In order to achieve its goal, Tunisia has undertaken a national family planning program and a large number of donors are assisting in this effort. While I.D.A., with its \$4.8 million foreign exchange credit for construction of new maternity facilities, and the United States are the major donors, others include the UN Fund for Population Activities, WHO, I.P.P.F., the Population Council, the Netherlands, Sweden, and the Ford Foundation.

U.S. assistance to Tunisia in the population field includes a wide variety of activities. Recognizing that high infant mortality rates constitute an obstacle to acceptance of family planning, the USAID has been assisting the GOT in the development of a Nutrition Institute, and has provided Title II assistance over the past several years to support feeding programs for poor children at the pre-school and primary school level (see Food Production and Nutrition areas of concentration).

In March of 1973, the GOT established a new Office of Family Planning outside the Ministry of Health which has taken over the responsibilities of the former Family Planning Institute. Reorganization and personnel changes are currently in process. The role of the new Office, particularly in relation to the Ministry of Health and regional hospitals, and administrative control and program direction of maternal and child care centers are not completely resolved. We are discussing with the GOT the implications of this new reorganization for U.S. assistance inputs to family planning.

b. Population Planning: Technical Assistance

Project 224-Family Planning assists the GOT in developing an institution capable of managing an effective family planning program and reducing the fertility rate from 190 per 1,000 to 160 per 1,000 by 1977. The project was initiated in 1968 and current plans are to continue assistance through FY 1977. USAID finances five full-time U.S. advisors, short-term consultants, participant training, commodities and support for local operating costs of the Office of Family Planning.

For FY 1974 and FY 1975, USAID requests new funding of \$1,146 thousand and \$1,071 thousand, respectively, under Project 224. This increase over the FY 1973 project funding level is due primarily to increased commodity requirements, particularly for drugs (pharmaceuticals) and medical/surgical equipment. Five new long-term participant training starts and five short-term programs are also planned for FY 1974. At the same time, some of the increase in these two categories has been absorbed by reductions in the "other cost" budget support category. The Office of Family Planning intends to cover an increasing share of its operational costs from GOT budgetary resources. U.S. budgetary assistance in FYs 1974 and 1975 will focus on special projects, including pilot and demonstration projects, training and evaluation.

c. Population Planning: Program Grant

The United States authorized a \$3 million grant in FY 1972, of which \$2 million finances the local currency costs of renovating existing maternal and child care centers and \$1 million is authorized for local costs in support of I.D.A.'s \$4.8 million credit for construction of new facilities. The local currency funds are now available, and the USAID, World Bank, and GOT are now reviewing renovation and new construction plans.

The architectural work for the first phase of the I.D.A. project is nearly completed. We expect that local costs associated with new construction will exceed the \$1 million currently available under the U.S. grant mentioned above. USAID proposes, therefore, an additional \$1 million grant in FY 1975 to generate local currencies in support of the continuing construction program. This request is tentative pending acceptance of the new construction plan and architectural design (which have already been subject to substantial revision), and the establishment of a firm timetable for construction.

TABLE IV

TUNISIA  
Country or Subregion

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

Area of Concentration	<u>Population Planning</u>	FY 1973 <u>Actual</u>	FY 1974 <u>Estimate</u>	FY 1975 <u>Request</u>
<u>Loans</u>	Total	-	-	-
<u>Grants</u>	Total	870	1,146	2,071
	224 Family Planning	870	1,146	1,071
	- Family Planning <sup>a/</sup> Program Grant	-	-	1,000
<u>PL 480 Title I Shipments</u>	Total	-	-	-
<u>PL 480 Title II Shipments</u>	Total	-	-	-
<u>H.I.G.'s</u>	Total	-	-	-
	<u>Total Commitments</u>	<u>870</u>	<u>1,146</u>	<u>2,071</u>

a/ Pending joint USAID/GOT budget review of requirements to cover maternity center construction costs in FY 1975.

TABLE V

**PROJECT BUDGET TABLE**  
(\$ thousands)

Project Title Family Planning

Financing Dates (FY)

Project Number 664-11-580-224

Obligations

BeginEndAppropriation PN

Expenditures

FY 1968

FY 1977

Area of Concentration (if appropriate)

Population Planning

FY 1968

FY 1978

Project Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN						
	\$	MM	\$	MM					
<b>FY 1973 Oblig.-Total</b>	158	68	-	-	8	12	158	546	870
Direct	134	56	-	-	8	12	158	546	846
PASA	24	12	-	-	-	-	-	-	24
Contract	-	-	-	-	-	-	-	-	-
<b>FY 1973 Expend-Total</b>	148	68	-	-	(27)	27	136	313	570
Direct	129	56	-	-	*(27)	27	136	313	551
PASA	19	12	-	-	-	-	-	-	19
Contract	-	-	-	-	-	-	-	-	-
<b>6/30/73 Unlig.-Total</b>	-	-	-	-	28	50	139	726	**893
Direct	-	-	-	-	28	50	139	726	893
PASA	-	-	-	-	-	-	-	-	-
Contract	-	-	-	-	-	-	-	-	-
<b>FY 1974 Oblig- Total</b>	205	72	-	-	91	106	280	570	1,146
Direct	176	60	-	-	91	106	280	570	1,117
PASA	29	12	-	-	-	-	-	-	29
Contract	-	-	-	-	-	-	-	-	-
<b>FY 1974 Expend-Total</b>	205	72	-	-	40	50	279	1,011	1,535
Direct	176	60	-	-	40	50	279	1,011	1,506
PASA	29	12	-	-	-	-	-	-	29
Contract	-	-	-	-	-	-	-	-	-
<b>6/30/74 Unlig.-Total</b>	-	-	-	-	79	106	140	285	504
Direct	-	-	-	-	79	106	140	285	504
PASA	-	-	-	-	-	-	-	-	-
Contract	-	-	-	-	-	-	-	-	-
<b>FY 1975 Oblig.-Total</b>	225	72	-	-	26	24	340	480	1,071
Direct	197	60	-	-	26	24	340	480	1,037
PASA	34	12	-	-	-	-	-	-	34
Contract	-	-	-	-	-	-	-	-	-
<b>FY 1975 Expend-Total</b>	225	72	-	-	90	104	310	525	1,150
Direct	197	60	-	-	90	104	310	525	1,116
PASA	34	12	-	-	-	-	-	-	34
Contract	-	-	-	-	-	-	-	-	-

\* Actual over-accrual of \$42,000 in June 1972 against actual FY 1973 expenditures of \$15,000 resulted in reporting of negative \$27,000.

\*\* Reflects a \$68,000 deobligation as shown in the U-203 Report of 6/30/73.

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

	Personnel				Participants		Commodi- ties	Other Costs	Total
	U.S.		Local/TCM						
	\$	MM	\$	MM					
<b>6/30/75 Unliq.-Total</b>	-	-	-		15		170	240	425
<b>Direct</b>					15		170	240	425
<b>PASA</b>					-		-	-	-
<b>Contract</b>					-		-	-	-
<b>FY 1976 Expend.-Total</b>	-	-	-		15		170	240	425
<b>Direct</b>					15		170	240	425
<b>PASA</b>					-		-	-	-
<b>Contract</b>					-		-	-	-
<b>6/30/76 Unliq.-Total*</b>									
<b>Direct</b>									
<b>PASA</b>									
<b>Contract</b>									
<b>FY 1977 Expend.-Total</b>									
<b>Direct</b>									
<b>PASA</b>									
<b>Contract</b>									
<b>6/30/77 Unliq.-Total*</b>									
<b>Direct</b>									
<b>PASA</b>									
<b>Contract</b>									

\*These are unliquidated FY 1975 and earlier obligations only.

Table Vb

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

Project Number 664-11-580-224PASA/~~XXXXXXXX~~ Name HEW

	FY 1972	FY 1973	FY 1974	FY 1975
Contract No.	AFR(HA)28-70	AFR(HA)28-70	AFR(HA)28-70	AFR(HA)28-70
From(mo/yr)	7/71	7/72	7/73	7/74
To(mo/yr)	6/72	6/73	6/74	6/75

Budget & Expenditures	Personnel				Partici-pants		Commod-ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations	24	12							24
FY 1973 Expenditures	24*	12							24
6/30/73 Unliquidated	-	-							
FY 1974 Obligations	29	12							29
FY 1974 Expenditures	29	12							29
6/30/74 Unliquidated	-	-							
FY 1975 Obligations	34	12							34
FY 1975 Expenditures	34	12							34

\* The Table V figure of \$19 reflects a \$5 deobligation of an FY 1971 PASA for which HEW did not claim reimbursement.

Table Vc

Direct Hire Back-Up Budget Table

	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>
Number of technicians	4	5	5

TABLE VI

Project Number 664-11-580-224

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

	FY 1974 Obligations			FY 1975 Obligations		
	No.	MMs	\$000	No.	MMs	\$000
U.S. Technicians						
PASA: long-term	1	12	29	1	12	34
PASA: short-term						
Contract: long-term						
Contract: short-term						

U.S. Personnel ( <del>PASA/Contract</del> ) implementing agent, and position title)	Actual FY 1973			Estimated FY 1974			Projected FY 1975			Projected FY 1976		
	On-board 6/30	MMs	Ex-pen- dures (\$000)	On-board 6/30	MMs	Ex-pen- dures (\$000)	On-board 6/30	MMs	Ex-pen- dures (\$000)	On-board 6/30	MMs	Ex-pen- dures (\$000)
PASA (HEW) - Total	1	12	*24	1	12	29	1	12	34	1	12	34
1. Public Health Nurse/Educator	1	12	22	1	12	**26	1	12	27			
2. Travel, transport, etc.			1			2			5			
3. Overhead			1			1			2			
* The Table V figure of \$19 reflects a \$5 reobligation for an FY 1971 PASA for which HEW did not claim reimbursement.												
** FY 1974 costs exceed 6% of FY 1973 costs due to normal salary increases, to an apparent \$1 underfunding of amendment 3 of the PASA, and to the funding of the post allowance during six months of FY 1974 from dollars instead of from dinars.												



TABLE VIII

COMMODITY AND OTHER COST BUDGET  
(\$ thousands)

Project Title Family Planning Project Number 664-11-580-224

Commodity Budget (Type and amount)

## FY 1974 Obligations

Contraceptives	90
Pharmaceuticals	70
Medical instruments, equipment and spare parts	67
Audio-visual equipment and supplies	28
Miscellaneous	<u>25</u>

Total 280

## FY 1975 Obligations

Contraceptives	125
Pharmaceuticals	100
Medical instruments, equipment and spare parts	70
Audio visual equipment and supplies	20
Miscellaneous commodities	<u>25</u>

Total 340

Other Cost Budget (Type and amount)

## FY 1974 Obligations

Budget Support of the Tunisian Office of Family Planning,  
with particular emphasis on special projects including  
pilot and demonstration projects, and training and  
evaluation.

Total 570

## FY 1975 Obligations

Same as FY 1974

Total 480

B. Area of Concentration:

4. Manpower Development

a. Manpower Development: General

During the 1960s the GOT invested around 25% of its annual budget in the expansion and operation of its education system. In spite of high investment levels, however, Tunisia's need for skilled managers and technical manpower far exceeds the educational system's capacity to produce them.

At the secondary level there are insufficient numbers of technical schools and inadequate attention on skills training. The majority of the University of Tunis' approximately 11,000 students are studying in the fields of letters, theoretical sciences, and law, rather than more technical fields, even though Tunisia's manpower shortage is predominantly in the technical areas.

b. Manpower Development: On-going Technical Assistance

(1) Project 228, Management Education and Executive Development seeks to provide trained managers for both the public and private sectors of the economy and help to fill this manpower gap at the middle and senior level through the development of an MBA program at the University of Tunis. A University of Illinois contract team of two professors has been teaching and providing assistance in curriculum development to the Graduate School of Business at the University and the project finances training of qualified Tunisians to the Ph.D level in American graduate schools of business. These Tunisians will form the core of a trained Tunisian faculty for the graduate school. To date, four Tunisians trained in the U.S. under USAID auspices have returned to faculty posts at the Business School and nine are currently in training.

The question of recognition of U.S. Ph.D degrees, which was a concern last year, is now resolved assuring equal treatment in recruitment of new faculty members with American degrees, and draft legislation is in readiness to clear up ambiguities with respect to promotion criteria. This positive development removes an important constraint to American advanced degree training under this project and others. Judging by the placement record of Tunisian graduates from the new business school, the Management Education project is achieving its purpose.

USAID proposes to terminate financing of American faculty advisors via the University of Illinois contract at the end of FY 1974 as originally planned, since the contractor's contribution to the development of the graduate school will be completed except for continuing training. Consequently, USAID requests \$157,000 in FY 1974 and only \$63,000 in FY 1975.

(2) Project 237.2, Economics Education seeks to provide better-trained Tunisian economists through the introduction of American economic methodology into the program of the Economic Section of the University of Tunis' Faculty of Law and Economics. One American-trained professor/faculty advisor was financed under the project through FY 1973. Thirteen Tunisians are receiving economics training to the Ph.D level in the United States and will return as faculty members of the economics section; two economists also trained under USAID sponsorship have already returned to teaching positions on the faculty staff.

Considering that a nucleus of American-trained Tunisian faculty will emerge through continuation of our current training program, USAID decided that replacement of the American-trained professor after FY 1973 was not necessary. American teaching services provided over the last two years have resulted in general acceptance of American economic methodology. Consequently, no new funding is required in FY 1974, but \$66,000 is proposed in FY 1975 to continue training of participants already in the pipeline.

#### c. Manpower Development: New Initiatives

(1) Engineering Education. Considering the urgent requirement for trained technical manpower in Tunisia's economy, the USAID considers that providing American expertise in this sector would address an important constraint to Tunisia's development. Due to funding limitations last year (FY 1973), USAID postponed a proposed new assistance project in engineering education. Now that we are phasing down assistance in the fields of business administration and economics, the USAID proposes that U.S. resources for this sector be concentrated beginning in FY 1974 on filling Tunisia's manpower gap in engineering.

Although this proposal requires review and perhaps redesign before final submission later this year, it is still intended that the project concentrate on injecting pragmatic laboratory experience into the professional curriculum of the Tunisian National School of Engineering (ENIT) in order to improve the ability of Tunisian engineers to operate on a practical as well as theoretical level. While France finances 38 cooperants and the Soviet Union finances between five and nine instructors each year at the engineering school,

the proposed USAID project would be the only program directed specifically at the development of certain urgently needed laboratories, i.e., instrumentation, computer application, and practical workshops. It is through these workshops that we hope to improve the capacity of an ENIT graduate to apply new technology in a developmental situation.

The project will initially finance two professors of engineering, two short-term consultants, U.S. training of three participants to the Ph.D level, and laboratory supplies. In FY 1975 the same services would be provided, including a projected increase in new participant training starts. Funding requested for FY 1974 is \$200,000 and for FY 1975, \$319,000.

USAID proposes to submit the engineering education project for funding as a block grant. Given Tunisia's evident capacity and desire to manage its own development assistance, USAID suggests that the block grant approach be tried with this project as a model for possible application to other areas of concentration of U.S. assistance to Tunisia in the future. Engineering Education is a good candidate for this approach considering the excellent leadership and management provided to ENIT by the Dean and the ENIT Director of Studies who is a recent USAID-trained Ph.D.

(2) Non-formal training. The GOT is currently reviewing its needs for non-formal technical training in several sectors and intends to ask for increased donor support of its requirements. The requirement for trained middle-level management and skilled technicians is clearly beyond the current capacity of Tunisian institutions to fill, and an increased effort by the donors may be advisable.

The GOT is considering 9 to 12-month training programs in foreign countries for recent graduates of technical high schools to upgrade skill training so that middle-level jobs in various sectors of the economy can be filled. USAID is in touch with the GOT officials working on the proposal, and may submit a new initiative if a sound GOT plan emerges which is appropriate to this sector of U. S. assistance concentration.

TABLE IV

TUNISIA  
Country or Subregion

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

Area of Concentration		<u>Manpower Development</u>		
		<u>FY 1973</u> <u>Actual</u>	<u>FY 1974</u> <u>Estimate</u>	<u>FY 1975</u> <u>Request</u>
<u>Loans</u>	Total	-	-	-
<u>Grants</u>	Total	290	357	448
228	Management Education	189	157	63
237.2	Economics Education	101	-	66
264	Engineering Education <sup>a/</sup>	-	200	319
<u>PL 480 Title I Shipments</u>	Total	-	-	-
<u>PL 480 Title II Shipments</u>	Total	-	-	-
<u>H.I.G.'s</u>	Total	-	-	-
<u>Total Commitments</u>		<u>290</u>	<u>357</u>	<u>448</u>

a/ Proposed project is tentatively planned as a block grant.

TABLE V

**PROJECT BUDGET TABLE**  
(\$ thousands)

Project Title Management Education and Executive Development

Project Number 664-55-770-228

Appropriation TA

Area of Concentration (if appropriate) Manpower Development

**Financing Dates (FY)**

Obligations Expenditures	Begin	End <sup>1/</sup>
	FY 1966	FY 1977
FY 1967	FY 1978	

Project Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN			MM			
	\$	MM	\$	MM					
<b>FY 1973 Oblig.-Total</b>	138	42			48	99	2	1	189
Direct	27	12			5	10		1	33
PASA									
Contract	111	30			43	89	2		156
<b>FY 1973 Expend-Total</b>	166	51			47	87	6	1	220
Direct <sup>2/</sup>	27	12			3/ (2)	(4)		1	26
PASA									
Contract	139	39			49	91	6		194
<b>6/30/73 Unlig.-Total</b>	100	27			4/45	82	4		149
Direct					6	12			6
PASA									
Contract	100	27			39	70	4		143
<b>FY 1974 Oblig- Total</b>	113	30			38	69	6		157
Direct	32	12							32
PASA									
Contract	81	18			38	69	6		125
<b>FY 1974 Expend-Total</b>	173	48			57	104	10		240
Direct	32	12			6	12			38
PASA									
Contract	141	36			51	92	10		202
<b>6/30/74 Unlig.-Total</b>	40	9			26	47			66
Direct									
PASA									
Contract	40	9			26	47			66
<b>FY 1975 Oblig.-Total</b>	40	15			23	42			63
Direct	33	12							33
PASA									
Contract	7	3			23	42			30
<b>FY 1975 Expend-Total</b>	74	21			33	60			107
Direct	33	12							33
PASA									
Contract	41	9			33	60			74

<sup>1/</sup> Project extension to June 30, 1978 covers financing of 5 Ph.D. candidates to completion of training. All other project obligations end after FY 1974.

<sup>2/</sup> Direct-hire expenditures cover project officer who also operates as USAID education officer

<sup>3/</sup> Consists of FY 1973 expenditures totaling \$12,000 less FY 1972 over-accruals of \$14,000.

<sup>4/</sup> Reflects a \$7,000 deobligation as shown in the U-203 report of 03/31/73.

Table Vb

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

Project Number 664-55-770-228PASA/Contract Name University of Illinois

Contract No. From (mo/yr) To (mo/yr)	FY 1972	FY 1973	FY 1974	FY 1975
	AID/afr-550	AID/afr-550	AID/afr-550	AID/afr-550
	April 1972	April 1973	April 1974	April 1975
	March 1973	March 1974	March 1975	March 1976

Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations	111	30			43	89	2		156
FY 1973 Expenditures	139	39			49	91	6		194
6/30/73 Unliquidated	100	27			39	70	4		143
FY 1974 Obligations	81	18			38	69	6		125
FY 1974 Expenditures	141	36			51	92	10		202
6/30/74 Unliquidated	40	9			26	47	-		66
FY 1975 Obligations	7	3			23	42	-		30
FY 1975 Expenditures	41	9			33	60	-		74

Table Vc

Direct Hire Back-Up Budget Table

	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>
Number of Technicians	1	1	1

TABLE VI

Project Number 664-55-770-228

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

	FY 1974 Obligations		FY 1975 Obligations	
	No.	MMS	No.	MMS
U.S. Technicians				
PASA: long-term				
PASA: short-term				
Contract: long-term	5	18	1	3
Contract: short-term				
		81		7

U.S. Personnel	Actual FY 1973			Estimated FY 1974			Projected FY 1975			Projected FY 1976		
	On-board 6/30	MMS	Expenditures (\$000)	On-board 6/30	MMS	Expenditures (\$000)	On-board 6/30	MMS	Expenditures (\$000)	On-board 6/30	MMS	Expenditures (\$000)
( <del>PASA</del> ) Contract, implementing agent, and position title)												
Contract AID/afr-550 - TOTALS	5	39	139	5	36	141	0	9	41	3	6	
1. Chief of Party	1	12	38	1	12	47	0	3	10			
2. Professor of Finance	1	12	37	1	12	45	0	3	10			
3. Professor of Computer Science		2	4									
4. Library Consultant		1	2									
5. Transport			7			2			10			
6. Overseas Overhead			18			17			4			
7. Home Office Salaries and Benefits	3	12	24	3	12	22	0	3	4	3	4	
8. Home Office Overhead			9			8			3			2

(for contract personnel only)

TABLE VII-A

PROJECT PARTICIPANT TABLE  
(\$thousands)

Project Number 664-55-770-228  
(Direct/PASA/Contract)  
PASA/Contract Number (if appropriate)  
AID/AFR 550

Participants	FY 1974 Obligations		FY 1975 Obligations	
	No.	MMS \$000	No.	MMS \$000
L-T (new)	-			
L-T (cont'g)	8	38	5	23
Short-term				

Participants	Actual FY 1973				Estimated FY 1974				Projected FY 1975			
	No. In Trng. Dur- ing FY 73	MMS of Trng. Dur- ing FY 73	Expenditures (\$000) Funded In		No. In Trng. Dur- ing FY 74	MMS of Trng. Dur- ing FY 74	Expenditures (\$000) Funded In		No. In Trng. Dur- ing FY 75	MMS of Trng. Dur- ing FY 75	Expenditures (\$000) Funded In	
			FY 72 and Prior	FY 73			FY 73 and Prior	FY 74			FY 74 and Prior	FY 75
<b>Participants - Total</b>	8	91	45	4	8	92	39	12	5	60	26	7
<b>I. U.S. Training</b>	8	91	45	4	8	92	39	12	5	60	26	7
A. Long-term	8	91	45	4	8	92	39	12	5	60	26	7
New					2	20	6	4				
Continuing	8	91	45	4	6	72	33	8	5	60	26	7
B. Short-term												
New												
Continuing												
<b>II. 3rd Country Trng.</b>												
A. Long-term												
New												
Continuing												
B. Short-term												
New												
Continuing												

PROJECT PARTICIPANT TABLE  
(\$thousands)

Project Number 664-55-770-228  
 (Direct/PASA/Contract)  
 PASA/Contract Number (if appropriate) \_\_\_\_\_

FY 1974 Obligations		FY 1975 Obligations	
No.	MMS	No.	MMS
	\$000		\$000

Participants  
 I-T (new)  
 I-T (cont'g)  
 Short-term

Participants	Actual FY 1973				Estimated FY 1974				Projected FY 1975			
	No. In Trng. Dur- ing FY 73	MMS of Trng. Dur- ing FY 73	Expenditures (\$000)		No. In Trng. Dur- ing FY 74	MMS of Trng. Dur- ing FY 74	Expenditures (\$000)		No. In Trng. Dur- ing FY 75	MMS of Trng. Dur- ing FY 75	Expenditures (\$000)	
			FY 72 and Prior	FY 73			FY 73 and Prior	FY 74			FY 74 and Prior	FY 75 and Prior
<u>Participants - Total</u>	2	17	*8	*4	1	12	1	5	1	12	1	5
I. <u>U.S. Training</u>	2	17	8	4	1	12	1	5				
A. Long-term New	2	17	8	4	1	12	1	5				
Continuing	2	17	8	4	1	12	1	5				
B. Short-term New												
Continuing												
II. <u>3rd Country Trng.</u>												
A. Long-term New												
Continuing												
B. Short-term New												
Continuing												

\* Represents \$12,000 actual expenditure. Over account of \$14,000 results in negative expenditure FY 73 on TABLE V.

TABLE VIII

COMMODITY AND OTHER COST BUDGET  
( \$ thousands)

Project Title Management Education and  
Executive Development Project Number 664-55-770-228

Commodity Budget (Type and amount)  
FY 1974 Obligations

Library books, references, and periodicals Total: 6

FY 1975 Obligations

None

Other Cost Budget (Type and amount)  
FY 1974 Obligations

None

FY 1975 Obligations

None

TABLE V

**PROJECT BUDGET TABLE**  
(\$ thousands)

**Project Title** Economics Education  
University of Tunis

**Project Number** 664-11-110-237.2

**Appropriation** TA

**Area of Concentration (if appropriate)**

**Obligations**  
**Expenditures**

Manpower Development

**Financing Dates (FY)**

<u>Begin</u>	<u>End</u>
FY 1967	FY 1976
FY 1968	FY 1976

Project Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN						
	\$	MM \$	\$	MM \$					
<b>FY 1973 Oblig.-Total</b>	36	20			65	142			101
Direct					1	2			1
PASA									
Contract	36	20			64	140			100
<b>FY 1973 Expend.-Total</b>	32	23			63	138			95
Direct									
PASA									
Contract	32	23			63	138			95
<b>6/30/73 Unlig.-Total</b>	69	32			113	230			* 182
Direct									
PASA									
Contract	69	32			113	230			182
<b>FY 1974 Oblig.- Total</b>	-								
Direct									
PASA									
Contract									
<b>FY 1974 Expend.-Total</b>	44	19			91	164			135
Direct									
PASA									
Contract	44	19			91	164			135
<b>6/30/74 Unlig.-Total</b>	25	13			22	66			47
Direct									
PASA									
Contract	25	13			22	66			47
<b>FY 1975 Oblig.-Total</b>	24	17			42	82			66
Direct									
PASA									
Contract	24	17			42	82			66
<b>FY 1975 Expend.-Total</b>	29	17			50	102			79
Direct									
PASA									
Contract	29	17			50	102			79

\*Reflects an upward adjustment of \$31,000 as reported in the U-203 Report of 3/31/73.

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

Project Number 664-11-110-237.2

~~NSA~~/Contract Name University of Minnesota

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

FY 1972	FY 1973	FY 1974	FY 1975
AID/aFR 469	AID/aFR 469	AID/afr 469	AID/afr 469
April 1972	April 1973	April 1974	April 1975
March 1973	March 1974	March 1975	June 1976

Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations	36	20			64	140			100
FY 1973 Expenditures	32	23			63	138			95
6/30/73 Unliquidated	69	32			113	230			182
FY 1974 Obligations	-	-			-	-			-
FY 1974 Expenditures	44	19			91	164			135
6/30/74 Unliquidated	25	13			22	66			47
FY 1975 Obligations	24	17			42	82			66
FY 1975 Expenditures	29	17			50	102			79

TABLE VI

Project Number 664-11-110-237.2

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

	FY 1974 Obligations			FY 1975 Obligations		
	No.	MMS	\$000	No.	MMS	\$000
U.S. Technicians	-	-	-	-	-	-
PASA: long-term	-	-	-	-	-	-
PASA: short-term	-	-	-	-	-	-
Contract: long-term	-	-	-	3	16	22
Contract: short-term	-	-	-	1	1	2

	Actual FY 1973			Estimated FY 1974			Projected FY 1975			Projected FY 1976		
	On-board 6/30	MMS	Ex-penditures (\$000)	On-board 6/30	MMS	Ex-penditures (\$000)	On-board 6/30	MMS	Ex-penditures (\$000)	On-board 6/30	MMS	Ex-penditures (\$000)
U.S. Personnel ( <del>PASA</del> /Contract, implementing agent, and position title)	73			74			75			76		
Contract - Total	4	23	*36	-	19	44	4	17	29	-	13	(for contract personnel only)
Professor of Economics	1	10	13	-	2	4	-	-	-	-	-	-
Visiting Professor of Economics	-	1	1	-	-	-	-	1	2	-	-	-
Ph.D Thesis Advisors	-	-	-	-	1	2	-	1	2	-	1	2
Consultants for Thesis Seminar	-	-	-	-	1	4	-	-	-	-	-	-
Participant Counselor in Tunis	-	-	-	1	3	2	1	3	2	1	3	3
Transport, etc.	-	-	-	-	-	8	-	-	5	-	-	1
Overseas Overhead	-	-	-	-	-	3	-	-	2	-	-	8
Home Office Salary and Benefits	3	12	13	3	12	15	3	12	11	2	9	4
Home Office Overhead	-	-	4	-	-	6	-	-	5	-	-	-
*The Table V figure of \$32,000 takes into account an FY 1972 overaccrual of \$4,000 shown in the U-203 Report of 6/30/73												

TABLE VII

PROJECT PARTICIPANT TABLE  
(\$thousands)

Project Number 664-11-110-237.2  
(~~SECRET/NOVA~~/Contract)  
Contract Number (if appropriate)  
AID/af 469

FY 1974 Obligations		FY 1975 Obligations	
No.	MMS	No.	MMS
	\$000		\$000
Participants			
I-T (new)			
L-T (cont'g)	8	8	42
Short-term			

Participants	Actual FY 1973				Estimated FY 1974				Projected FY 1975			
	No. In Trng. Dur- ing FY 73	MMS of Trng. Dur- ing FY 73	Expenditures (\$000)		No. In Trng. Dur- ing FY 74	MMS of Trng. Dur- ing FY 74	Expenditures (\$000)		No. In Trng. Dur- ing FY 75	MMS of Trng. Dur- ing FY 75	Expenditures (\$000)	
			FY 71 and Prior	FY 72			FY 73 and Prior	FY 74			FY 73 and Prior	FY 74
<u>Participants - Total</u>	13	138	31	32	15	164	49	42	9	102	22	28
<u>I. U.S. Training</u>	13	*138	31	32	13	**156	49	32	9	**102	22	28
<u>A. Long-term</u>	13	138	31	32	13	156	49	32	9	102	22	28
New												
Continuing	13	138	31	32	13	156	49	32	9	102	22	28
<u>B. Short-term</u>												
New					2	8		10				
Continuing					2	8		10				
<u>II. 3rd Country Trng.</u>												
<u>A. Long-term</u>												
New												
Continuing												
<u>B. Short-term</u>												
New												
Continuing												

\* Excludes 18 months of Trust Fund-covered Ph.D research in Tunisia.  
\*\* Lower costs per man-month results from charge of \$180/month while conducting Ph.D research in Tunisia.

TABLE V

**PROJECT BUDGET TABLE**  
(\$ thousands)

Project Title Engineering Education

Financing Dates (FY)

Project Number 664-11-660-264

Obligations  
Expenditures

<u>Begin</u>	<u>End</u>
FY 1974	FY 1980
FY 1975	FY 1981

Appropriation TA

Area of Concentration (if appropriate)

Manpower Development

Project Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN						
	\$	MM	\$	MM					
<b>FY 1973 Oblig.-Total</b>									
Direct									
PASA									
Contract									
<b>FY 1973 Expend.-Total</b>									
Direct									
PASA									
Contract									
<b>6/30/73 Unlig.-Total</b>									
Direct									
PASA									
Contract									
<b>FY 1974 Oblig.- Total</b>	69	17			56	96	75		200
Direct									
PASA									
Contract	69	17			56	96	75		200
<b>FY 1974 Expend.-Total</b>	14	5			7	12	40		61
Direct									
PASA									
Contract	14	5			7	12	40		61
<b>6/30/74 Unlig.-Total</b>	55	12			49	84	35		139
Direct									
PASA									
Contract	55	12			49	84	35		139
<b>FY 1975 Oblig.-Total</b>	128	35			116	200	75		319
Direct									
PASA									
Contract	128	35			116	200	75		319
<b>FY 1975 Expend.-Total</b>	113	27			111	190	80		304
Direct									
PASA									
Contract	113	27			111	190	80		304

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

Project Number 664-11-660-264

PASA/Contract Name \_\_\_\_\_

Contract No. From (mo/yr) To (mo/yr)	FY 1972	FY 1973	FY 1974	FY 1975
			January 1974	January 1975
			December 1974	December 1975

Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1973 Obligations									
FY 1973 Expenditures									
6/30/73 Unliquidated									
FY 1974 Obligations	69	17			56	96	75		200
FY 1974 Expenditures	14	5			7	12	40		61
6/30/74 Unliquidated	55	12			49	84	35		139
FY 1975 Obligations	128	35			116	200	75		319
FY 1975 Expenditures	113	27			111	190	80		304

TABLE VI

Project Number 664-11-660-264

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

	FY 1974 Obligations		FY 1975 Obligations	
	No.	MMS	No.	MMS
U.S. Technicians		\$000		\$000
PASA:long-term				
PASA:short-term	3	14	4	32
Contract:long-term	2	3	2	3
Contract:short-term				

	Actual FY 1973			Estimated FY 1974			Projected FY 1975			Projected FY 1976		
	On-board 6/30	MMS	Expenditures (\$000)	On-board 6/30	MMS	Expenditures (\$000)	On-board 6/30	MMS	Expenditures (\$000)	On-board 6/30	MMS	Expenditures (\$000)
U.S. Personnel (PASA/Contract, implementing agent, and position title)	73			74			75			76		
Total				1	5	14	3	27	113	4	42	149
Long Term							1	9	27	1	12	37
Professor of Mechanical Engineering							1	9	27	1	12	37
Professor Data Processing							1	9	27	1	9	27
Professor Chemical Engineering												
Short Term												
TDY Consultants				2	8			3	12	3	3	12
Travel transportation and other direct costs												
Off-campus Overhead												
Home Office Salaries and Benefits				1	3	3	1	6	15	1	6	15
Home Office Overhead												

TABLE VII

PROJECT PARTICIPANT TABLE  
(\$thousands)

Project Number 664-11-660-264  
(Direct/BSA/Contract)  
NSA/Contract Number (if appropriate) \_\_\_\_\_

Participants	FY 1974 Obligations		FY 1975 Obligations	
	No.	MMS	No.	MMS
I-T (new)	19	96	14	52
I-T (cont'g)	-	-	18	148
Short-term				

Participants	Actual FY 1973				Estimated FY 1974				Projected FY 1975						
	No. In Trng. Dur- ing FY 73	MMS of Trng. Dur- ing FY 73	Expenditures (\$000) Funded In FY 71 and Prior	FY 72	No. In Trng. Dur- ing FY 74	MMS of Trng. Dur- ing FY 74	Expenditures (\$000) Funded In FY 72 and Prior	FY 73	No. In Trng. Dur- ing FY 75	MMS of Trng. Dur- ing FY 75	Expenditures (\$000) Funded In FY 73 and Prior	FY 74	No. In Trng. Dur- ing FY 75	MMS of Trng. Dur- ing FY 75	Expenditures (\$000) Funded In FY 74 and Prior
<b>Participants - Total</b>															
<b>I. U.S. Training</b>															
A. Long-term															
New															
Continuing															
B. Short-term															
New															
Continuing															
<b>II. 3rd Country Trng.</b>															
A. Long-term															
New															
Continuing															
B. Short-term															
New															
Continuing															

TABLE VIII

COMMODITY AND OTHER COST BUDGET  
(\$ thousands)

Project Title Engineering Education Project Number 664-11-660-264

Commodity Budget (Type and amount)

FY 1974 Obligations

Teaching equipment for design analysis  
laboratory and data processing laboratory Total: 75

FY 1975 Obligations

Equipment for practical skills training  
workshop, reference books and visual  
aid library Total: 75

Other Cost Budget (Type and amount)

FY 1974 Obligations

FY 1975 Obligations

## C. Activities Outside Areas of Concentration

### 1. Assistance to Tunisia's Housing Sector

There is a serious shortage of housing in Tunisia. The Tunisian National Housing Authority (SNIT) estimates that its construction program barely meets one-quarter of Tunisia's annual requirement for new dwellings. Furthermore, it has been pointed out by this same authority that approximately 40% of Tunisia's one million housing units are unsanitary or otherwise deficient and should be rebuilt. The GOT is concerned about this situation because of its political and social as well as economic implications for Tunisia's development.

The GOT considers immediate Government action in the housing sector as essential. President Bourguiba has spoken recently of the housing crisis and of the importance of increasing investment under the new Four Year Plan.

SNIT manages Government-subsidized construction of low-cost housing, both single-family units and apartment dwellings, concentrated in and around the major urban centers, particularly Tunis, Sfax and Sousse. One of its projects to construct 5,000 lower middle-income housing units near Tunis (the Ras Tabia project) is being financed by a \$10 million loan of U.S. private capital guaranteed through the A.I.D. Housing Guaranty program. SNIT has requested that the U.S. Government continue its investment guaranty program at approximately \$10 million annually for the next several years. We have replied that any future guaranties in the housing sector would be conditional upon a survey and analysis of the needs in that sector in order to determine the magnitude and type of assistance required. Issues requiring review are (1) the potential for mobilization of domestic capital for housing under the new Savings and Loan Law, and (2) the appropriateness of foreign capital loans at commercial rates of interest to finance housing.

The A.I.D. Housing Office is mounting a four-man study team to examine the housing sector and its requirements. The team is expected to arrive in September, 1973 and will spend about a month in Tunisia gathering data and making its analysis. Pending the completion of that review, therefore, we are indicating in this FBS a tentative program consisting of guaranties of \$10 million in both FY 1974 and FY 1975.

The GOT has also expressed great interest in eradicating slums through massive grant assistance to reconstruct "bidonvilles" and earthen dwellings (gourbis) in suburban and rural areas. Officials in the Foreign Ministry, Ministry of Plan, and Ministry of Public Works

have repeatedly pressed USAID to consider grants of U.S.-owned excess currencies and/or Title II commodities to finance housing reconstruction for the poor.

While no specific global action plan has yet emerged from the GOT, the Ministry of Plan is working on a proposal to undertake a limited housing reconstruction program using the food-for-work concept as a vehicle. The Ministry of Public Works has also put forth a plan for replacing 10,000 earthen dwellings (gourbis) destroyed by the March 1973 floods with more permanent construction.

We expect a firm proposal will emerge from the GOT over the next few months. Other donors have been approached as well. The Swedish Government, for example, made a grant this year of \$3 million for a small reconstruction program in Le Kef, one of the poorest gouvernorats in Western Tunisia.

Given the GOT priority on subsidized housing for the poor, USAID tentatively proposes a PL 480, 104(f) loan of 500,000 dinars for authorization in January, 1974 as a contribution to Tunisia's subsidized housing program for the poor. The AID/W Housing team will include this type of housing within the scope of its review of the sector, and our proposed funding via 104(f) is subject to that more complete review. In FY 1975, it is proposed to reserve 10,000 MT of cereals (\$1 million) under Title II as a contribution to the Ministry of Plan proposed food-for-work program to reconstruct poor housing which is now in preparation.

## 2. Narcotics Control

During the Spring of 1972, an inter-agency narcotics study team visited Tunisia. In the course of the past year the Mission submitted its comments on the narcotics control problem to Washington as our response to the world-wide effort to control the production and flow of narcotics into the United States. A.I.D. is providing narcotics training to selected officers of the GOT Ministry of Interior at the present time. We expect to continue to propose training programs in the narcotics area for AID/W-funded training during both FY 1974 and FY 1975. No USAID allotted funds are required.

## 3. Project 000 - Technical Support

This project provides technical support and other services to our entire USAID program where such costs and services cannot be ascribed to any one project. In FY 1973, USAID obligated \$575,000 for this purpose. In FYs 1974 and 1975 we are requesting \$579,000 and \$589,000, respectively. Costs will include primarily U.S. Direct Hire technical personnel, facilities and equipment for the USAID Mission, and a portion of our contribution to the Shared Administrative Support (SAS) budget of the U.S. Mission in Tunisia. SAS requirements from this project are estimated at \$122,000 in both FY 1974 and FY 1975.

TABLE IVa

TUNISIA  
Country or Sub-region

Summary of Commitments for Activities Outside

Areas of Concentration  
(\$ thousands)

		<u>FY 1973</u> <u>Actual</u>	<u>FY 1974</u> <u>Estimate</u>	<u>FY 1975</u> <u>Request</u>
<u>Loans</u>	Total	-	-	-
<u>Grants</u>	Total	575	579	589
000 Technical Support		575	579	589
<u>PL 480 Title I Shipments</u>	Total	-	-	-
<u>PL 480 Title II Shipments</u>	Total	1,100	-	1,100 <sup>a/</sup>
Food for Work		1,100	-	1,100 <sup>a/</sup>
<u>H.I.G.'s</u> <sup>b/</sup>		-	10,000	10,000
	<u>Total Commitments</u>	<u>1,675</u>	<u>10,579</u>	<u>11,689</u>

a/ Possible Title II Food for Work Program for 10,000 tons of wheat to support housing construction for the poor.

b/ Program levels are tentative pending AID/W housing sector survey in Tunisia. In addition, a PL 480 104 (f) loan of 500,000 dinars is requested in late FY 1974 as a contribution to the GOT's new housing and reconstruction programs for the poor.

TABLE V

**PROJECT BUDGET TABLE**  
(\$ thousands)

Project Title Technical SupportProject Number 664-11-999-000Appropriation TA

Area of Concentration (if appropriate) \_\_\_\_\_

Financing Dates (FY)

	<u>Begin</u>	<u>End</u>
Obligations	1957	XX
Expenditures	1957	XX

Project Budget & Expenditures	Personnel				Partici- pants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN			MM			
	\$	MM	\$	MM					
<b>FY 1973 Oblig.-Total</b>	306	242	64	51	6	12	48	151	575
Direct	306	242	64	51	6	12	48	151	575
PASA	-	-	-	-	-	-	-	-	-
Contract	-	-	-	-	-	-	-	-	-
<b>FY 1973 Expend.-Total</b>	300	242	64	51	**29	62	33	149	575
Direct	303	242	64	51	29	62	33	149	578
PASA	-	-	-	-	-	-	-	-	-
Contract	(3)	-	-	-	-	-	-	-	(3)
<b>6/30/73 Unlig.-Total</b>	*2	-	-	-	21	40	17	6	46***
Direct	2	-	-	-	21	40	17	6	46
PASA	-	-	-	-	-	-	-	-	-
Contract	-	-	-	-	-	-	-	-	-
<b>FY 1974 Oblig.- Total</b>	357	138	57	48	-	-	26	139	579
Direct	357	138	57	48			26	139	579
PASA									
Contract									
<b>FY 1974 Expend.-Total</b>	357	138	57	48	21	40	31	143	609
Direct	357	138	57	48	21	40	31	143	609
PASA									
Contract									
<b>6/30/74 Unlig.-Total</b>	-	-	-	-	-	-	-	-	-
Direct									
PASA									
Contract									
<b>FY 1975 Oblig.-Total</b>	387	136	57	48	-	-	9	136	589
Direct	387	136	57	48			9	136	589
PASA									
Contract									
<b>FY 1975 Expend.-Total</b>	387	136	57	48	-	-	21	136	601
Direct	387	136	57	48			21	136	601
PASA									
Contract									

\* Represents storage and transportation of things.

\*\* Represents actual expenditures of \$26,000 plus an FY 1972 under-accrual of \$3,000.

\*\*\* Reflects a \$12,000 deobligation as shown in the U-203 Report of 6/30/73.

TABLE VII

PROJECT PARTICIPANT TABLE  
(\$thousands)

Project Number 664-11-999-000  
(Direct/PASA/Contract)  
PASA/Contract Number (if appropriate)

FY 1974 Obligations		FY 1975 Obligations	
No.	MMS	No.	MMS
-	\$000	-	\$000
-	-	-	-
-	-	-	-

Participants  
L-T (new)  
L-T (cont'g)  
Short-term

Participants	Actual FY 1973			Estimated FY 1974			Projected FY 1975		
	No. In Trng. Dur- ing FY 73	MMS of Trng. Dur- ing FY 73	Expenditures (\$000) Funded In FY 71 and Prior	No. In Trng. Dur- ing FY 74	MMS of Trng. Dur- ing FY 74	Expenditures (\$000) Funded In FY 72 and Prior	No. In Trng. Dur- ing FY 75	MMS of Trng. Dur- ing FY 75	Expenditures (\$000) Funded In FY 73 and Prior
Participants - Total	6	50	* 24	4	40	18	3	3	18
I. U.S. Training	6	50	24	4	40	18	3	3	18
A. Long-term	6	50	24	4	40	18	3	3	18
New	-	-	-	-	-	-	-	-	-
Continuing	6	50	24	4	40	18	3	3	18
B. Short-term									
New									
Continuing									
II. 3rd Country Trng.									
A. Long-term									
New									
Continuing									
B. Short-term									
New									
Continuing									

\* The Table V figure of \$29,000 takes into account the actual expenditures of \$26,000 plus an underaccrual of \$3000

TABLE VIII

COMMODITY AND OTHER COST BUDGET  
(\$ thousands)

Project Title Technical Support Project Project Number 664-11-999-000

Commodity Budget (Type and amount)  
FY 1974 Obligations

Office Furniture and Equipment	2
Residential Furniture and Equipment	5
Automobiles	12
Transportation Cost for Equipment	<u>7</u>
Total	<u>26</u>

FY 1975 Obligations

Office Furniture and Equipment	2
Residential Furniture and Equipment	5
Transportation Cost for Equipment	<u>2</u>
Total	<u>9</u>

Other Cost Budget (Type and amount)  
FY 1974 Obligations

Operational and Other Travel	4
Materials and Supplies	11
Transportation Cost for Supplies	2
S A S	<u>122</u>
Total	<u>139</u>

FY 1975 Obligations

Operational and Other Travel	3
Materials and Supplies	9
Transportation Cost for Supplies	2
S A S	<u>122</u>
Total	<u>136</u>

D. PL 480, Title I Program

1. Proposed Program Levels

The Mission is supporting an FY 1974 Sales Agreement covering 40,000 MT of soybean oil, 30,000 MT of wheat and 10,000 MT of feedgrains. This represents a sales agreement with a dollar value of approximately \$14 million at prices listed in the FBS instructions. The supply/distribution tables and a justification for the approximate commodity levels requested in FY 1974 is given in TUNIS TOAID A-061. We will update the tables on wheat as new survey data become available in September.

We propose a new feedgrain program to coincide with our increasing activities in the livestock sector. The GOT has placed high priority on this agricultural subsector with 19% of all investment in agriculture going to livestock over the Four-Year Plan (1973-1976). In preliminary studies undertaken for preparation of the Plan, the feedgrain industry was identified as a possible bottleneck in livestock expansion. Rapid development of the feedgrain industry as well as increased feedgrain imports over the medium term will be a necessary condition to any acceptable rate of expansion of the livestock sector.

The USAID accords top priority to an FY 1974 Title I soybean oil program in Tunisia later this year. The embargo on U.S. exports now in effect will cause depletion of Tunisian soybean oil stocks during August, 1973, and will undoubtedly have a negative balance of payments effect as olive oil, an important export item to the economy will have to be diverted for domestic consumption. Tunisia's annual consumption of soybean oil averages between 50,000-60,000 MT per year. Since stocks will soon be zero, both the lifting of the embargo on the current 30,000 MT agreement and authorization of a sale for an additional 40,000 MT is necessary in order to reestablish a reasonable stock level by the end of FY 1974.

It should be noted that the average Tunisian export price for olive oil for the first four months of 1973 was 491 dinars per metric ton as against 345 dinars per metric ton for the same period in 1972. This represents a price increase of 42%. Assuming a one-for-one exchange of olive oil for soybean oil on the Tunisian domestic market, and an exchange rate of 0.400 dinars = \$1.00, the gain in export earnings from the proposed FY 1974 sale of soya oil would equal 49 million dollars at present prices. This would represent a considerable boost to Tunisia's balance of payments current account earnings.

For FY 1975, we propose to continue Title I aid at the same level. Soybean oil requirements are a constant factor of consumption. Firm wheat and feedgrain requests will depend on future harvests and short-term success in expanding the livestock industry.

## 2. Balance of Payments Consideration for Title I Assistance

The importance of Title I balance of payments support to Tunisia in FY 1974 is demonstrated by Table A. As indicated in last year's FBS and in our pre-DAP, the recent growth in the Tunisian economy appears to lessen the need for balance of payments support at levels which obtained in the 1960s. The current account deficit (resource gap) for 1972 of 20.1 million dinars, as opposed to an estimated 40 million dinar deficit, resulted in increased reserves rather than being utilized for real capital purchases during that time period. However, for 1973 the decline in earnings received from the record olive oil harvest are balanced by export growth in other commodities. This factor, combined with poor performance of earnings this year in the tourist sector has led to a recent upward revision in the 1973 estimated current account deficit to 77 million dinars. Original estimates were for a 45 million dinar current account deficit. Though accepting these projections as the best available, the Mission views a deficit of this size as unlikely since the GOT can effectively restrict import levels if the export situation remains as it is. However, the implications are clear. Various forms of balance of payments support from the major donors will be necessary if the momentum of the economy is to be sustained.

## 3. Budgetary Implications of Local Currency Generations

Table B updates last year's table of revenues and expenditures and is designed to demonstrate the improved fiscal position of the Government. Last year's growth of 18.9% allowed a more rapid expansion in revenues than projected. At the same time, foreign reserve increases began to create inflationary pressures. To counterbalance this, the Government deliberately borrowed 19.7 million dinars in the domestic market and reserved 35.0 million dinars against future expenditures. For example, 28.1 million dinars are budgeted against 1973 needs. As a result, the Treasury's current account with the Central Bank rose from 11 million dinars to 39 million dinars during 1972. This stabilization policy demonstrates that countervalue currency generations are becoming less critical to the Government's financial operations. Foreign grants, foreign public loans, and foreign private loans financed 46% of GOT capital expenditures in 1971. Projections in the Four-Year Plan indicate a reduction in that level to 28% by 1976, even though absolute levels of foreign aid to capital budgets will rise from 47 million dinars to 57 million dinars during the period. Given the GOT's ambitious investment program, therefore, it should be recognized that countervalue currency will continue to play a necessary though diminished role in GOT budgeting.

TABLE - A

Balance of Payments (Million Dinars)

	<u>1971</u>	<u>1972</u>	<u>Projected*</u> <u>1973</u>
<u>Gross Domestic Product</u>	854.5	1,057.9	1,065.7
<u>Current Account</u>			
Export of Goods	117.2	157.9	146.0
Export of Services (mainly tourism)	95.2	112.7	114.0
Receipts from Factor Services (mainly workers remittances)	30.5	36.0	40.0
Other Receipts	<u>10.4</u>	<u>7.0</u>	<u>7.0</u>
Total Receipts	253.3	313.6	307.0
Imports of Goods	176.0	218.0	259.0
Imports of Services	54.2	65.7	73.0
Expenditures on Factor Services	42.4	46.7	49.0
Other Expenditures	<u>1.9</u>	<u>3.4</u>	<u>3.0</u>
Total Expenditures	274.5	333.8	384.0
Current Account Balance	-21.2	-20.2	-77.0
<u>Capital Account</u>			
Gross Capital Inflow	97.7	96.6	114.5
Debt Repayment	-25.5	-35.8	-30.5
Short-Term Capital Balance	<u>- 3.8</u>	<u>- 3.0</u>	<u>- 0.0</u>
Net Capital Inflow	68.4	57.8	84.0
Current Account Deficit	-21.2	-20.2	-77.0
Change in Reserves	47.2	37.6	7.0

\* As of July 1973

TABLE - B

GOT Revenues and Expenditures in Current Prices  
(Millions of Dinars)

Source: Ministry of Plan, July 1973

	<u>CY 1972</u>	Est. <u>CY 1973</u>	Est. <u>CY 1974</u>
<u>Gross Domestic Product</u>	<u>1,057.9</u>	<u>1,065.7</u>	<u>1,175.9</u>
<u>Resources for Administration Budgets</u>			
Direct taxes	66.1	74.8	80.2
Indirect taxes	142.9	156.0	171.0
Interest and Dividends	14.3	15.8	16.8
Social Security	27.3	31.3	34.3
Miscellaneous transactions	2.6	2.0	2.1
International Cooperation	-	-	-
Total	<u>253.2</u>	<u>279.9</u>	<u>304.4</u>
Less: Current expenditures	<u>214.5</u>	<u>234.0</u>	<u>246.4</u>
Surplus	38.6	45.9	58.0
<u>Resources for Capital Budgets</u>			
Admin. budget surplus	38.6	45.9	58.0
Domestic Borrowing	19.7	14.8	32.0
Foreign aid grants	16.1	18.8	17.1
Foreign Borrowing	27.0	37.4	35.0
Other earnings	6.6	9.0	9.1
Increase in Treasury deposits	4.7	4.0	6.0
Accounts reserved against future expenditures	35.0	-	-
Decrease in Government accounts	-	-	7.1
Total	<u>147.7</u>	<u>129.9</u>	<u>164.3</u>
<u>Capital Budget Expenditures and Uses</u>			
Gross fixed invest.	49.4	53.1	69.4
Subsidies to enterprise	21.4	38.6	61.2
Repayment of dom. loans	9.2	10.8	12.1
Repayment of for. loans	19.8	13.7	14.0
Other disbursements	12.8	7.2	7.4
Increase in Gov. accounts	<u>35.1</u>	<u>6.5</u>	<u>0.2</u>
Total	<u>147.7</u>	<u>129.9</u>	<u>164.3</u>

TUNISIA  
Country or Sub-region

TABLE IX

FL 480 Title I Agreements and Shipments

Commodity	FY 1973 Estimate		FY 1974 Request				FY 1975 Request						
	Agreements (MT)	Shipments (MT)	Agreements (\$)	Shipments (\$)	Agreements (MT)	Shipments (MT)	Agreements (\$)	Shipments (MT)	Agreements (\$)	Shipments (MT)	Carryover To FY 1974 (MT)	Carryover To FY 1975 (\$)	Carryover To FY 1976 (MT)
Wheat	-	-	2.8	30,000	2.8	30,000	-	-	2.8	30,000	-	-	-
Corn	-	-	0.7	10,000	0.7	10,000	-	-	1.4	20,000	-	-	-
Soybean Oil FY 73 Agreement	30,000	-	-	-	10.5 <sup>a</sup>	30,000	30,000	-	-	-	-	-	-
Requests			10.5	40,000	10.5	40,000	-	-	10.5	40,000	-	-	-
Dollar total <sup>b/</sup>			14.0		24.5			14.7		14.7			

a/ Actual value of Agreement  
b/ Prices in millions of Dollars