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**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



**FIELD BUDGET SUBMISSION
FY 1976**

TUNISIA

BEST AVAILABLE

**DEPARTMENT
OF
STATE**

AUGUST 1974



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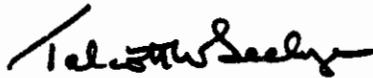
TUNISIA

PROGRAM DIRECTIONS FOR FY 1976

The attached Field Budget Submission represents, in my view, the appropriate strategy for the Agency for International Development to adopt in supporting Tunisian development programs in FY 1976. Without a doubt, Tunisia has realized economic progress in recent years and also benefitted from recent increases in world commodity prices. In this sense, reduced levels of financial assistance on concessional terms is entirely appropriate, and has been A.I.D. policy with respect to Tunisia for the last few years. Nevertheless, incomes of Tunisia's rural poor remain too low, structural and regional imbalances in the economy continue, and Tunisia's overall economic posture, while promising, remains fragile in today's uncertain world-wide economic situation.

The USAID program proposed herein will concentrate our assistance more directly on problems affecting the rural poor, consistent with the current sectors of concentration: food production and nutrition, population planning and health, and manpower development. Secondly, USAID proposes to use a mix of assistance resources concentrated on specific problem areas where our expertise is critical. I look forward to an increasing role for U.S. voluntary and private organizations in Tunisia's development, consistent with new A.I.D. initiatives in this regard.

Finally, I attach great importance to maintaining a continuing assistance momentum in Tunisia; therefore, the program proposed herein should be approved and a new Development Assistance Program (DAP) strategy be prepared during FY 1975. Tunisia's investment needs are great, and I would hope that, with approval of this Field Budget Submission, our U.S. contribution thereto can continue to play a limited but important role.



Talcott W. Seelye
Ambassador

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SUMMARY STATEMENT

Although Tunisian economic progress has been impressive in recent years in terms of macro aggregates, serious problems of income distribution and regional imbalances persist. Tunisian development planners are aware of these problems, and the Four Year Plan (1973-76) places emphasis on concentrating development programs in the remote regions of the West and South.

This Field Budget Submission recommends a concentrated program of technical assistance grants and loans addressing specific developmental problems in Tunisia. On-going activities relate to the principal sectors of A.I.D. program concentration, with the major accent placed on food production. Funding levels (loans and grants) proposed for FY 1976 include \$11.7 million in food production and nutrition, \$724,000 in population and health, and \$219,000 in manpower development. PL 480 Titles I and II programs are maintained though at more modest levels than in the past. Housing guaranties are scheduled to continue, although rising interest rates in the United States pose a serious problem in that regard.

Part I of the FBS provides an assessment of Tunisian development in each sector of concentration and recommends for consideration two new project activities. Consistent with the GOT's stress on moving development resources into remote regions, the USAID proposes a new rural development technical assistance activity in the South, with initial funding (\$250,000) scheduled for FY 1976. Associated with implementation of this activity is a proposed FY 1976 agriculture sector loan of \$10 million. Part II sets forth FY 1975 funding requirements for on-going programs and requests approval to develop new FY 1975 activities in nutrition planning and grain storage, as called for in the Congressional Presentation.

A DAP Part I will be prepared in the fall of 1974 with short assessments by sector, taking off from material presented in this FBS. The DAP is intended to correct or confirm the program directions recommended in the previous paragraph and set forth a multi-annual strategy for U. S. assistance to Tunisia. It is suggested that activities set forth in this FBS and supporting feasibility studies and assessments be approved for implementation pending completion of the DAP, in order to maintain program momentum and meet design schedules.

All new activities proposed conform to GOT priorities and have been discussed with the Government. With respect to DAP preparation and sector assessments, the GOT wishes to collaborate in our planning

(ii)

and the International Cooperation Directorate in Foreign Affairs has recommended development of a joint implementation schedule for the fall. The GOT is aware of the nature of this planning process, and realizes that no firm A.I.D. assistance commitments are implied thereby.

I. Program Directions for FY 1976 in Tunisia

A. Economic and Social Framework

1. Introduction

The Tunisian model offers a remarkable example of stability and progress which has been all the more exceptional when one considers the turbulence of historical developments in the Arab World over the past twenty-five years. President Bourguiba's leadership since independence in 1956 has, by and large, kept the country on a course emphasizing economic and social development and an independent, but pro-Western, orientation in its conduct of foreign affairs. The President's commitment to an ambitious development program to modernize Tunisia and his particular support for family planning and the emancipation of women are well known. Less well known, perhaps, is the fact that defense spending is on the average only 5% of the annual national budget. Furthermore, President Bourguiba's personal popularity among Tunisians provides the leadership with a sustained source of strength that few countries enjoy today.

During Tunisia's first development decade (1962-1971), a massive investment program was undertaken on the order of 23% of GNP, or three times the investment level during the first five years of independence. While the average annual growth rate in real terms was about 5% of GDP, structural growth was uneven. Due in part to emphasis on long-term infrastructural projects, nationalization of former French land holdings (1964), poor climatic conditions, floods, and unsuccessful policies (e.g., the failure of the cooperative system in 1969), the growth rate for the agricultural sector was only 1% for the decade. A more liberal economic policy emerged in 1970 which encouraged private investment, the growth of export industries, and a reduction in governmental administrative controls over the economy. Although its structure remains somewhat fragile, overall economic growth has been rapid since 1970, particularly in agricultural production, and the outlook for the future is promising. Nevertheless, to achieve growth in equitable terms, imaginative policies will be required to correct regional imbalances, reduce serious inequities in income distribution, create jobs to lessen the need to export workers to Europe, and reduce the soaring population growth rate.

2. Current Economic Situation

The Tunisian economy has grown at impressive rates in recent years. The GDP growth rate (in 1966 dinars) averaged nearly 10% per annum over the period 1968 through 1972, including a phenomenal

growth of 17.6% in 1972. Agricultural production alone rose by 24% and 30% in 1971 and 1972, respectively, due to excellent climatic conditions permitting record wheat and olive crops in those successive years. The Four Year Plan projects a more modest, but still satisfactory, average growth rate of 7.1% per annum between 1973-1976. Increased earnings from petroleum and phosphates may permit Tunisia even to exceed the Plan's growth projections (see Table A).

Looking specifically at 1973, the Tunisian economy showed continued strength, although the percentage change in GDP (2.8% at constant prices) over 1972 was expectedly modest (see Table B). The balance of payments continued to show an overall surplus, with foreign exchange reserves increasing 33 million dinars. As pointed out in the Embassy's Current Economic Trends Report of January 1974, agricultural production fell 11.6% after the record cereals and olive harvests of 1972, tourism was stagnant, but industry and other services expanded.

The current account deficit for 1973 was down to 40 million dinars at the end of the year compared to a projection in July 1973 of 77 million dinars. There are indications that imports may have been over-estimated last July, since major increases in stocks of imported goods were recorded in September 1973, and businessmen may have decreased their rate of stock accumulation due to increased confidence in the economy and availability of credit and lines of supply. Secondly, the value of exports of petroleum crude and phosphates went up dramatically during the last quarter of 1973 due to general world-wide price increases.

Adjusting for the phenomenal agricultural year of 1972, there was favorable structural growth performance in the export sector of the economy in 1973. Table C compares the structure of exports for 1971 and 1973, and, as can be seen, the two-year growth rate of exports of goods is 37% in current prices. As the table shows, there is considerable diversification of export earnings in Tunisia.

Non-factor services registered a decline over the two-year period as a percentage of total exports, largely due to poor performance in the tourist sector. Non-residential bed nights were down 3% for 1973, and 36% for the months of October and November alone. Performance so far in 1974 is not encouraging, and it seems likely that tourism will be the one sector of the economy to face financial crisis over the next year.

The capital accounts show a continued high level of reserves. Foreign reserves for December 31, 1973 were 155 million dinars, up from 126 million dinars on April 30, 1973. The rate of

reserves to imports of goods and non-factor services was .46 for 1973. A ratio of .25 (3 months imports) is usually considered adequate to protect a country's international trade position.

It should be pointed out, before turning to 1974, that in spite of overall favorable growth in 1973 a sizeable current account deficit remained. Once the boom of 1972 was over, this resource gap reestablished itself and was compensated for by capital inflows. But for recent developments, Tunisia would either have to move back to reliance on large scale aid inflows over the next two to five years, or draw down on its foreign exchange holdings.

a. Projections for 1974 and Beyond

It is difficult to predict the total effect of the rapidly changing international economic situation and particularly world-wide price inflation on Tunisia. The import bill should run at least 15-20% higher than last year. Workers' remittances and tourism will undoubtedly suffer. Although Tunisia is only a minor producer of petroleum, price rises in petroleum and phosphates should make Tunisia a net beneficiary of the changing world economic situation in 1974. As a result, the value of exports of goods should increase at least 50%, if not higher, although GOT estimates are more conservative (see Table B). If petroleum and phosphate prices remain at or near current levels, a major change in the structure of Tunisian exports should emerge.

Tables B and C give an overall picture of what may develop in 1974 based on Ministry of Plan estimates. These GOT projections show that recent price increases will push the value of imports of goods up substantially, i.e., 364 million dinars. As far as exports are concerned, these projections are very conservative and don't seem to take into account anticipated petroleum crude production increases (as well as price increases) in 1974. The results indicate that total current expenditures for CY 1974 will exceed receipts, leaving a projected net current account balance of -30 million dinars. If one accepts GOT estimates of capital inflows, the overall increase in foreign exchange reserves would still be around 40 million dinars, even accounting for the GOT's low estimate on petroleum crude production.

Structural changes implicit in the above assessment for 1974 emerge from a cursory review of Table B. Even using the GOT figures, mining and processed minerals should approach 40% of export receipts in 1974. The value of agricultural exports, given price increases, should rise substantially in an absolute sense but remain constant as a percentage of overall export receipts. Other sectors - manufacturing, non-

T A B L E - A

GROSS DOMESTIC PRODUCT

	<u>Millions of Current Dinars</u>	<u>Millions of 1966 Dinars</u>	<u>Rate of Growth of GDP in Current Dinars</u>	<u>Rate of Growth of GDP in 1966 Dinars</u>
1968	624.3	594.8		
1969	678.2	625.0	8.6%	5.1%
1970	745.9	667.9	10.1%	6.9%
1971	866.6	729.0	16.0%	9.1%
1972	1,028.0	857.4	18.6%	17.6%

PLAN PROJECTIONS OF GROSS DOMESTIC PRODUCT

	<u>Millions of Current Dinars</u>	<u>Millions of 1966 Dinars</u>	<u>Rate of Growth of GDP in Current Dinars</u>	<u>Rate of Growth of GDP in 1966 Dinars</u>
1972	1,028.0	857.4		
1973	1,065.7	882.1	3.7%	2.9%
1974	1,175.9	973.2	10.3%	10.3%
1975	1,276.7	1,047.1	7.8%	7.6%
1976	1,365.9	1,127.7	7.7%	7.7%

Source: Tunisia Shelter Sector Analysis, September 1973.

(The Ministry of Plan made a slight adjustment in the above figures in July 1974 as reflected in Table B.)

T A B L E - B

Balance of Payments (Million Dinars)

	<u>1972</u>	<u>1973</u>	<u>Est. 1974</u>
Exchange Rate \$1.00 ^{a/}	.484	.439	.435
Gross Domestic Product	1,016.4	1,068.3	1,250.0
I - Current Account			
Exports of Goods	159.8	178.8	305.0
Exports of Services	110.8	121.2	126.0
Receipts from factor services	36.1	50.3	55.0
Miscellaneous	6.3	3.6	3.0
<u>Total Current Receipts</u>	313.0	353.9	489.0
Imports of Goods	218.0	261.6	364.0
Imports of Services	64.9	66.8	83.0
Expenditures on factor services	46.9	63.7	70.0
Miscellaneous	3.4	2.1	2.0
<u>Total Current Expenditures</u>	333.2	394.2	519.0
<u>Current Account Balance</u>	-20.2	-40.3	-30.0
II - Capital Account			
Grants	17.8	18.9	19.4
Special Drawing Rights	2.7	-	-
Foreign Private Investment	15.6	24.8	23.0
Utilization of Foreign Aid Loans	45.1	48.8	47.1
GOT borrowing on private market	20.9	14.6	15.5
Net private credit	-	-	-
<u>Total Capital Inflow</u>	102.1	107.1	105.0
Debt repayment	-44.2	-33.4	-35.0
Net Capital Inflow	57.9	73.7	70.0
Current Account Deficit	-20.2	-40.3	-30.0
Increase in Reserves	+37.7	+33.4	+40.0

a/ Per IMF Report of June 1974

Source: GOT Ministry of Plan

Composition of export earnings, current prices

	1 9 7 1		1 9 7 3		1 9 7 4	
	M.D.	% export receipts	M.D.	% export receipts	M.D.	% export receipts
<u>Agriculture Products</u>						
Olive Oil	35.3	14.6%	59.1	16.7%	78.8	16.1%
Wine and Liquers	24.4	10.1	26.2	7.4	52.5	10.7
Almonds	1.0	0.4	9.4	2.6	4.6	0.9
Citrus Fruits	Incl. in "others"		3.9	1.1	2.2	0.5
Dates	2.1	0.9	1.6	0.5	2.0	0.4
Others	2.2	0.9	2.4	0.7	2.5	0.5
	5.6	2.3	15.6	4.4	15.0	3.1
<u>Mining and processed minerals</u>						
Crude Oil	59.2	24.5	91.5	25.8	184.9	37.8
Phosphates	28.7	11.9	52.1	14.7	112.8	23.1
Super-phosphates	11.6	4.8	11.2	3.2	33.0	6.7
Other	9.6	4.0	12.0	3.4	21.6	4.4
	9.3	3.9	16.2	4.5	17.5	3.6
<u>Other Manufactured Goods</u>	18.4	7.4	28.2	8.0	41.3	8.5
Total Exports of Goods	112.9	46.8	178.8	50.5	305.0	62.4
<u>Non-factor services</u>						
Tourism	90.0	37.3	121.2	34.3	126.0	25.8
Trans. and ins.	52.0	21.6	72.1	20.4	72.0	14.7
Pipeline	15.0	6.2	24.5	6.9	30.0	6.2
Other	3.6	1.5	3.7	1.1	3.5	0.7
	19.4	8.0	20.9	5.9	20.5	4.2
<u>Factor Services</u>	38.2	15.8	50.3	14.2	55.0	11.2
Returns on Capital	2.0	0.8	7.5	2.1	9.0	1.8
Workers remittances	23.0	9.5	41.2	11.6	44.0	9.0
Others	13.2	5.5	1.6	0.5	2.0	0.4
<u>Current transfers</u>	-	-	3.6	1.0	3.0	0.6
Total earnings from services	128.2	53.1	175.1	49.5	184.0	37.6
Total Current Acc. Receipts	241.1	100.0	353.9	100.0	489.0	100.0

Source: GOT Ministry of Plan

factor services (particularly tourism), and workers' remittances - should stay even or show a slight decline.

Senior Tunisian officials take a much more optimistic view than Ministry of Plan figures would indicate. The chances are excellent that Tunisia will register a net surplus on current account for the first time since independence. The USAID believes exports are being undervalued in GOT projections, and tends to doubt that the rise in cost of imports, while substantial, will reach the relative proportions shown on Table B (last column). Recent USAID projections would show an end of CY 1974 increase in reserves more than double the 40 million dinars anticipated by the GOT. Informal contacts with other donors, including the World Bank, tend to confirm this view.

As a word of caution, it should be emphasized that Tunisia is only a minor producer of petroleum crude at the present time. If the boom in oil and phosphate prices ends in 1975, improved performance in other economic sectors, e.g., tourism, manufacturing, and continued growth in agricultural production, will be required if the readjustment to more normal diversified growth is expected to take place without a return to a substantial resource gap. Nevertheless, the current net advantage Tunisia will enjoy, due to price increases in petroleum and phosphates, does indicate that Tunisia should be able to achieve high growth rates and with less dependence on foreign financial aid.

3. Planning for the Second Tunisian Development Decade

The GOT has been articulating its objectives for growth and economic development in the form of multi-annual planning documents since 1962. The Fourth Development Plan (1973-76) was approved last year and constitutes the first formal plan since the reorientation of economic policy in 1970 under the present Government. Furthermore, Tunisia completed a review of its first development decade (1962-71) and charted a course for the second decade (1972-81) as a prelude to preparation of the Fourth Plan. The objectives of this Plan set the stage for a different development approach in the 1970's.

The Government has set as one of its principal objectives the correction of what are considered as imbalances in the investment policy of the previous decade. It is recognized, for example, that the ambitious investment targets of the 1960's, which emphasized long-term infrastructure investments, exceeded the country's technical level and its organizational and human capacity to manage and coordinate. Secondly, the GOT maintains that the distribution between short and long term investments was inappropriate to reach growth targets in the 1960's. For example, 67% of the investment program during the previous decade was associated with projects having a long term payoff. Finally, the GOT asserts that

since 72% of its investment program in the 1960's was funded by the public sector, the Government became overly involved in the whole span of economic decision-making related to production management rather than concentrating on setting monetary and fiscal policies conducive to development, coordination, planning and promotion. As a result, the GOT plans to concentrate investments in the future on projects aimed at increasing productivity in the short term and desires to enlarge the role of the private sector in development.

Under the new Four Year Plan, the GOT has set the annual growth target at 7.1%. To achieve this target, the Government plans to carry out a four year 1.2 billion dinar investment program at an annual rate double the investment targets of the 1960's. The GOT wishes to diversify its economy, particularly through the promotion of new industrial activities which will create new jobs. Heavy emphasis is placed upon stabilizing the country's financial situation through encouragement of domestic savings and limiting the foreign debt burden. The GOT wishes to mobilize national savings to finance 80% of its investment program (compared to 60% during the previous Plan) and thereby reduce relative dependence on foreign private and public capital flows. Nevertheless, in absolute terms, the GOT is looking for a 100% increase in net external capital flows to finance investment.

Sixty percent of the investment program during the 1970's will be concentrated on directly productive investments in agriculture and industry, and only 40% on long term economic and social infrastructure projects. The objective is to build upon the infrastructural base of the 1960's and improve productivity of these investments. The sectoral breakdown of investments shows little change over the previous planning period; therefore, the accent on productivity and diversification will be a recurrent theme in all areas of economic activity.

The social objectives of the Four Year Plan are of particular interest. A central theme of the new Plan is to reduce unemployment through job creation, family planning programs, and skills training. The GOT seeks to create 120,000 new jobs in non-agricultural areas for an estimated 200,000 new entrants into the job market. The Plan assumes that 60,000 new workers, or 15,000 per year, will find jobs primarily in Europe or Libya, and about 20,000 will join the unemployed ranks. Furthermore, through an active family planning program, the GOT hopes to limit the population increase over the next ten years to 1.2 million as opposed to uncontrolled growth of 1.6 million.

A second dominant social theme in the Plan concerns the re-

lated problems of regional imbalances and inequitable income distribution. The GOT recognizes that the remote interior governorats of the West and South have not participated in the more rapid development which has taken place on the coastal areas. Consequently, regional economic planning, and the development of small industries and agriculture-based enterprises in the interior, are given very high priority in the Plan. Moreover, the GOT recognizes the importance of increasing skills training, particularly skills which relate more directly to the rural environment and to the needs of small agro-based industries to be developed in the remote regions.

a. Comment on the Plan

The GOT planning process has undergone substantial improvement. The lines of communication and interaction are spelled out in greater detail, and one can see the beginnings of a more decentralized planning process emerging in the form of regional planning committees. Furthermore, the GOT's assessment of its investment policy shortcomings during the 1960's is objective and frank, and undoubtedly the factors the Government cites contributed to the unevenness of growth during that period.

The most serious problem in Tunisian development planning is not the articulation of planning objectives, but rather the absence of a clear linkage between growth targets and project selection. Secondly, project designs are not always well thought out causing serious inefficiencies and frequent delays in execution. Furthermore, the GOT's objective to mobilize domestic savings for development is appropriate, but continued heavy reliance as well on major foreign capital inflows seems unnecessary, considering the GOT's rapidly improving balance of payments position.

Tunisia's policy decision to emphasize development of the more remote regions of the South and West is of major significance. Throughout the 1960's Tunisia's major investments in all sectors were concentrated on the coastal regions of the North and Center (Sahel), particularly around the major industrial, commercial and tourist centers of Tunis, Nabeul, Sousse, Monastir, and Sfax. The South (Medenine, Gabes, Gafsa) and the West (Le Kef, Jendouba) were largely left behind in the process. Tunisian development planners were criticized as a result, somewhat unjustly given the different economic problems of the 1960's. Sociologists such as Jean Duvignaud focused international attention on the plight of the remote villages of the South and the fact that the post independence development process was passing them by. (see Change at Chebika by Jean Duvignaud)

One can observe today not only emphasis on the remote regions in the GOT's planning document, but also real evidence that the Government is moving to elevate the standard of living of the rural poor in these areas. USAID's Integrated Agricultural Development project in Ghardimaou (Jendouba) is linked to one of the GOT's highest priorities in the agriculture sector. It was this area in the Upper Medjerda Valley near the Algerian border that suffered the most during the Algerian war, and remains one of the least developed regions today. The GOT is attempting to restructure credit programs for the small and medium sized farmers in the remote gouvernorats, expand its program of rural development (animation rurale), and develop additional integrated regional activities to create new jobs and diversify the industrial and agricultural base of these regions. New gouvernorats are being created in the interior to bring the governmental machinery closer to the rural people.

The effort is just beginning, and one can see that substantial manpower inputs will be required to design effective development activities for these regions. Rural development policies and programs require more detailed planning if self-sustained growth, rather than simply continued government subsidization, is to be realized. World-wide price inflation and the uncertain job market in Europe may limit Tunisia's ability to export labor during the 1970's and lead to a worsening of the employment picture, with its inevitable impact on growth in the rural areas. Finally, great improvements in family planning services will be required, particularly in rural areas where public health facilities are lacking, if population growth targets are to be achieved.

4. U. S. Assistance Response

During the 1960's the United States was the major donor in Tunisia and, since Tunisia's independence, has contributed more than \$700 million in development loans, grants, and PL 480 programs. The picture has changed dramatically today. Many factors have contributed to the change, most importantly Tunisia's substantially improved economic situation. Secondly, UNDP, World Bank, France, other European donors and, more recently, the Eastern Arab States have demonstrated a greater capacity and willingness to contribute to Tunisia's foreign capital and technical needs. Diminishing U. S. resource availabilities and other demands (e.g., Sahelian relief) are also important factors. The United States, consequently, is now approximately the fifth-ranked donor to Tunisia behind the World Bank, France, Germany, and Italy.

There are currently more than 232 foreign technical assistance projects in Tunisia involving 3,500 foreign technicians (including nearly 2,000 French teachers in the school system). Activities span all economic sectors, with the major concentration in agriculture (26%), followed by public health (16%). The UNDP annual report on assistance to Tunisia indicates that in 1973 total foreign technical assistance activities were valued at \$43 million, with financial aid, including French Treasury credits, attaining \$250 million.

In this context, United States assistance has changed and is changing rapidly. What appears to be appropriate today is a concentration of U. S. technical assistance and occasional project and sector loans on specific development problems where our expertise can be most effectively applied. Secondly, our choice of project activities should coincide with the major development objectives as perceived by Tunisian planners themselves and should be supported by the GOT. Thirdly, our assistance should maximize coordination with a variety of implementing agents, either U. S. voluntary agency or other donors (IBRD, FAO, etc.) so that our limited resources can be best utilized. Fourthly, in support of GOT planning objectives for the 1970's, our programs should concentrate on developing integrated regional approaches to assist Tunisia's rural poor in the less developed regions of the West and South.

A DAP will be prepared by USAID/Tunisia in the fall of 1974 and the multi-annual setting of development strategy and linkage to specific problem areas will receive fuller treatment in that document. The USAID is particularly concerned that the DAP include a thorough

assessment of the agriculture sector since our program is concentrated in this area. Nevertheless, the path of Tunisian development is reasonably clear and the limits of our own capacity to respond are known in the broadest sense. The USAID recommends, therefore, that our assistance momentum be sustained, pending approval of a DAP, by endorsement of the following options for U. S. assistance strategy:

a. Food Production

Continue our current commodity-oriented activities in cereals and livestock production, the integrated agricultural development project at Ghardimaou, and contribute to agriculture sector planning and research through the University of Minnesota contract. Undertake a project loan to extend intermediate grain storage facilities in Tunisia following recommendations of a cereals storage and marketing assessment to be completed in August 1974. Begin project design and analysis for a rural development program in the South in collaboration with a U. S. voluntary agency (FY 1976), and plan tentatively on an agriculture sector loan of \$10 million in FY 1976.

b. Nutrition

Complete technical and commodity assistance to the Nutrition Institute and the lysine fortification study in Southern Tunisia. Launch a nutrition planning project with the GOT in FY 1975, as proposed in the Congressional Presentation for FY 1975. Expand pilot MCH programs through C.A.R.E. and C.R.S. to improve nutrition education and provide Title II food supplements to children in the 0-3 year group. Continue pre-school feeding (3-6 year olds) at current levels, but begin a phased reduction of support to primary school canteens.

c. Population and Health

Continue assistance to Tunisia's family planning program, and undertake a thorough review of Tunisia's future planning and the appropriate U. S. assistance role prior to committing new funds. Support C.A.R.E. well renovation projects in Le Kef, Sfax and Bizerte through PL 480 Section 204 funds.

d. Education

Assess Tunisia's non-formal training goals and determine how a skills training dimension, to include rural women, might be incorporated into our existing project activities. Continue on-going

activities at the higher education level, through completion of training and technical assistance to the University of Tunis Graduate School of Business and Economics Section of the Faculty of Law and Economics, and determine in our DAP assessment possible future directions in assistance to higher education.

e. Outside Areas of Concentration

(1) Guarantee occasional housing loans where the GOT demonstrates an interest in using HIG as a means to meet its critical shortage in low income housing, and consider this sector for loans of excess U. S.-owned dinars under PL 480 Section 104(f).

(2) Continue the PL 480 Title I program in soybean oil and occasional sales of wheat and feedgrains, as Tunisia's situation dictates.

(3) Continue technical training in the Public Safety area where desired by the GOT, using A.I.D. world-wide training funds.

B. Areas of Concentration for U.S. Assistance

1. Food Production Overview

a. Economic and Social Factors

During the past three years the Tunisian agricultural sector has been showing definite signs of emerging from the turbulent, no-growth period between 1960 to 1971. While some serious structural problems continue to hamper self-sustaining growth, the auspicious harvest of 1972 and respectable performance subsequently has inspired optimism that Tunisia may develop a truly viable, self-supporting agricultural sector.

As is commonly known, Tunisia underwent a precarious political, economic and social upheaval during the late 1950's and 1960's. The effect on the agricultural sector was particularly disruptive, with an agricultural growth rate of only 1% being registered in this unsettled environment. While there are numerous theories and explanations for that poor economic performance, they can be distilled into a few principal points: 1) The bulk of investments during this period was made for infrastructure development. In the agricultural sector almost 70% of investments went for the installation of irrigation facilities, fruit tree plantings, forests, and soil conservation activities. Normally, pay-offs from these investments cannot be expected in the short-run. 2) Poor management of investments and execution of programs also resulted from weak organizational elements at the producer level. 3) Turbulent changes occurred in public policy with regard to the expropriation and cooperativization of agricultural lands. The current of these changes ran deep and not only affected the more visible aspects of production like private capital investment, crop output and marketing, but had the more profound effect of eroding public confidence and personal security. 4) Fluctuating weather patterns have periodically retarded production. Compounding the inherent problems of reestablishing the agricultural sector were yield-cutting droughts and practically unprecedented, destructive floods.

Implicit in any explanation for minimal growth from 1960-71 are the social readjustments and compensation required in the aftermath of the French and Italian exodus. It would not be surprising if research revealed a tendency to over-exploit the land and previous investments once the "Colon" realized his days were limited. This inclination coupled with the loss of valuable skills and technology when they finally departed are contributing factors not easily quantified but certainly relevant to subsequent events.

Tunisian efforts in agricultural production over the past several years have been concentrated on larger farm units, rather than on the small private farmer and his needs. This effort has not been without some success in getting the agricultural sector moving again, but agricultural planners do agree that the next phase should emphasize small farm units since that is where the bulk of the land holdings and the best hope for increased food production lies. Recent statistics show that 85-90% of the farm units in Tunisia consist of 50 hectares or less. Rapid population growth, now projected to reach nearly 8 million by 1985, declining per capita productivity, problems of unemployment and underemployment, poverty, and operating on marginal land characterize the small farmer, and generally the rural milieu. The agricultural sector provides employment for well over half the work force, contains the majority of poor people, and is the birthplace of many of the urban poor.

Although it is on the small farms that the next major increase in production must occur, the introduction of modern, scientific farming technologies to this group is an extremely complicated task. Most economists agree, however, that if improved marketing systems can be introduced which assure higher prices, and if traditional farmers can have access to credit, agricultural services, and new technology with high payoff value, agricultural production in Tunisia will increase rapidly, particularly on these smaller units.

b. Development Planning in Agriculture

Agriculture is one of the most important, pivotal sectors of the Tunisian economy on which the largest portion of the population is dependent, directly or indirectly. While overall economic growth is not as dependent on agricultural production to the extent it once was, the growing demand for food and export market opportunities makes the sector's contribution to development crucial and the need for thorough planning essential.

For planning purposes, there are various ways to approach the agricultural sector. Simply, it can be categorized broadly into two significant sub-sectors, dry land and irrigation. Geographical or climatological division would be another way. Thirdly, commodity groups could be employed. In fact the GOT has used a blend of categorization techniques to divide the sector into manageable operating units depending upon the level and purpose of the intervention. While agricultural development planning is shifting to a regional basis to better focus the delivery of diverse government services, particularly to the rural poor in the more remote governorates, the Ministry of Agriculture's current organizational emphasis is on commodity areas: i.e. cereals, livestock, vegetables and tree crops. Specific purpose-oriented "offices"

of intervention implement the government's programs and coordinate their activity with the regional development units. Irrigated lands are treated somewhat differently with decentralized "offices" responsible for the development of individual perimeters. Obviously, operating interfaces are somewhat hampered by the mix of organizational structures.

The mold for economic development in Tunisia has been the various multi-year plans. In these documents the GOT establishes its development goals, stipulates priorities, proposes specific project activities, and allocates appropriately the required resources. There is no lack of organization, and after having prepared three previous plans the mechanism for developing a sound development strategy is already established. As the concept of rural development planning gains momentum organizational inefficiencies could become more prevalent.

The central theme for the current 1973-76 Plan is to bring about a satisfactory production response to many past investments. Any additional investments must be channeled into activities supporting production. In this context, the Plan recognizes four basic constraints in agricultural development:

- 1) absentee ownership and insecurity of tenure and tenancy;
- 2) the inadequate amounts of, and institutional arrangement for, the provision of agricultural credit;
- 3) the need to devote more resources to extension services and agricultural education;
- 4) the low return on investments in the irrigation sub-sector.

Consequently, a broad land-reform, rural development program is under way. More public lands are being distributed to the landless poor. Land ownership disputes are being adjudicated at an unprecedented rate. The entire agricultural credit institutional framework has come under renewed scrutiny. A new credit division was established in the Ministry of Agriculture for coordinating national level policy and program activities. New land reform/agricultural credit legislation was passed on December 12, 1973 and March 25, 1974. Additional investments are being carefully reviewed to assure that a substantial portion is channeled into activities directly supporting production, such as agricultural training, extension, credit, crop insurance and equipment. Again, in the irrigation sub-sector, where tremendous infrastructure investments were made in the 1960's, resources are being diverted to activities designed to increase productivity to an optimal level and place more of the irrigable land into active irrigation.

c. Institutional Strengths/Weaknesses

Achievement of the potential production response to past investments in the sector is probably the theme used most often to characterize Tunisian agricultural development in the 1970's. The emphasis in the current Four Year Plan and statements and policy directives emanating from senior agricultural officials reflect the government's determination to mobilize services and institutions, public and private, in direct support of production. Nowhere is this more evident than in the development of new institutional reforms designed to facilitate this process. In place of a predominantly centralized, hierarchical structure attempting to dispense uniform services from afar, the government is now experimenting with decentralized, regional planning and implementation models which ultimately will evolve to fully integrated rural development schemes. Hand in hand with this concept goes the preparation of customized regional development plans, the assignment of functional specialists to regional offices, bolstering of extension staffs, and greater budgetary and implementation control in the field.

Whether or not this substantial effort will prove successful is a moot question. There are many structural, conceptual and procedural flaws that have thwarted effective performance in the past and still have to be corrected. For example, too many project proposals fall short in comprehensive, vigorous economic and managerial analysis. In a rush to develop new activities GOT planners sometimes short-cut important information gathering and analysis requirements. Priorities are not always clear. Alternative strategies oftentimes are not explored or exposed to critical comparative analysis. Coordination of activities among agencies and programs leaves much to be desired. Implementation schedules are often unrealistic and candid assessments of available resources and leadtimes are sometimes overlooked. Even though islands of very

reliable data do exist that have been professionally developed in the context of FAO, IBRD, UNDP, and donor projects or by indigenous organizations like the Extension Service, Bureau of Planning and Economic Analysis and the Banque Nationale de Tunisie (Agricultural Bank), they have not been systematically catalogued and made available nor drawn upon as much as one would expect. The BNT, for example, has prepared excellent cost-production norms for extending credit that could be used effectively in economic analysis and planning.

The development planning structure with its various strengths and weaknesses was discussed earlier. On the execution of projects, technicians are forced to deal with realities ignored in the initial planning. Goals expressed in lofty language are difficult to quantify and sometimes lack meaning. GOT producer level implementing agents can be bewildered by the intent of their instructions and are many times seriously limited by the lack of training, experience, and wherewithal to do the job.

d. Other Donors

The GOT is a popular recipient of foreign assistance and no other sector is quite as well endowed as agriculture. The most recent report of the UNDP, Rapport Annuel Sur l'Assistance au Developpement (Mai 1974), indicates a total of 60 separate projects sponsored by 23 donor organizations which provide 279 specialists. The U.S. is credited with four agricultural projects. 25.9% of all assistance projects are in the agricultural sector. The projects range from very substantial self-contained activities addressing major subsector problems like livestock production to more modest, single-specialist activities undertaken on a short-term basis. Substantively, the assistance addresses the entire spectrum of agricultural production factors from providing essential commodity inputs to research, education, extension services to all the major subsectors, e.g., cereals, livestock, citrus, vegetables, irrigation and forestry.

While coordination among donors is generally quite close at the working levels, there are insufficient opportunities for proper integration of various activities at higher levels. The UN and IBRD efforts in this area have been macro in nature and the GOT ostensibly has no incentive to relate various assistance programs and possibly diminish the total input level. The price paid is duplication of effort in some cases, overextension of GOT capacity to support all the projects, and occasionally distorted priorities.

e. U.S. Assistance Response

Assistance programs must be structured to accommodate GOT organizational concepts and program priorities in the agriculture sector.

This means projects following major commodity lines, regional development schemes, or sector-wide activities can be most readily absorbed and experience the fewest problems of support and coordination. Projects that run counter to current precepts, conversely, will suffer from inter-organizational conflicts, mixed priorities and discouraging problems of coordination. Furthermore, activities which support Tunisia's principal agricultural goals, particularly on the small farms, and bring the development process to Tunisia's remote rural poor, will have the highest receptivity by the GOT and are in consonance with A.I.D.'s world-wide assistance strategy to the sector.

USAID resources in the agricultural sector support GOT plans to accelerate the rate of food production by capitalizing on past investments, to extend more economic opportunities to small farmers, and to increase cultivation of irrigated lands. Projects 664-205.1 and 664-276 have been commodity-oriented (cereals and livestock respectively) mainstays of the USAID agricultural program while the recently established Project 664-277 (Integrated Agricultural Development) aims at developing irrigated land within an integrated rural development context. Project 664-237.1, Agricultural Planning and Economic Analysis, has been a process-oriented activity designed to strengthen the Ministry of Agriculture's capacity for applied economic research, analysis and planning and provide an objective, analytical input for agricultural sector decision-making, policy determination and planning.

Our future involvement in the agriculture sector will be determined by the DAP to be prepared during FY 1975. Since agricultural projects have had a position of pre-eminence in the total USAID program, it is planned to undertake an agriculture sector assessment during the fall of 1974. This assessment will lay the groundwork for the agriculture portion of the DAP. Also contributing to the DAP will be two new sub-sector studies:

1) a grain storage and marketing study to be launched in August 1974, and

2) a stabilization pond/irrigation pre-feasibility study to be carried out later in this fiscal year. In addition, the results of a livestock baseline survey and sub-sector assessment (nearly completed) will be available to assist in determining future orientation of the livestock production project. A recently completed TVA survey of fertilizer production and distribution problems in Tunisia as they affect the small farmer will also provide input for the assessment.

While the sector assessment and DAP will provide the framework for future U.S. assistance to the Tunisian agricultural economy, the USAID recommends maintaining forward momentum to project development. Accordingly, the August 1974 grain storage and marketing study will determine the scope and timing of a proposed grain storage loan (currently planned for authorization in late FY 1975). Secondly, we propose

to continue with design and development of an integrated rural development project for the South and request that funds be tentatively reserved in FY 1976 for initial authorization. Thirdly, an agriculture sector loan is planned in FY 1976 to support expansion of Tunisia's integrated regional development programs, including the proposed USAID-assisted project for the South. The rural development and sector loan proposals are discussed subsequently, and the grain storage proposal is covered in Part II of this FBS.

1) New FY 1976 Activity: Rural Development in the South

A discussion of the Tunisian "South" is approached frequently from a single dimensional perspective and evokes comments concerning "encroachment of the desert", "saving the date palms", and "arid zone rehabilitation". Government sponsored activities might be viewed by outsiders as holding actions of humanitarian relief, i.e. Sahelian-type relief, designed to counteract the hostile environment. But there are other ideas and perhaps expectations, more constructive in nature, that one sees expressed in development plans and official publications or hears articulated by Tunisian officials and inhabitants of the affected areas. The accent in this case is on "development", economic and political, and implies a more positive orientation.

Compared to other areas in Africa, Tunisian leaders have done a masterful job since independence of building a politically stable, economically progressive nation-state. One of the imperatives of political development is the mobilization of the population in support of the state and inculcation of a citizen/state identification. Most likely, the GOT's initial forays into rural areas of the South were politically motivated, and government sponsored programs were directed towards this end. Nevertheless, the penetration of the South was motivated by economic and social objectives as well. Its efforts to bring modernity to the rural area resulted in some social and economic uplifting, although the area in general has been far behind other regions in terms of overall economic progress. Nevertheless, major infrastructure improvements were undertaken. Schools, rural health facilities and roads were built and entire villages resettled from squalid, unviable areas to more attractive established settlements with better housing, water supplies, schools, and markets.

The Government's approach was positive in nature, if not completely successful, and designed to bring these rural citizens into the mainstream of Tunisian life. Rather than principally political-inspired palliatives, the GOT's objectives are to stabilize the local economies of these areas, develop vital resources, improve standards of living, stem migration of manpower, and create employment for the

young. What is required is effective regional planning and project implementation to achieve these objectives, and make the South an acceptable environment where jobs are available and a reasonable standard of living can be achieved.

USAID is tentatively proposing an FY 1976 project, "Rural Development in the South", to be directed at these same ends and contemplates building on earlier activities and experiences to formulate a package of activities geared to the basic agrarian, rural character of Southern Tunisia. Before proceeding with this idea, USAID plans to undertake a formal agricultural sector assessment and Development Assistance Plan (DAP). It is anticipated that these exercises will more clearly define the scope of a rural development project such as illustrated below. Assuming the DAP exercise confirms the appropriateness of this activity USAID would prepare and submit with the assistance of an AID/W study team a Preliminary Project Proposal (PPP) early in CY 1975.

The task of carrying out such a project will be complex. While discernible progress has been made, the economic life of the region is still rudimentary with little produced except the essentials for life. Small farmers and migratory herdsmen dot the countryside, with specific agricultural activities dependent upon the weather. Geographically the situation is somewhat disadvantaged; nature is precariously balanced; rainfall is the least predictable element, with hot destructive desert winds and periodic inundations.

On the other hand, there is a tendency to overlook the totality of resources that do exist. The people populating the area are from hardy stock. In addition to generous phosphate deposits and smaller quantities of other minerals, the land, with proper fertilization and the addition of organic matter, is surprisingly productive. A huge aquifer with run-offs estimated at 2000 liters/second underlies the region and already provides large amounts of supplemental water to a large area. Finally, USAID successfully established a profitable irrigation perimeter, at Chenchou, in an earlier attempt to renovate flood-devastated irrigation lands and introduce low cost American technology. It is anticipated that Chenchou would serve as one focal point for the proposed broader approach to rural development.

"Rural Development in the South", as presently conceived, would represent an effort to associate broad agricultural development needs of the Gabes and Medenine Governorats with specific development activities sponsored jointly by the GOT and USG, and involving a mix of U.S. inputs. As a first step, a comprehensive baseline study and development analysis of the area would be required, and the formulation

of alternative development strategies derived from the conclusions of the assessment and GOT goals for the region. This study would be undertaken in close cooperation with the Banque du Sud (Bank for Development of the South) and "La Société Nationale Pour la Mise en Valeur du Sud (SONMIVAS)", a public corporation responsible for development programs in the South.

From pre-project reviews USAID has already ascertained many of the more prevalent needs of the area and accordingly proposes a series of provisional sub-activities based on probable outcome of the comprehensive baseline study and development analysis. For example, seed multiplication facilities are practically non-existent in the South, not to mention essential forage crops to feed local livestock and supplement sparsely vegetated rangelands. Building on a past activity, Chenchou could be expanded to meet this regional need and modified to serve mixed production requirements. Concerning another sub-activity, farmers work predominantly on small irrigated plots in the region and require a special extension package to help them expand and improve production. We are proposing, therefore, a small farmer crop production sub-activity for those farmers with 20 hectares or less. This activity would be implemented in conjunction with the Ministry of Agriculture and SONMIVAS and include credit, fertilizer, extension, marketing and research components. The various project activities naturally would be mutually supporting. The small farmers participating in the crop production sub-activity, for instance, would benefit from the seed multiplication and forage activity at Chenchou.

Another sub-activity would be more related to water resource development and directed at maximizing the use of all available water. Already many wells are being used but desperately need to be upgraded through electrification or provision of mechanized power sources for pumps. Better irrigation technology must be installed. The stabilization pond/irrigation technique would be tried on a pilot basis in the cities of Gabes and Medenine where adjacent government-operated, forage or feed grain growing irrigation perimeters could be established. A prefeasibility study of this activity is recommended for funding in FY 1975 (see Part II). Not only would the stabilization pond technique provide these cities with a badly needed low cost sewage treatment facility, but the economic returns from the adjacent irrigation perimeter might offset the entire investment cost.

As indicated above, the global project would consist of a series of mutually supporting sub-activities. It is also contemplated that a mix of implementing agents be employed according to the capabilities of their sponsoring organization. CARE, for instance, has done exceptional well improvement and rehabilitation work in Tunisia.

Their people are energetic, well motivated and completely adapted to working in rural areas without the normal amenities. CARE has also effectively drawn upon the U.S. Peace Corps to provide needed skills and expertise to accomplish projects. It is proposed to continue this implementation mode for the water resource sub-activity. In the expansion of the Chenchou perimeter where the work is more localized, we would propose a U.S. private contract team. For the crop production sub-activity, with its varied skills requirement, a USDA PASA might be the best alternative. To provide the overall coordination and leadership for this multifaceted undertaking USAID should provide a two man direct-hire staff composed of a project manager and a project planner/economist.

This TC/DG funded project package would require 6-8 years to complete with an estimated cost of \$3.5 million:

Sub-activities:

- a) Seed multiplication and forage production - \$1,000,000.
- b) Crop production for small farmers - \$500,000.
- c) Well improvement and rehabilitation - \$500,000.
- d) Stabilization pond/irrigation - \$1,500,000.

2) New FY 1976 Activity: Agriculture Sector Loan

In the past Tunisia has been an important recipient of A.I.D. program loans. Over \$200 million in development lending has been authorized for Tunisia, of which the most recent loan for agricultural development (\$11 million) was authorized in FY 1972. Most of these loans over the years have financed commodity imports from the United States justified on balance of payments grounds. Over the near term, this justification for development lending will have less applicability in Tunisia (see Part I, A, 2, Current Economic Situation). The last loan (O50), while justified in terms of a resource gap analysis, also generated a local currency resource reserved essentially for activities in the agriculture sector. In effect, this loan was viewed as a transition loan forming a bridge from traditional commodity lending to sector lending -- a concept for which the GOT in FY 1972 was not prepared.

Tunisia is in the middle of implementing its fourth development plan, and the course selected for development over the next few years seems relatively clear. The accent on development of the more re-

mote rural governorats of the interior and South is affecting particularly agricultural sector development planning and project selection. Resource requirements for this effort will be important, but no less important will be technical and managerial resources required to develop regional strategies and design projects. It is USAID's view that Tunisia is now prepared for sector lending as an important stimulant to its integrated rural development effort.

A thorough assessment of resource needs to implement Tunisia's rural development programs will be undertaken in formulating the Tunisia DAP. Pending completion of that analysis, USAID recommends that \$10 million be reserved in FY 1976 for an agriculture sector loan to generate local currency support to the proposed new FY 1976 activity "Rural Development in the South." This new project would involve an integrated series of sub-activities requiring an important shift of emphasis in investment resources toward the South. We would propose, therefore, developing with the GOT a specific budget for implementation of integrated rural development programs, using the agriculture sector loan as one tool to support the program, coupled with an important technical assistance component as mentioned above.

The previous agricultural development loan for \$11 million (Loan 050) was signed in January 1973, and most of the counterpart funds generated therefrom are being jointly programmed for inclusion in the GOT's CY 1975 budget. Due to the transition from traditional commodity lending, negotiations on implementation of Loan 050 took several months. Ratification by the National Assembly and satisfaction of other conditions precedent also delayed actual loan implementation until June 1973. As a result, a six months gap occurred in 1973 during which time no U.S. commodity loan existed to finance U.S. exports. Tunisian importers switched to European suppliers in many instances to meet stock requirements during that interim period, which further slowed programming of 050 when funds became available.

Loan 050 is now completely subscribed and an additional one million dinars of potential U.S. imports has also been identified for which no financing will be available under the current loan. The absence of commodity loans, given comparative freight rates and other factors, has a significant impact on the level of U.S. exports to Tunisia. USAID suggests that these factors, in addition to the importance of local currency support to Tunisia's rural sector, weigh heavily in favor of another development loan in Tunisia in FY 1976.

2. Nutrition Overview

a. Economic and Social Factors

The separate but interrelated challenges of reducing the population growth rate, increasing food production (the quantitative side of the food problem), and combating malnutrition (the qualitative side of the food problem) are three of the most important aspects of Tunisian economic development. Realizing that none of these problems can be solved effectively in isolation of the others, the GOT has devoted a significant portion of its budget in recent years to these three important areas.

Data now available indicate that Tunisia has a serious nutrition problem. The portion of the population below minimum desired nutritional levels is extremely high, ranging from 25% to 61% for the country as a whole, with acute deficiencies in the rural areas. Vitamin and mineral deficiencies are widespread in varying degrees of severity; however, protein-calorie malnutrition is well documented to be the most critical nutritional problem. Protein deficiency is most severe in the pre-school age group and in pregnant and lactating women.

Although no broad, comprehensive analysis (in its cultural, social, economic and psycho-social context) of malnutrition in Tunisia has yet been made, evidence to date indicates that income may be the single most critical variable with regard to malnutrition and its potential solutions. Unless there is an increase in purchasing power among Tunisia's urban and rural poor, individual Tunisian families will not have the means independently to greatly improve their diets.

For example, wheat products are the cheapest source of calories per unit weight of any food product currently available for the diet, and therefore these products are the dietary staple of the poor, accounting for some 60% and 80% of the caloric and protein consumptions, respectively. But in addition to being a factor of economics, a poor diet is often due to ignorance of proper nutritional practices, and this, too, must be addressed if progress is to be made against malnutrition.

b. Development Planning

Policy makers and development planners in Tunisia were quick to realize that malnutrition is a serious impediment to economic development. As a result, Tunisia can boast the following institutional strengths:

1) A pre-school Government-to-Government child feeding program has operated with US Title II commodity assistance for many years.

2) A large primary school feeding program administered by Voluntary Agencies and assisted with US Title II commodities has functioned since Tunisian independence.

3) A pilot program of food commodities as well as nutrition and health education is being expanded to reach, through the Maternal Child Health (MCH) centers, 20,000 infants 0-3 years of age and pregnant and nursing women.

4) The National Institute of Nutrition and Food Technology was established and given full responsibility for Tunisia's nutrition programs.

5) A factory for the production of a high protein weaning food is being constructed by the Tunisian Government, with the help of Sweden and UNICEF.

6) Tunisia's President Bourguiba has taken an active interest in nutrition and has encouraged his government to support the efforts of the new Institute in the nutrition field.

Recognizing that Tunisia has made a substantial and remarkable commitment in this field, there are also certain institutional weaknesses which inhibit full nutrition sector development:

1) The GOT must still develop an integrated national nutrition program which establishes a target and course of action for addressing the country's nutritional problems.

2) Coordination between GOT agencies concerned with nutrition is still in the very early stages and must be improved if a national nutrition program is to be effective.

3) Nutrition education, especially in the schools and health centers, requires significantly more attention if the current ignorance of proper nutritional practices is to be reversed.

4) The Nutrition Institute now possesses a structure and organization but will require additional time to develop its full capacity for dealing with Tunisia's nutritional problems.

One can justly state, however, that in Tunisia, with assistance from the U.S. Government, three important achievements have been realized in the nutrition sector, namely creation of an awareness of the seriousness of the malnutrition problem, the beginning of a viable institute to tackle the problem, and arousing the interest of other donors.

c. Other Donor Contribution

Although in second place to AID assistance, assistance to the nutrition area from other donors is significant. Known commitments, both past and future, are now estimated to total \$1,270,000. The largest portion of this is the Swedish commitment (through UNICEF) of \$867,000 to help Tunisia construct a weaning food factory. Ajinomoto Company of Japan is expected to contribute an estimated \$135,000 worth of lysine over the life of the Lysine Fortification Project. The remaining donors to the nutrition sector are contributing less than \$50,000 each and, other than additional private organizations connected with the lysine project, include UNICEF, WHO, Belgium, the US Peace Corps, West Germany, Canada and the FAO. Their assistance includes equipment, computer services, technical assistance and scholarships.

d. U.S. Assistance Response

The USAID is employing three major tools in addressing the nutrition area of concentration: technical assistance, U.S.-owned excess local currency, and PL 480 Title II child feeding assistance. Technical assistance dollar grants are represented by two on-going projects, which also involve U.S.-owned local currency, and a third project proposed for FY 1975. The first of the two on-going projects is the Institute of Nutrition and Food Technology project which seeks to establish a viable nutrition institute. This project includes participant training and commodities, as well as the services of a nutrition advisor and short-term consultants. The second project is the Lysine Fortification Study which is designed to conduct and finish by the end of August 1976, under village conditions, a controlled trial to determine the nutritional benefits which can be derived from the fortification of wheat products with lysine. If the results are positive, the project is then to provide the Tunisian Government with information as to whether, and how, an effective operational fortification program could be established in Tunisia, including the economic feasibility of producing lysine and other nutrients locally. The project is being carried out in Tunisia under a Harvard University contract providing three full-time contract personnel, short-term consultants, supplies and laboratory equipment.

The U.S.-owned local currency (PL 480 Section 104(h) Grant funds) has assisted with the following: construction of the Institute building, Institute budget support, support of a national nutrition survey, as well as support for local salaries and operation of the Lysine Fortification Project.

The third technical assistance project, Nutrition Planning, is discussed in more detail in Part II of the FBS. It is proposed to begin in FY 1975 and is designed to assist the Tunisian Government to incorporate nutrition concepts into national planning and to improve Tunisia's capacity for analysis, planning, implementation and evaluation of nutrition programs.

The third tool being used by the USAID in the nutrition area is PL 480 Title II child feeding assistance, which is also discussed in more detail in Part I, Section 5. Briefly, PL 480 Title II Commodities, distributed both on a bilateral Government-to-Government basis and through the voluntary agencies CARE and CRS, are being provided to improve the nutritional content in the daily diets of needy Tunisian children. The program has focused in the past both on primary school age children and on pre-school age children between the ages of three and six. However, the program is being redesigned, and, as a result primary school feeding will start phasing down in FY 1976, while a new element, operating through the MCH centers, is expanding in FY 1975 in order to reach the highest priority category, namely children in the ages 0-3, as well as pregnant and nursing women.

3. Population and Health Overview

The current Tunisian four year plan views family planning as the fundamental requirement for the achievement of its general policies of social progress through expanded health, education and employment, as well as a fairer division of income and a reduction of regional differences in living standards. The country's political and intellectual leadership substantially supports and understands this policy, and a series of far-reaching legal and administrative measures have provided the necessary base for carrying it out. The validity of this policy is evident. Tunisia's land, water and other natural resources are severely limited, and the country will not be able to feed, employ and provide social services for a population expanding indefinitely at the present rate of 2.3% a year.

The principal concern is thus not with policy but with the ability to implement it. The national program is administered by the Ministry of Health and the National Office of Family Planning and Population, with certain educational and promotional support from other ministries. The Ministry of Health has a network of some 500 health facilities including hospitals, dispensaries and maternal and child health centers. Of these, more than 300 provide family planning services at scheduled times through permanent staff at the facility, part-time contract doctors or, in the rural areas, mobile teams headed by gynecologists or mid-wives. The bulk of the population lives within walking distance of these family planning services.

Despite this reasonably adequate structure, progress in extending family planning practice has been erratic. After nearly a decade of effort, only about 6% of the married women are protected from unwanted pregnancy. While new acceptors of IUD's increased from 13,250 in 1972 to 16,790 in 1973, new acceptors of pills dropped from 13,018 to 11,194. Taking the distribution of condoms into account, as well, the acceptance of preventive methods has shown disappointing results over the last two years, and this must be corrected. On the other hand, social abortions increased markedly, as did sterilization, with the latter accounting for much of the impressive increase in potential births averted last year. The underlying reason for this generally slow and uncertain progress seems clear. The Ministry of Health has no trained public health planners or preventive health specialists, and basic decisions are made by administrators or a limited number of doctors trained in clinical medicine. Leadership levels in the past have thus failed to understand the range of preventive health and educational efforts needed to persuade well and largely illiterate people to adopt a new practice which requires inconvenience, discomfort and personal discipline for a purpose in conflict with age-old cultural and economic values. As a corollary to this, budgets have

been limited, with curative care almost always given priority in the Ministry of Health decisions. Authority and responsibility have not been well defined, organization has been weak, and supply management for the national program is poor. On the positive side, the reorganization of the national-level headquarters last year remedied many serious salary problems of the past and permitted full recognition of U.S. degrees. A more capable administrator was named and the Office now has the potential for providing better technical and commodity support to the national program. A dynamic Minister of Health has also assisted in expanding field activities. In summary, while political level exhortation has been frequent, there remains a requirement for many practical improvements in the administration and supervision of effective health and educational services and facilities.

Regardless of these implementational difficulties, the progressiveness of the national family planning policy, the government's genuine concern for social improvement, and Tunisia's potential role as a region-wide demonstration center have attracted extensive foreign assistance to the Tunisian family planning effort. The major donors have been the IBRD, with a \$4.8 million IDA credit for new maternity, MCH and teaching facilities; AID, with some \$6.5 million, up to the present time, for technical assistance, commodities, training, budget support and renovation and construction of facilities; the UN with an expanded program of UNFPA-funded assistance now being explored; important operational and technical assistance by medical and paramedical personnel from Belgium, Holland, WHO, China, Eastern European countries and others. These and other minor donors have provided essential operational support to keep family planning services available. For the most part, however, they have operated at a regional level in the country, without adequate counterparts, training or organizational relationships, with the result that much of what they have demonstrated has had limited lasting effect.

USAID and other donors believe a key to progress in Tunisia is the development of an adequate long term plan by the GOT to address the total range of organizational, training, supervision and educational efforts required for a comprehensive and expanding family planning program. The Tunisians are now in the process of preparing a three year plan of action which, it is hoped, will address this range of efforts. USAID will assist as requested in the preparation of this plan. In expectation of an acceptable plan, USAID believes that Title X grant assistance should be continued to Tunisia. The assistance, as set out in the PROP submitted in December, 1973, would include advisors, participant training, commodities and support of local costs of the national program. In addition, PL 480 Title II food assistance is being provided on a pilot basis through the Maternal/Child Health (MCH) centers to encourage

better nutrition. This distribution is also likely to attract more attention as well to the family planning facilities of these centers, thus hopefully leading to greater adoption of family planning methods.

C.A.R.E. is supporting rural health programs in a more generalized manner through renovation of well systems and springs in remote rural communities. U.S.-financed financial assistance is provided through PL 480 Section 204. (See Part II B. 6. re excess currency programs.)

4. Manpower Development

a. Economic and Social Factors

The importance of the role education plays in Tunisia's national development is recognized by the Tunisian people and Government, and since independence, significant strides have been made in the sector. At present, one-fifth of the Tunisian population is in school, and education outlays require approximately 30 percent of the national budget. The following table indicates the increasing numbers of students enrolled in the education system:

	<u>Academic Year</u> <u>1961 - 1962</u>	<u>Academic Year</u> <u>1973 - 1974</u>
Primary School	465,577	865,786
Secondary School	54,751	171,914
University Level	2,309	11,916

In higher education, the University of Tunis has become one of the most respected educational institutions in North Africa. In addition to the humanities, the University system consists of important faculties in the sciences, law, economics, and medicine. Associated with the University are institutes in fields such as agronomy, business administration, and commercial studies. Schools of engineering, teaching, and middle level management round out the system. As evidence of its standing, degrees from the University of Tunis are recognized in France for the purposes of continued education. Although Tunisia is relying less on foreign teachers than in the past, the scientific and technical fields remain Tunisia's weakest in this regard.

Tunisia faces significant problems in the education sector. While about 15 percent of the labor force is unemployed, and underemployment is even higher, Tunisia is at the same time short of needed skills. In a country which is predominantly rural, the education system tends to emphasize the social sciences, rather than practical technical skills of greater relevance to rural developmental needs. The vast majority of entrants to the University system choose the humanities and law as areas of concentration, and yet the economy requires not these fields, but rather doctors, economists, engineers, business managers, and the technical trades. Recognizing the urgency of the problem, the Tunisian Government is conducting during the period of the current Four Year Plan, 1973-1976, a major review of the relevancy of the Tunisian educational

system.

The future development of Tunisia also depends upon building an adequate pool of skilled manpower in technical and scientific subjects at the middle or semi-professional level, including such technical trades as electrician, machinist and construction worker. Many Tunisians have been trained in these subjects, but have capitalized on their skills by seeking better employment in Europe. The Tunisian Government has now recognized its increasing need for certain skills and is encouraging workers with building skills, for example, to return and fill job requirements at home. A long-term solution requires better schooling, more adequate placement, and higher wages. The Tunisian Government hopes to address part of this problem by strengthening its trade schools, by improving its technical and scientific skills training in the primary schools, and by developing an effective non-formal education program. Providing jobs at an adequate minimum wage, however, remains a serious constraint in many fields, and 15 to 20,000 Tunisians per year continue to seek employment outside the Tunisian economy, either because there are inadequate job opportunities in Tunisia, or to take advantage of higher European wages.

b. Other Donor Activities

Other donor assistance in 1973 embraced a wide spectrum of activities, with the French predominating as a result of their more than 2,000 teachers, most of whom teach in secondary schools. The Belgians supplied 60 teachers, mostly for secondary and technical schools, and the USSR provided 48 professors, all of them to the School of Engineering. Sweden assisted with 1) the training of women for professional roles, 2) with a study of radio and television as an educational tool, and 3) with planning assistance on the training of hand skills. Various United Nations organizations provided a variety of education planning assistance. Assorted donors also assisted with education in the field of tourism. Additional assistance was provided by the United Kingdom, the U.S. Ford Foundation, Switzerland, Yugoslavia, and Canada.

c. U.S. Assistance Response

Although in the past the USAID has provided both dollar loans and grants as well as U.S.-owned excess currency assistance to this sector, the U.S. assistance effort is now concentrated on technical assistance grants. Of the two continuing projects, the Economics Education project seeks, through a contract with the University of Min-

nesota, to provide better-trained Tunisian economists through the introduction of American economic methodology into the economics section of the University of Tunis Faculty of Law, Economics and Political Science. The project included one teacher/advisor through FY 1973 and some commodities through FY 1974, but is now essentially the training of participants. The second project, Management Education and Executive Development, seeks to establish and develop a Graduate School of Business Management, with special emphasis on the MBA program, as a fully operational and effective school within the University of Tunis system. This project, conducted through a contract with the University of Illinois, has involved two teacher/advisors, some commodities and participant training. Implementation of both projects will be completed by June 1978.

The GOT recognizes that one of Tunisia's major problems is how to make the educational system more relevant to the country's development requirements. Through non-formal training, the GOT hopes to provide the middle-level job skills linked to the development needs of rural areas, while at the same time increasing per capita income and reducing unemployment. Assuming that the GOT's plans for encouraging regional development will provide additional job opportunities in rural areas, skills training would be an additional factor to encourage people to remain in the countryside instead of moving to the coastal cities where they become a drain on scarce resources. The USAID agrees with the GOT's emphasis on revitalizing the educational system, and would like to examine ways in which a skills training dimension could be better developed within the context of our current program objectives. The USAID believes such a component could be integrated into our ongoing integrated agricultural development project in the Upper Medjerda Valley, and should be included in the design of the proposed rural development activity in the South, recommended for initial funding in FY 1976. The role of rural women in the development process as related to the objectives of these activities is being explored in collaboration with the "Union Nationale des Femmes Tunisiennes (UNFT)", and will be elaborated upon in the DAP in order to determine specific areas of A.I.D. involvement in FY 1976.

Accordingly, USAID recommends that a small team of educators, knowledgeable in A.I.D. non-formal training activities elsewhere, visit Tunisia in the fall of 1974. This team would assist the USAID and GOT in a detailed review of existing Tunisian programs in the non-formal training field, examine current and planned USAID program emphases, and provide guidance and recommendations to the Mission and GOT on how this educational dimension might best be integrated into our collaborative programs. The assessment would form an integral part of USAID's DAP pre-

paration in this sector, and is discussed further in Part II.

It should be noted that the USAID's interest in non-formal training is not meant to eclipse our concern for more formal aspects of Tunisia's education system. In this regard, and in the context of our substantial assistance in prior years to the University of Tunis, the Minister of Education has indicated a desire to obtain AID's analysis of how the University's library system could be improved. This request stems from an assessment and recommendations provided by Dr. Robert B. Downs, Dean of Library Administration, University of Illinois, when he came to Tunisia in April 1973 to assist with the development of the library component of the Management Education Project. After further discussion with the GOT, the USAID may recommend some additional TDY assistance in library administration. Nevertheless, USAID is not recommending any specific new project proposals in higher education in this FBS, pending completion of the DAP.

5. PL 480 Title II Programs

The USAID regards, in general, Title II programs as being intimately linked to GOT nutrition programs and strategy. In the past we have supported Food for Work programs, which obviously would not fit this definition completely, and certain elements of Title II assistance do have a more generalized social welfare and humanitarian impact. Nevertheless, the approach being developed in Tunisia is to encourage more emphasis on the nutrition related aspects of Title II programming, and we intend to examine future program strategies in this regard, as part of the USAID's nutrition assessment leading to a DAP.

a. Maternal Child Health (MCH)

In recognition of the highest priority being given to MCH programs, the USAID has been supporting the two voluntary agencies, CARE/MEDICO and Catholic Relief Services (CRS), in their very active efforts to develop a pilot nutrition program. The program, utilizing Title II food assistance, is designed to reach infants 0-3 years of age, and pregnant and nursing mothers. A small pilot effort started in FY 1974 reaches about 700 infants and mothers through ten maternal and child care centers. Under the jurisdiction of the Ministry of Health, the activity seeks to (1) train a limited number of MCH personnel in the basics of nutrition education, and (2) test the capacity of MCH centers as a delivery system for food assistance as well as for nutrition and health education as part of a total health service program (including family planning). This program replaces, and should improve upon, the former UNICEF assistance to MCH centers which did not have a nutrition education component.

Based on the success of the pilot effort to date, the voluntary agencies are recommending a limited expansion to approximately 20,000 recipients in FY 1975 which corresponds to our best estimate of current Ministry of Health personnel, financial and infrastructural capacity. This proposed expansion is currently being discussed with the Tunisian Government. Expansion to 20,000 recipients would bring the program to needy recipients in most of the nearly 90 MCH centers in Tunisia. Building the program on the MCH system of the Ministry of Health provides the opportunity for the development of an integrated preventive health program, including a family planning component. If successful, the program might eventually expand to rural and urban dispensaries, which are the most widely based health service centers in Tunisia, reaching as many as 40,000 recipients during FY 1976.

b. Pre-School Feeding

Per TOAID A-078, dated May 24, 1974, the USAID is proposing a very slight expansion of the Government-to-Government pre-school feeding program from 180,000 recipients in CY 1974 to 186,539 in FY 1975 and 200,000 in FY 1976. The expansion is a result of a GOT request to increase the number of centers participating in the program from 438 to 493 for FY 1975. These centers are located throughout the country, both in poorer urban areas and in small rural communities, including oases in the far South. Expansion of the number of centers is taking place primarily in remote rural areas and will reduce the great distance that needy children have been obliged to walk, thus encouraging greater participation in the program.

The pre-school program already reaches more needy children at a younger age than any other nutritional food supplement program currently active in Tunisia and is, therefore, a critical social welfare and nutritional effort. It is also the only program in Tunisia with adequate infrastructure, staff and budget to support year-round daily feeding of its target group. The National Committee for Social Solidarity (NCSS), which operates the program for the Ministry of Social Affairs, is in agreement with the USAID on the program's priority and has assured the USAID that it will have the finances to cover the transportation cost increases arising from the beneficiary increases in poor rural areas.

c. Food for Work

U.S. assistance to the Tunisian Government's Food for Work Program (LCSD) stopped at the end of FY 1973 at the request of AID/W. The GOT considers the program of such importance in assisting their rural unemployed and underemployed labor force, however, that they have continued the program at their own expense. The USAID is aware that the GOT is in the process of developing a proposal for a new Food for Work activity in the context of increased GOT emphasis on integrated rural development approaches for improving incomes of the rural poor. We understand that the GOT will request outside donor assistance for the activity. While the A.I.D. program in Tunisia is being gradually redirected to provide a greater impact on problems of the rural poor, any future involvement in rural employment programs, such as Food for Work, will depend upon the strategy recommended in our DAP.

d. School Lunch

Given the low priority of this Title II category, the USAID has informed the GOT of the requirement for a planned phasedown of U.S. assistance beginning in FY 1976. Because of the lead time required for such planning, FY 1975 is currently scheduled to remain at the previously planned recipient level of 525,000 primary school children. The GOT has already begun to focus on developing a phasedown, and preliminary GOT/USAID discussions have already started. Overall levels, timing and U.S. inputs during the phasedown will be determined during more formal discussions after the return of the USAID's Nutrition Officer this fall.

Following the results of its recently completed primary school survey, the GOT is considering suspending the school canteen program in the economically better-off urban areas, and concentrating instead on the rural poor who encompass the most malnourished children in Tunisia. In the meantime, the Ministry of Education is proceeding with its budget request to increase its financial contribution from 25 millimes to 35 millimes per child. In effect, this could raise the GOT contribution to approximately \$6 million, representing a 40% increase in their financial support. Given the fact that education programs absorb approximately 30% of the GOT national budget, the ability of the Ministry to absorb this additional financial commitment this year is highly uncertain. Nevertheless, a serious effort is being made to undertake the additional financial burden.

Another consideration in planning a phasedown in primary school support should be its coordination with the MCH expansion discussed previously. Also, during the course of FY 1975, the USAID and GOT expect to launch a new nutrition planning project (discussed in Part II of the FBS) which should be of major assistance in helping the GOT to develop a national child feeding policy based on actual nutrition requirements. Given all these recent developments, it now seems possible to project in very general terms the course a phasedown might take. For illustrative purposes, therefore, the USAID is suggesting a 20% reduction each year for five years from the FY 1975 base, which would mean termination of U.S. assistance by the end of FY 1980. Confirmation of this approach will be communicated to AID/W following discussions with the GOT this fall, and will be reflected in FY 1976 A.E.R.'s and program plans of the voluntary agency program implementors, CARE and CRS.

(See Table IV for current and projected financial and commodity resource requirements for PL 480 Title II programs.)

6. Outside Sectors of Concentration

a. Housing Guaranty Programs

Although Tunisia's housing requirement has been estimated at 60,000 units per year over the next decade, the Tunisian Government does not have the capacity to respond to this need. Constraints in skilled manpower, domestic savings, construction materials, price fluctuations, and problems of land acquisition limit the capacity of the Tunisian economy to meet housing requirements. Consequently, the Four Year Plan calls for constructing an average of 17,750 units per year, or a total of 71,000 units over the Plan period, far short of estimated total shelter requirements for the coming decade.

Of the 71,000 units planned for the period 1973-76, 44,500 units are planned for construction by a Tunisian public enterprise - "Societe Nationale Immobiliere de Tunisie" (SNIT) - charged by the State with coordination of the national housing program under the aegis of the Ministry of Equipment. Two thirds of the SNIT housing construction program can be characterized as low income, i.e., housing in a price range of \$2,000 - \$6,000. Interest rates on loans range between 0-5% and are repayable in 15 years. As might be expected in this type of low cost housing program, SNIT's major source of revenues is in the form of advances and subsidies by the GOT. Other sources are down payments (30% of the purchase price) and private loans.

In addition to SNIT, the GOT recently created a national savings bank for housing - the "Caisse Nationale d'Epargne Logement" (CNEL). As currently planned, CNEL will not be in a position to undertake its first mortgage loans until the end of 1977. As pointed out in A.I.D.'s Tunisia Shelter Sector Analysis of September 1973, "CNEL is expected to serve eventually as the sole source of long-term funds for the construction of middle-income housing. Under this policy, SNIT will continue to collect down payments, construct, and sell under lease-purchase housing units which cost less than 1,200 dinars and more than 4,000 dinars - two markets which it also currently services. But in the critical 'economic' housing segment of the market, SNIT's role will be that of a developer."

The SNIT program of 44,500 units will require an investment of 62.5 million dinars over the four year period. Of this amount only 38.5 million dinars of financial resources have been identified, leaving a balance of 24 million dinars, or \$55 million required from other sources.

(1) Other Donor Assistance

The GOT has been successful in obtaining assistance at concessional terms from other friendly countries. A loan in the amount of \$3,000,000 reimbursable over a period of 50 years has been granted by Sweden at no interest rate; approximately \$800,000 will be disbursed in 1974 with the balance to be provided during calendar year 1975. Another loan for approximately \$10,000,000 is being provided by Libya at a 2% interest rate and a 25 year reimbursement period; \$700,000 was already disbursed against an estimate of \$4 - \$5,000,000 for 1974. The remaining portion of the loan is planned for 1975. More recently, the Emirat States executed with the GOT a cash grant of approximately \$4,000,000 to support the housing sector. It is estimated that the disbursement schedule will be from 1974 to 1976.

Notwithstanding the volume of concessional assistance obtained so far, the GOT continues to negotiate with other Arab as well as non-Arab countries for financial assistance in the housing sector. Negotiations are under way with Saudi Arabia, Abu Dhabi, Qatar, and Arab banks, as well as Italy. Agreements with Italy and Arab banks at reasonable interest rates are likely to occur in the months to come.

(2) U.S. Assistance Response

Assuming that other donor assistance programs mentioned above continue to be implemented on schedule, the GOT still faces a shortfall of approximately \$33 million required to finance its housing construction objectives between now and the end of CY 1976. Following up on the A.I.D. Shelter Sector Analysis conducted in Tunisia in September 1973, the A.I.D. Housing Office has been developing a loan guaranty proposal for \$15 million which would go part way toward filling the current financial resource gap in the GOT's plans for housing.

Current discussions with the GOT, however, have uncovered Tunisian hesitancy to engage private external financial resources in the Tunisian housing sector at prevailing rates of interest on the United States money market. The GOT has requested that A.I.D. seek ways to effectively lower the interest rate to approximately 7%. We have pointed out that A.I.D.'s housing program is essentially a guaranty program to encourage private U.S. investment in LDC housing programs. We emphasized that prevailing rates of interest and other terms available on the U.S. market are beyond the control of A.I.D.'s program.

While the final GOT position on this problem is not clear, the USAID has had numerous contacts with the Ministries of Foreign Affairs, Plan, Equipment and with SNIT and the newly created CNEI to resolve the question of future guarantees under A.I.D. auspices. One theme which has emerged from our discussions is GOT interest in a mixing of funds involving dollar guarantees and concessional loans of excess U.S.-owned dinars. In effect, a 104(f) loan at 3% interest combined with a guaranty of private capital flows on commercial terms would provide a total assistance program of greater attraction to the GOT since it would require reduced Government subsidies of SNIT's housing program. Furthermore, since local costs are predominant in a housing program, a local currency component seems entirely justified.

Tunisia is far from meeting its total housing requirements, and is seriously falling behind in meeting the current annual requirement of 60,000 new units annually. The problem is aggravated by the steady influx of rural unemployed into the major urban areas along the coast. The GOT has repeatedly requested that the USG consider some mechanism to free up a portion of our excess dinar holdings for the housing sector. Given the high social priority the GOT attaches to housing, the USAID believes that ways should be examined to meet in part this request.

The dinar funds required to accomplish the mixing recommended by the GOT and to effectively lower the interest rate would be substantial, and would exceed realistic availabilities of U.S.-owned excess dinars following current procedures for allocation of these funds. For example, at least one million dinars would be required this year (FY 1975) in combination with the presently proposed guaranty of \$15 million, and with rising interest rates in the United States even this formula does not appear very satisfactory.

In order to be partially responsive to GOT requirements in the housing sector, however, the USAID recommends that 250,000 dinars be earmarked for a PL 480 104(f) loan in FY 1975 and again in FY 1976. These proposed loans would be apart from any future dollar guaranty since USAID does not believe such a mixing of dollars and dinars can be effective at current interest rates. We request that AID/W obtain a tentative reservation of the above dinar amounts from the Ad Hoc Committee on foreign currency programs. Given difficulties in obtaining allocations of excess U.S.-owned dinars for development during the past year, the USAID has not been responsive to GOT requests for these programs. With tentative approval to continue discussions with the GOT along these lines, however, (i.e. a two-year 104(f) package of 500,000 dinars) USAID would explore further

either a possible loan to CNEL as seed capital, per a request from the GOT Minister of Equipment, or a future loan to SNIT. (See Excess Currency Section of Part II for further details.)

With respect to the guaranty program per se, the USAID cannot presently be optimistic about another loan given prevailing interest rates in the United States. Nevertheless, A.I.D. should be prepared to guaranty future loans in housing should the GOT express an interest in a continuation of the program. HIG's certainly make sense in terms of the critical need for housing in Tunisia and Tunisia's adequate debt servicing capacity (see Shelter Sector Analysis). USAID proposes, therefore, that a reservation of \$15 million be continued by SER/H through the first half of FY 1975 to allow time for GOT review and possible reactivation of the program. Should the GOT elect an additional guaranty in FY 1975, USAID tentatively proposes that a follow-on guaranty of \$5 million be reserved in FY 1976, corresponding to levels previously discussed between SER/H and SNIT.

b. PL 480 Title I Programs

(1) Economic and Social Factors

In the past PL 480 Title I programs have been justified in Tunisia essentially in terms of three factors: 1) balance of payments support, 2) creation of U.S. markets for U.S. agricultural commodities, and 3) as support for Tunisia's development program and encouragement to undertake needed reforms particularly in the agriculture sector. As is evident from the previous discussion on Tunisia's current economic position, PL 480 is not presently vital to fill Tunisia's resource gap. In fact that gap is, for the time being at least, being filled by increased prices for Tunisia's petroleum and phosphate exports, structural growth in other sectors of the economy and substantial other donor financial support, particularly the World Bank. Should the current world-wide petroleum price picture change, however, or inflationary pressure in Europe push Tunisia's import bill much beyond current projections, a substantial gap requiring increased donor balance of payments support could emerge. For the moment, the situation is favorable, however, and most observers maintain that Tunisia can face the future with optimism.

Nevertheless, sales of Title I commodities in Tunisia remain important both for purposes of market development and to support Tunisia's ambitious economic development program. Two commodity programs have predominated in recent years: wheat and

soybean oil. Title I soybean oil has been entering the Tunisian market since 1962 through almost annual sales agreements averaging 27,000 MT per annum. Tunisia's consumption pattern is now largely dependent upon substantial imports of soybean oil which is cheaper domestically than olive oil. As a result, low income families consume a mix of soybean and olive oil as a daily staple in their diet. Any disruption in the current consumption pattern due to a reduction in soybean oil availabilities would have a negative impact on the cost of living for Tunisia's poor. Annual imports of soybean oil are now estimated at 55 - 60,000 MT, of which the United States remains a principal source under PL 480.

Sales of wheat under PL 480 have averaged approximately 78,000 MT per annum since the inception of the program in 1961, with more than 400,000 MT delivered in the three-year period 1967-69 alone. The last sale was in April 1972. Given Tunisia's outstanding crop years in 1971 and 1972, and reductions in U.S. availabilities, no new PL 480 wheat sale has been concluded in the past two years. Tunisia is approaching self-sufficiency in wheat; nevertheless, annual production of this commodity is still heavily dependent on climatic factors in spite of the introduction of new technologies under various auspices, including the A.I.D. accelerated cereals production program, and the Ford Sponsored CIMMYT project. Excellent climatic conditions in recent years may have obscured deficiencies in Tunisia's wheat production capacity, however, which will only become evident when difficult climate conditions are again experienced.

A potential feed grains market also exists in Tunisia for U.S. sales on the order of 20 - 30,000 tons per annum. Nevertheless, absorption of increased feed grains requires greater adaptation of new production technologies and improved extension, before farm consumption of feed grains can be expected to rise rapidly.

In order to reach Four Year Plan objectives, the GOT has been counting on PL 480 sales continuing during the 1973-76 period. The GOT estimated that external concessional loans totalling nearly 70 million dinars would be required to finance the investment budget over that period. Of this amount, nearly one third, or 21.5 million dinars, was anticipated from counterpart funds generated by continuing PL 480 sales programs. The GOT assumed a flow of 3.5 million dinars from PL 480 in CY 1973, and 6 million dinars annually from 1974 through 1976.

U.S. assistance under PL 480 Title I fell far short of Tunisia's estimated requirements in CY 1973 due to an embargo last

year on soybean oil shipments which delayed implementation of last year's soybean oil sale for six months. If a requested soybean oil program of 30,000 MT is approved this year, part, although not all, of the counterpart resource gap will be filled. Should this program not be approved, the GOT would have to seek alternative financing to meet its investment targets.

(2) Suggested U.S. Assistance Response

Tunisia must increasingly look toward its own financial resources as well as other donors to meet its external food requirements. PL 480 Title I remains, however, an effective tool for market development and investment budget support. Particularly with respect to soybean oil sales, it is apparent that Tunisia has a continuing and large import requirement for this commodity based upon indigenous consumption patterns and the demand among Tunisia's poor for an inexpensive edible oil. Furthermore, Tunisia's investment requirements and admirable performance in meeting self-help measures which condition PL 480 sales, particularly adoption of improved agricultural development policies, merit support through continued PL 480 sales.

It is proposed, therefore, that the USG plan on continuing PL 480 Title I through annual soybean oil programs at a level of 30,000 MT. As a percentage of Tunisia's total import requirements of that commodity, this level, now 50% of consumption requirements, will continue to diminish, but will remain an important development resource for Tunisia. USAID expects that wheat and feed grain sales will be requested by the GOT in the future as well. We understand a request for about 60,000 MT of wheat will soon be made to Washington, due to a downturn in wheat production this year, and that GOT supply/demand tables are in preparation. Nevertheless, we have projected Title I requirements at \$14.2 million annually, i.e., the current dollar value of a 30,000 MT annual soybean oil program. Should U.S. financial/commodity constraints and availabilities permit consideration of wheat or other commodities, one might anticipate some downward adjustment in soybean oil sale programs. A sharp downturn in wheat production in the future might also dictate an urgent requirement for that commodity in addition to, rather than as a substitute for, soybean oil.

For purposes of estimation, however, the USAID projects PL 480 requirements on the level of \$14-15 million annually, realizing that price fluctuations, and alternative commodity requirements and availabilities both in the U.S. and Tunisia are factors which will have to be taken into consideration as they arise.

c. Public Safety Participant Estimates

Under the world-wide public safety training fund, the USAID proposes to provide training in FYs 1975 and 1976 in the following subjects to an estimated 29 recipients. Per the FBS instructions, narcotics training to be funded through approved NCAPs is not included (Item IA2 below is an International Police Academy course which is unrelated to this narcotics training).

Courses and Participants

<u>Course Subject</u>	<u>Number of Participants</u>	
I. <u>FY 1975</u>	Total	29
A. <u>Courses at the International Police Academy (IPA)</u>		
1. Telecommunications Management		5
2. Police Management with Narcotics Orientation		3
3. IPA General Course, with specializations in each of the following:		
Criminal Investigation		5
Immigration/Custom Control		2
Police Community Relations		2
Criminal Violence Control		3
Dignitary Protection		2
Records and Identification		2
B. <u>Other Training Programs</u>		
Air Security Course at FAA facilities in Oklahoma		5

II. FY 1976

Training needs are expected to be similar to those of FY 1975

TUNISIA
Country or Sub-region

TABLE I

Summary of Commitments by Appropriation Category

(Loan Authorization/Grant Obligations/PL 480 Shipments/HIG Authorizations)

(\$ thousands)

	<u>FY 1974</u> <u>Actual</u>	<u>FY 1975</u> <u>Estimate</u>	<u>FY 1976</u> <u>Request</u>	<u>FY 1977</u> <u>Projection</u>	<u>FY 1978</u> <u>Projection</u>
I. <u>Functional Development</u>					
<u>Appropriations</u>	<u>2,296</u>	<u>7,509</u>	<u>12,640</u>	<u>1,976</u>	<u>11,944</u>
Grants	2,296	2,509	2,640		
New	(-)	(285)	(250)		
Ongoing	(2,296)	(2,224)	(2,390)		
Loans	-	5,000	10,000		
A. <u>Food Production</u>					
<u>and Nutrition</u>	<u>1,559</u>	<u>6,380</u>	<u>11,697</u>	<u>1,397</u>	<u>11,944</u>
Grants	1,559	1,380	1,697		
New	(-)	(285)	(250)		
Ongoing	(1,559)	(1,095)	(1,447)		
Loans	-	5,000	10,000		
B. <u>Population Planning</u>					
<u>and Health</u>	<u>562</u>	<u>925</u>	<u>724</u>	<u>462</u>	<u>-</u>
Grants (Title X)	562	925	724		
Grants (non Title X)	(-)	(-)	(-)		
New	(-)	(-)	(-)		
Ongoing	(562)	(925)	(724)		
Loans	-	-	-		
C. <u>Education and Human</u>					
<u>Resources</u>	<u>175</u>	<u>204</u>	<u>219</u>	<u>117</u>	<u>-</u>
Grants	175	204	219		
New	(-)	(-)	(-)		
Ongoing	(175)	(204)	(219)		
Loans	-	-	-		

TUNISIA
Country or Sub-region

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TABLE I
(continued)

	<u>FY 1974</u> <u>Actual</u>	<u>FY1975</u> <u>Estimate</u>	<u>FY 1976</u> <u>Request</u>	<u>FY 1977</u> <u>Projection</u>	<u>FY 1978</u> <u>Projection</u>
D. <u>Selected Development Problems</u>	-	-	-	-	-
E. <u>Selected Countries and Organizations.</u>	-	-	-	-	-
II. <u>Other Appropriations</u>	-	-	-	-	-
III. <u>Other Commitments</u>	<u>13,757</u>	<u>32,503</u>	<u>23,132</u>	<u>17,616</u>	<u>27,245</u>
H.I.G.'s	-	15,000	5,000	-	10,000
PL 480 Title I Shipments	10,410	14,200	14,200	14,200	14,200
PL 480 Title II Shipments	3,347	3,303	3,932	3,416	3,045
<u>TOTAL COMMITMENTS</u>	<u>16,053</u>	<u>40,012</u>	<u>35,772</u>	<u>19,592</u>	<u>39,189</u>

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

Area of Concentration: Food Production

	<u>FY 1974</u> <u>Actual</u>	<u>FY 1975</u> <u>Estimate</u>	<u>FY 1976</u> <u>Request</u>	<u>FY 1977</u> <u>Projection</u>	<u>FY 1978</u> <u>Projection</u>
<u>Development Loans</u>	-	5,000	10,000	-	10,000
<u>Development Loan Fund</u>					
Agric. Sector Dev.	-	5,000	10,000	-	10,000
Grain Storage Facilities	-	-	-	-	-
<u>Development Grants</u>	<u>1,212</u>	<u>1,084</u>	<u>1,255</u>	<u>1,197</u>	<u>1,744</u>
<u>Food and Nutrition</u>					
205.1 Cereals Production	170	34	60	-	-
237.1 Agr. Planning	376	329	246	138	86
276 Livestock Production	332	233	306	300	300
277 Integrated Agriculture	330	403	393	259	233
000.1 Ag. Tech. Support	4	-	-	-	-
283 Grain Storage Facilities - Feasibility	-	30	-	-	-
285 Rural Dev. in the South Feasibility	-	55	250	500	1,125
<u>Other Dollar Approp. Grants</u>	-	-	-	-	-
<u>P.L. 480 Title I Shipments</u>	-	-	-	-	-
<u>P.L. 480 Title II Shipments</u>	-	-	-	-	-
<u>H.I.G.'s</u>	-	-	-	-	-
TOTAL COMMITMENTS	<u><u>1,212</u></u>	<u><u>6,084</u></u>	<u><u>11,255</u></u>	<u><u>1,197</u></u>	<u><u>11,744</u></u>

TUNISIA
Country or Sub-region

Summary of Commitments by Area of Concentration

(\$ thousands)

Area of Concentration: Nutrition

	<u>FY 1974</u> <u>Actual</u>	<u>FY 1975</u> <u>Estimate</u>	<u>FY 1976</u> <u>Request</u>	<u>FY 1977</u> <u>Projection</u>	<u>FY 1978</u> <u>Projection</u>
<u>Development Loans</u>	-	-	-	-	-
<u>Development Grants</u>	347	296	442	200	200
<u>Food and Nutrition</u>					
255.1 Institute of Nutrition	81	69	34	-	-
255.2 Lysine Fortification	266	27	208	-	-
284 Nutrition Planning	-	200	200	200	200
<u>Other Dollar Approp. Grants</u>	-	-	-	-	-
<u>P.L. 480 Title I Shipments</u>	-	-	-	-	-
<u>P.L. 480 Title II Shipments</u>	3,347	3,303	3,932	3,416	3,045
Maternal and Child Feeding	835 a/	1,912 a/	2,249	2,249	2,249
School Feeding	2,502	1,389 b/	1,680 b/	1,164	793
Food for Work	-	-	-	-	-
Other	10	2	3	3	3
<u>H.I.G.'s</u>	-	-	-	-	-
TOTAL COMMITMENTS	<u>3,694</u>	<u>3,599</u>	<u>4,374</u>	<u>3,616</u>	<u>3,245</u>

a/ Shipments in FY 1974 for pre-school program represent six months only (program was previously on a CY basis).

b/ Shipments will be slightly lower in FY 1975 than projected for FY 1976 since adequate stocks of blended foods are on hand.

TUNISIA
Country or Sub-region

TABLE II

Summary of Commitments by Area of Concentration

(\$ thousands)

Area of Concentration: Population and Health

	<u>FY 1974</u> <u>Actual</u>	<u>FY 1975</u> <u>Estimate</u>	<u>FY 1976</u> <u>Request</u>	<u>FY 1977</u> <u>Projection</u>	<u>FY 1978</u> <u>Projection</u>
<u>Development Loans</u>	-	-	-	-	-
<u>Development Grants</u>	562	925	724	462	-
<u>Pop. Planning and Health</u>					
224 Family Planning	562	925	724	462	-
<u>Other Dollar Approp. Grants</u>	-	-	-	-	-
<u>P.L. 480 Title I Shipments</u>	-	-	-	-	-
<u>P.L. 480 Title II Shipments</u>	-	-	-	-	-
<u>H.I.G.'s</u>	-	-	-	-	-
TOTAL COMMITMENTS	<u>562</u>	<u>925</u>	<u>724</u>	<u>462</u>	<u>-</u>

Summary of Commitments by Area of Concentration

(\$ thousands)

Area of Concentration: Education and Human Resources

	<u>FY 1974</u> <u>Actual</u>	<u>FY 1975</u> <u>Estimate</u>	<u>FY 1976</u> <u>Request</u>	<u>FY 1977</u> <u>Projection</u>	<u>FY 1978</u> <u>Projection</u>
<u>Development Loans</u>	-	-	-	-	-
<u>Development Grants</u>	175	204	219	117	-
<u>Education and HUR Dev.</u>					
228 Management Educ.	161	121	120	117	-
237.2 Economics Education	-	72	99	-	-
000.2 Educ. Tech. Support	14	11	-	-	-
<u>Other Dollar Approp. Grants</u>	-	-	-	-	-
<u>P.L. 480 Title I Shipments</u>	-	-	-	-	-
<u>P.L. 480 Title II Shipments</u>	-	-	-	-	-
<u>H.I.G.'s</u>	-	-	-	-	-
<u>TOTAL COMMITMENTS</u>	<u>175</u>	<u>204</u>	<u>219</u>	<u>117</u>	<u>-</u>

Country or Sub-region

Summary of Commitments for Activities Outside
Areas of Concentration

(\$ thousands)

	<u>FY 1974 Actual</u>	<u>FY 1975 Estimate</u>	<u>FY 1976 Request</u>	<u>FY 1977 Projection</u>	<u>FY 1978 Projection</u>
<u>Development Loans</u>	-	-	-	-	-
<u>Development Grants</u>	-	-	-	-	-
<u>Other Dollar App. Grants</u>	-	-	-	-	-
<u>P.L. 480 Title I Shipments</u>	10,410	14,200	14,200	14,200	14,200
Sales Agmt. of 6/13/73	10,410	-	-	-	-
Requests - Soya Oil	-	14,200	14,200	14,200	14,200
<u>H.I.G.'s</u>	-	15,000	5,000	-	10,000
<u>TOTAL COMMITMENTS</u>	<u>10,410</u>	<u>29,200</u>	<u>19,200</u>	<u>14,200</u>	<u>24,200</u>

TUNISIA
Country or Sub-region

TABLE III

P.L. 480 Title I Agreements and Shipments

Commodity	FY 1974 Estimate		FY 1975 Request		FY 1976 Request		Carryover To FY'77 (\$)
	Agmts. (MT)	Shipments (MT)	Agreements (MT)	Shipments (\$)	Agreements (MT)	Shipments (\$)	
Soybean Oil (6/13/73 SA)	-	23,267 ^{a/}	-	-	-	-	-
<u>Requests</u>							
Soybean Oil	-	-	14.2	30,000 14.2	-	14.2	30,000 14.2
Total Requests ^{b/}	-	-	14.2	30,000 14.2	-	14.2	30,000 14.2

^{a/} The Sales Agreement was signed for \$10.5 million for 30,000 metric tons. The shortfall is due to price increases.

^{b/} Prices in millions of dollars.

Note: Above excludes possible requests for Wheat and Feedgrains which may materialize in the future.

II. Budgetary Request for FY 1975

A. Overview

Central to our FY 1975 program in Tunisia will be preparation of a DAP Part I to be submitted to AID/W by December 31, 1974. The GOT has already indicated its intention to be supportive of our efforts in every way. For example, MOFA officials have proposed that joint sector reviews be undertaken early in the Fall which would provide an opportunity for the GOT to outline for us current development policy in each sector, and permit our assessment and strategy development to unfold in a collaborative fashion. USAID proposes, therefore, that mini assessments in food production, nutrition and non-formal education be undertaken in September/October 1974 in collaboration with the GOT, leading to DAP Part I preparation in November/December 1974.

The timing is appropriate for preparation of a Tunisia DAP. The GOT is in its second year of a Four Year Plan (1973-76) and the principal objectives and orientation of GOT development policies are reasonably clear. Secondly, the GOT will begin preparation of its next multi-annual national plan during the coming year and will undertake integrated regional development plans during 1974/75. The DAP should link into both processes.

A number of sub-sector studies have been completed or are under way, particularly in agriculture, which will contribute to the mini sector assessment and DAP-building process on which we are now launched. A livestock baseline survey was completed this spring in cooperation with the Tunisian "Institut National des Statistiques (INS)", and a livestock sub-sector assessment is in process. The Tennessee Valley Authority (TVA) has recently completed under an A.I.D. contract an analysis of Tunisian fertilizer production capabilities, constraints inherent in the domestic fertilizer distribution and marketing system, and is drawing up recommendations for the future. This report will be available by early September, 1974. Kansas State University (KSU) is fielding a team in August 1974 to examine grain storage, handling and marketing constraints as they affect the small- and medium-sized producer. This latter study will provide the analysis critical to determining whether we move forward on a grain storage loan in late FY 1975.

1. Sector Assessments

USAID is mindful of the Agency's guidance on "approaches to sector analysis" and feels the sector assessment method is more appropriate than sector analysis for determining the optimum future A.I.D.

strategy in Tunisia. Furthermore, the GOT has come a long way in perfecting its development planning mechanism, and the sector assessment approach would permit us to link into their planning process with a minimum of disruption. Completion of some elements of these assessments may take longer than the time allotted (September/October 1974). Nevertheless, the major themes for U.S. assistance strategy should become clear in time for a December 1974 submission.

Food Production is our key sector and the one in which the majority of our assistance manpower and financial resources is concentrated. Many U.S. assistance activities have been undertaken in the past with respect to a broad range of agricultural production factors. Categories include: crop development, credit, marketing, education, research, soil conservation and flood control. Assistance in each of these areas was crucial and priorities difficult to set since so much needed to be done.

The agricultural sector has matured considerably and its problems have become more sophisticated. Tunisian agriculture is moving beyond the "infrastructure" stage and into a period of new emphasis on problems of productivity and distribution. A major emphasis is being placed on regional planning and bringing the most remote Southern and Western gouvernorats into the development process. A review of U.S. strategy is required to identify those functional and commodity areas where future A.I.D. assistance is appropriate and to establish an assistance framework for addressing problems of the rural poor in terms of the GOT's regional planning for the remote gouvernorats.

Our proposed assessments in nutrition and non-formal education are more narrowly defined. In nutrition, the USAID proposes that TA/N field a team early in September 1974 to 1) assess the strengths and weaknesses of the newly established Institute of Nutrition as a focal point of nutrition planning and 2) analyze current GOT policies and programs with respect to food production, maternal and child health education, child feeding programs carried out through primary school and pre-school institutions, and other nutrition-related activities. The purpose of this assessment would be to determine the importance of nutrition planning in terms of the GOT's own priorities, and to establish the general framework of a possible nutrition planning project for which a PROP submission is scheduled in FY 1975.

In non-formal education AID/W or contractor assistance is also requested to arrive in September 1974 and engage with the USAID in a broad review of Tunisia's current non-formal training programs. The

team would advise the USAID on ways a non-formal training dimension might be built into our current areas of priority emphasis. The USAID is particularly interested in reviewing means to engage private Tunisian organizations, such as the "Union Nationale des Femmes Tunisiennes (UNFT)" through its broad network of rural women's centers, in training programs which support our project objectives. Although the assessment will focus primarily on non-formal education and technical training programs, a broad review of Tunisian education policy will be required. In this context, a determination will be made in the DAP as to whether additional U.S. assistance inputs are necessary in Tunisia at the University level, perhaps in development of the University library system as requested by the GOT.

Implementing the three assessments mentioned above will require careful timing and coordination between the Mission and AID/W. Each mini assessment should be a joint effort involving Mission staff and AID/W. Recognizing that outside contract services may be required to supplement in-house expertise, USAID recommends that \$50,000 be reserved out of AFR feasibility funds to carry out the Food Production and Non-Formal Education assessments. The Nutrition assessment will be centrally funded by TA/N at an estimated cost of \$25,000. USAID will recommend timing and specific personnel requirements to carry out the above assessments in separate messages to AID/W. All three studies will require maximum AID/W support over a concentrated period between 1 September and 1 November 1974, if the target deadline for DAP submission is to be achieved.

B. Areas of Concentration

1. Food Production

a. New Activity: Small Farmer Grain Storage Improvement

The GOT is striving to achieve economic self-sufficiency in cereals production by the development of high-yielding varieties and the introduction of improved cultural technology. Yields per hectare and production are increasing at a satisfactory rate. There are, however, significant losses of grain at the producer level and at various stages in the transport system which moves grain from the farm to the consumer. These losses are caused by insects, rodent and water damage to grain improperly stored, as well as by inefficient handling. The intent of this project is to reduce the extent of losses by providing adequate grain storage facilities at the farm and village levels which will augment the

the current regional and central storage capacity. The farm level portion of the project is important because not more than 50 percent of the annual grain production now enters commercial channels.

The major beneficiaries of the project will be the grain farmers and consumers of grain products. Small farmers generally must store grain for family consumption and will benefit by avoiding actual losses of the stored grain and by having better quality, more nutritious grain for home use. Urban consumers benefit by having access to an adequate supply of better quality grain products. A study of the adaptability of the ferro-cement small storage units, as developed in Thailand and Nepal, to Tunisian conditions will be required. It will also be necessary to make an analysis of the credit needs and availability for the construction of farm and village storage facilities.

The proposed grain storage activity was included in the FY 1975 Congressional Presentation. During August 1974, Kansas State University (KSU) will be carrying out an assessment of grain storage marketing and handling problems as they affect small and medium sized farms. USAID anticipates that their report will be complete by the end of September 1974. The Mission will subsequently submit an IRR in December 1974. Loan authorization by AID/W is anticipated for the fourth quarter of FY 1975.

The project will require 5 years for completion (but 3 year disbursement period) and a total cost of \$5,000,000. The major inputs will include:

- a) 24 man months of consultant services for feasibility studies on farm and village storage.
- b) Construction of approximately 500 on-farm storage units.
- c) Construction of approximately 10 modern silo storage facilities and 10 bag storage facilities in selected areas for Office of Cereals procurement activities.
- d) Services of three U.S. technicians for assistance in construction and utilization of farm storage.
- e) Local currency support by the GOT. In this context, USAID is considering programming of agriculture development loan counterpart funds (Loan 050).

There are no other donors currently operating in this field of activity.

b. Pre-Feasibility Study of Stabilization Pond/Irrigation Systems

There has been a growing concern that Tunisia may be rapidly approaching the end of its undeveloped water resources. Its two principal consumers are people and irrigation. Industrial and public utility draw-downs are relatively insignificant. The Government's initial response to this short run problem was to prepare a series of Master Water Resource Plans for the North, Central, and Southern sections of the country. These complex reviews are intended essentially to inventory available water resources and project future requirements. In the North, for example, Tunisia will have exhausted the currently exploitable water resource some time between 1985-90. Already plans are afoot for exploring the feasibility of capturing high seasonal flows of surface water and for introducing desalinization of sea water. Both alternatives are extremely expensive given present technology and economically impractical in the near term. But in either case, whether or not unlimited amounts of reasonably priced water will be available for projected irrigation requirements is questionable.

One additional source of useable water which has not been as seriously explored is sewage system run-off. There are various examples around the world of improved sewage treatment technology and effective contiguous agricultural use of treated water. Even in Tunisia there has been some limited experimentation with treated sewage water irrigation in the La Soukra citrus perimeter near Tunis. Likewise, considerable strides have been made in sanitary engineering and the development of low cost, highly effective sewage treatment concepts.

One technique which has received a great deal of attention is the stabilization pond/oxidation technique. There are some 6,000 stabilization pond treatment facilities in the United States alone. Coupled with this development are experiments designed to improve the quality of water generated by stabilization ponds. Dr. William Oswald of the University of California, Berkeley, has been in the forefront of sewage treatment innovation. His project designs have been widely accepted as the most advanced and applicable for LDC situations. Dr. Oswald was instrumental in convincing Tunisian officials to consider the introduction of this technology in the context of overhauling the entire Tunis municipal sewage system. This particular undertaking is being funded partially by the IBRD which strongly supports the stabilization pond technology and its low cost, simple design. The Bank has also been instrumental in assisting the GOT to establish an experimental stabilization pond at Maxula/Rades on the outskirts of Tunis. The Environmental Protection Agency and A.I.D. are participating in this experiment and will endeavor to confirm the effectiveness of the technique and the high quality water output from the ponds. Future involvement by USAID will be keyed to the results of these experiments.

The applicability of the pond technique for a large metropolitan system like Tunis has not been sufficiently demonstrated, but small city application is very common in the United States. It is in this small city context that USAID would like to explore the feasibility of integrated sewage treatment/irrigation perimeter schemes in Tunisia. Benefits from successful replication are presently difficult to calculate, but three immediately tangible outcomes would be: a) extremely low-cost, effective sewage treatment in suitable locations around the country, b) substantial amounts of high quality water for irrigation of valuable crops like forage or feedgrains, and c) significant reduction of harmful coastal pollution easily identifiable in recent ERTS images. (Presently, most sewage along the coastal areas of Tunisia is discharged directly into the Mediterranean Sea.) While utilization of the stabilization pond technique in the Tunis area is still under investigation, its application to other small urban locales with adjacent arid agricultural lands would be significant, and is under active consideration by the GOT.

USAID is not advocating participation in an operational program in FY 1975. We believe, however, that the potential efficiency of the sewage treatment/irrigation concept is important, particularly considering the likelihood of substantial economic returns from agriculture offsetting initial construction costs, and that a serious study of its application in Tunisia should be undertaken this fiscal year. Furthermore, USAID has identified the stabilization pond/irrigation technique as a potential element in a proposed new FY 1976 activity with respect to integrated rural development of the South.

Accordingly, USAID is establishing a new project designation in FY 1975 called Rural Development in the South-Feasibility. Under this project USAID requests \$40,000 in FY 1975 to conduct a pre-feasibility study of the stabilization pond/irrigation concept and its possible application to medium-sized urban areas in Tunisia with adjacent agricultural lands. Since a PPP submission is required by January 31, 1975 for the proposed new FY 1976 activity Rural Development in the South, USAID anticipates launching the stabilization pond study in November 1974 so that initial results will be available for that submission.

This pre-feasibility study will complement testing at Maxula/Rades under EPA auspices of the stabilization pond technology developed by Dr. Oswald. \$15,000 is also provided under this project in FY 1975 to cover Dr. Oswald's salary costs associated with the Maxula/Rades test.

c. On-Going Project: Integrated Agricultural Development
(Project 277)

The direct hire Project Manager and five of six PASA team members are now on board. Work of the team has started on developing agreements with OMVVM with respect to first implementation stages to be undertaken. The project is approximately 9-12 months behind the schedule set up in the PROP, but it is expected that some of the lag, due to delayed recruitment of the PASA team, can be made up within the next few months.

A TDY Credit Consultant from CUNA has completed a study on the method of establishing credit facilities required for proper functioning of the project. The proposal is now under study by USAID and the GOT. The basic feature of the proposal is that the farmers who will use credit facilities will participate in loan approvals and operation of the facility. They also will assist in generating capital assets by making voluntary savings contributions in addition to payment of interest on their loans.

USAID is of the opinion that the credit/marketing position established in the PROP and PASA Agreement should be changed to two positions, a credit expert and a marketing specialist. The work load and diversity of the position functions appear to preclude adequate servicing by a single officer. Both types of activity are essential to the project and the two specialists are needed from the beginning of project field activity. State 160727 indicates AID/W and USDA are in agreement with this approach and also to contracting with CUNA for the credit advisor. This addition would bring the ~~total~~ team from the six authorized positions to a total of seven experts in FY 1975.

Commodity and participant training needs remain as outlined in the PROP; however, increased costs for all items will require increases in the budget allocations. As indicated above, most activity to date relates to the mobilization of project inputs. Only negligible progress has been made toward accomplishing the stated project outputs.

The GOT attaches the very highest priority to implementation of this project, particularly considering the fact that it is an important element of their current strategy to concentrate developing resources on the more remote areas. Both the President and Minister of Agriculture recently visited the project site, and reaffirmed the GOT's interest in assuring that this project be implemented in a timely fashion. Since the initial Project Agreement was signed with the GOT last year, the Government further demonstrated its interest by undertaking additional

studies of the project area and we are presently reviewing with them implications of their analyses for our project design and future inputs.

d. On-Going Grant Projects

The following PAR's have been submitted during the past twelve months and should be referred to for an assessment of current project status:

Project 205.1, Accelerated Cereals Production, PAR submitted 26 July 1974

Project 237.1, Agriculture Economic Research and Planning, PAR submitted 25 October 1973

Project 276, Accelerated Livestock Production, PAR submitted 8 July 1974

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Agricultural Production

Financing Dates (FY)

Cereals

Project Number 664-55-130-205.1

Appropriation Food and Nutrition

Obligations
Expenditures

Begin	End
1965	1976 ^{1/}
1966	1977

Estimated Total Costs: A. Per Latest PROP \$ 595 B. Per Current Estimate \$ 547^{1/}

^{1/} New PROP extending project through FY 1976 to be submitted September 1974. Current estimate conforms to U-203 obligations through 6/30/74 plus herein planned project obligations.

Project Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.	Local/TCN							
	\$	MM	\$	MM	\$	MM	\$	\$	
FY 1974 Oblig.-Total	91	20			65	80	14		170
Direct	52	12			65	80	14		131
PASA	39	8							39
Contract									
FY 1974 Expend.-Total	65	15			21	35			86
Direct	52	12			21	35			73
PASA	13	3							13
Contract									
6/30/74 Unliq.-Total	27	5			70	94	14		111
Direct	^{a/} 12	-			70	94	14		85
PASA	^{b/} 26	5							26
Contract									
FY 1975 Oblig.-Total	-				29	36	5		34
Direct	-				29	36	5		34
PASA	-								
Contract									
FY 1975 Expend.-Total	27	5			63	83	19		109
Direct	1	-			63	83	19		83
PASA	26	5							26
Contract									
6/30/75 Unliq.-Total	-				36	47			36
Direct					36	47			36
PASA									
Contract									
FY 1976 Oblig.-Total	-				60	75			60
Direct					60	75			60
PASA									
Contract									
FY 1976 Expend.-Total					73	91			73
Direct					73	91			73
PASA									
Contract									

a/ Support costs for direct hire technician.

b/ To cover TVA services within 1st quarter of Fiscal Year 1975.

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

Project Number 664-55-130-205.1

PASA/~~Contract~~ Name The Tennessee Valley Authority AFR(QA) 13-74

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	AFR(QA) 13-74	-	-
	6/15/74		
	9/15/74		

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	39	8							39
FY 1974 Expenditures	13	3							13
6/30/74 Unliquidated	26	5							26
FY 1975 Obligations	-	-							-
FY 1975 Expenditures	26	5							26
6/30/75 Unliquidated	-	-							-
FY 1976 Obligations	-	-							-
FY 1976 Expenditures	-	-							-

Project Number 664-55-130-205.1

COMMODITY AND OTHER COST BUDGET TABLE
(\$ thousands)

Commodity Budget (excludes centrally funded contraceptives)

6/30/74 Unliquidated (type and amount)

Research and Demonstration Equipment Total: 14

FY 1975 Obligations (type and amount)

Demonstrational Equipment and Supplies and Spare Parts Total: 5

FY 1976 Obligations (type and amount)

Other Cost Budget

6/30/74 Unliquidated (type and amount)

FY 1975 Obligations (type and amount)

FY 1976 Obligations (type and amount)

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Agricultural Economic
Research and Planning
 Project Number 664-11-110-237.1
 Appropriation Food and Nutrition
 Estimated Total Costs: A. Per Latest PROJ \$ 2,016 B. Per Current Estimate \$ 2,564

Financing Dates (FY)

	<u>Begin</u>	<u>End</u>
Obligations	FY 1967	FY 1978
Expenditures	FY 1968	FY 1979

Project Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.	Local/TCN							
	\$	MM	\$	MM	\$	MM	\$	\$	\$
FY 1974 Oblig.-Total	294	66			77	141	5		376
Direct	20	7			-	-	-		20
PASA	-	-			-	-	-		-
Contract	274	59			77	141	5		356
FY 1974 Expend.-Total	225	56			61	105	-		286
Direct	21	7			-	-	-		21
PASA	-	-			-	-	-		-
Contract	204	49			61	105	-		265
6/30/74 Unliq.-Total	210	31			56	96	5		271
Direct	-	-			-	-	-		-
PASA	-	-			-	-	-		-
Contract	210	31			56	96	5		271
FY 1975 Oblig.-Total	254	51			74	124	1		329
Direct	-	-			-	-	-		-
PASA	-	-			-	-	-		-
Contract	254	51			74	124	1		329
FY 1975 Expend.-Total	345	58			94	163	6		445
Direct	-	-			-	-	-		-
PASA	-	-			-	-	-		-
Contract	345	58			94	163	6		445
5/30/75 Unliq.-Total	119	24			36	57	-		155
Direct	-	-			-	-	-		-
PASA	-	-			-	-	-		-
Contract	119	24			36	57	-		155
FY 1976 Oblig.-Total	196	39			49	83	1		246
Direct	-	-			-	-	-		-
PASA	-	-			-	-	-		-
Contract	196	39			49	83	1		246
FY 1976 Expend.-Total	238	45			66	111	1		305
Direct	-	-			-	-	-		-
PASA	-	-			-	-	-		-
Contract	238	45			66	111	1		305

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

Project Number 664-11-110-237.1

~~PASA~~/Contract Name University of Minnesota

Contract No. From (no/yr) To (no/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	AID/afr - 469	AID/afr - 469	AID/afr - 469
	1/74	1/75	1/76
12/74	12/75	12/76	

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	294	66			77	141	5		376
FY 1974 Expenditures	225	56			61	105	-		286
6/30/74 Unliquidated	210	31			56	96	5		271
FY 1975 Obligations	254	51			74	124	1		329
FY 1975 Expenditures	345	58			94	163	6		445
6/30/75 Unliquidated	119	24			36	57	-		155
FY 1976 Obligations	196	39			49	83	1		246
FY 1976 Expenditures	238	45			66	111	1		305

Project Number 664-11-110-237.1

PROJECT ~~RASA~~/CONTRACT/GRANT PERSONNEL TABLE
(\$ thousands)

	FY 1975 Obligations		FY 1976 Obligations	
	No.	MMS \$000	No.	MMS \$000
U.S. Contract Technicians				
Long-term	4	51	3	39
Short-term		254		196

Personnel	Actual FY 1974			Estimated FY 1975			Projected FY 1976			Projected FY 1977		
	On-board 6/30/74	MMS	Expenditures (\$000)	On-board 6/30/75	MMS	Expenditures (\$000)	On-board 6/30/76	MMS	Expenditures (\$000)	On-board 6/30/77	MMS	Expenditures (\$000)
(RASA/Contract/Grant implementing agent, and position title)												
Contract (University of Minnesota)	4	49	204	4	58	345	3	45	238	2	33	181
Ag. Economist - Chief of Party	1	12	31	1	12	32	1	12	33	1	12	34
Ag. Research Economist	1	12	23	1	12	24	-	6	13	-	-	-
Planning Expert	1	12	18	1	16	31	1	12	25	-	6	13
Ag. Research Economist	1	12	20	1	15	28	1	12	25	1	12	26
Allowances	-	-	23	-	-	40	-	-	30	-	-	20
Short term Consultants	-	1	2	-	3	5	-	3	6	-	3	7
Travel and Transportation	-	-	5	-	-	32	-	-	6	-	-	6
Other Direct Costs	-	-	15	-	-	37	-	-	22	-	-	15
Overseas Overhead	-	-	34	-	-	57	-	-	40	-	-	30

(for contract personnel only)

TABLE VII (continued)

Project Number 664-11-110-237.1

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

Personnel (BASES / Contract / Grant implementing agent, and position title)	Actual FY 1974			Estimated FY 1975			Projected FY 1976			Projected FY 1977		
	On- board 6/30/ 74	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 75	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 76	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 77	MMS	Ex- pendi- tures (\$000)
Home Office Salaries and Benefits	-	-	22	-	-	39	-	-	25	-	-	20
Home Office Overhead	-	-	11	-	-	20	-	-	13	-	-	10
												(for contract personnel only)

Project No. 664-11-110-237.1

PROJECT PARTICIPANT TRAINING TABLE
(\$ thousands)

	DIRECT AID									CONTRACT		
	U.S. Academic			U.S. Non-Academic			3rd Country			No.	MMs	\$
	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$			
FY 1974 Obligations										16	141	77
Long-term - new										3	36	18
Long-term - continuing										8	80	47
Short-term										5	25	12
FY 1974 Expenditures										10	105	61
Long-term - new										2	10	5
Long-term - continuing										8	95	56
Short-term										-	-	-
Unliquidated Oblig. - 6/30/74										16	96	56
Long-term - new										3	26	15
Long-term - continuing										8	45	29
Short-term										5	25	12
FY 1975 Obligations										13	124	74
Long-term - new										7	81	48
Long-term - continuing										6	43	26
Short-term										-	-	-
FY 1975 Expenditures										20	163	94
Long-term - new										7	65	39
Long-term - continuing										8	73	43
Short-term										5	25	12
Unliquidated Oblig. - 6/30/75										8	57	36
Long-term - new										6	42	24
Long-term - continuing										2	15	12
Short-term										-	-	-
FY 1976 Obligations										7	83	49
Long-term - new										-	-	-
Long-term - continuing										7	83	49
Short-term										-	-	-
FY 1976 Expenditures										10	111	66
Long-term - new										-	-	-
Long-term - continuing										10	111	66
Short-term										-	-	-

Project Number 664-11-110-237.1

COMMODITY AND OTHER COST BUDGET TABLE
(\$ thousands)

Commodity Budget (excludes centrally funded contraceptives)

6/30/74 Unliquidated (type and amount)

spare parts, equipment and one vehicle Total: 5

FY 1975 Obligations (type and amount)

spare parts and equipment Total: 1

FY 1976 Obligations (type and amount)

spare parts and equipment Total: 1

Other Cost Budget

6/30/74 Unliquidated (type and amount)

FY 1975 Obligations (type and amount)

FY 1976 Obligations (type and amount)

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Accelerated Livestock Production

Project Number 664-11-130-276

Appropriation Food and Nutrition

Financing Dates (FY)

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

Estimated Total Costs: A. Per Latest PROP \$ 960 ^{1/} B. Per Current Estimate \$ 1066
^{1/} Per original PROP dated Dec. 1970; current estimate through FY 75; new PROP extending project into Phase II to be submitted during FY 75.

Project Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.	Local/TCN							
	\$	MM	\$	MM	\$	MM	\$	\$	
FY 1974 Oblig.-Total	211	60	-		69	84	38	14	332
Direct	91	24	-		69	84	37	14	211
PASA	120	36	-		-	-	1	-	121
Contract	-	-	-		-	-	-	-	-
FY 1974 Expend.-Total	214	69			54	65	26	14	308
Direct	83	24			54	65	26	14	177
PASA	131	45			-	-	-	-	131
Contract	-	-			-	-	-	-	-
6/30/74 Unliq.-Total	48	14			57	69	33	-	138
Direct	10 ^{a/}	-			57	69	32	-	99
PASA	38 ^{b/}	14			-	-	1	-	39
Contract	-	-			-	-	-	-	-
FY 1975 Oblig.-Total	137	40	-	-	90	93	6	-	233
Direct	32 ^{c/}	6	-	-	90	93	6	-	128
PASA	105	34	-	-	-	-	-	-	105
Contract	-	-	-	-	-	-	-	-	-
FY 1975 Expend.-Total	185	54			110	122	39	-	334
Direct	42	6			110	122	38	-	190
PASA	143	48			-	-	1	-	144
Contract	-	-			-	-	-	-	-
6/30/75 Unliq.-Total	-	-	-	-	37	40	-	-	37
Direct	-	-	-	-	37	40	-	-	37
PASA	-	-	-	-	-	-	-	-	-
Contract	-	-	-	-	-	-	-	-	-
FY 1976 Oblig.-Total	198	60	-	-	100	114	8	-	306
Direct	28	-	-	-	100	114	8	-	136
PASA	170	60	-	-	-	-	-	-	170
Contract	-	-	-	-	-	-	-	-	-
FY 1976 Expend.-Total	198	60			107	68	8	-	313
Direct	28				107	68	8	-	143
PASA	170	60			-	-	-	-	170
Contract	-	-			-	-	-	-	-

^{a/} Represents home leave expenses for project technician incurred July 1974.
^{b/} Of which \$13,000 for the baseline study expected to terminate in September 1974, and \$25,000 to cover the continuing services of the PASA technicians.
^{c/} Represents 6 months salary and support costs for DH technician and support costs of PASA personnel.

PROJECT PASA/~~SCS/AFR~~/GRANT BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 664-11-130-276

PASA/~~Contract~~ Name Accelerated Livestock Production
U.S. Department of Agriculture - SCS, FES, SRS, ERS

PASA Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	AFR(AJ) 04-72	AFR(AJ) 04-72	AFR(AJ) 04-72
	7/73	7/74	7/75
	6/74	6/75	6/76

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	120	36	-		-		1	-	121
FY 1974 Expenditures	131	45	-		-		-	-	131
6/30/74 Unliquidated	38	14	-		-		1	-	39
FY 1975 Obligations	105	34			-		1	-	105
FY 1975 Expenditures	143	48	-		-		1	-	144
6/30/75 Unliquidated	-	-	-		-		-	-	-
FY 1976 Obligations	170	60	-		-		-	-	170
FY 1976 Expenditures	170	60	-		-		-	-	170

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

U.S. Contract Technicians	FY 1975 Obligations			FY 1976 Obligations		
	No.	MMS	\$000	No.	MMS	\$000
Long-term	5	34	105	5	60	170
Short-term	-	-	-	-	-	-

Personnel (PASA/COMMITMENT/Grant implementing agent, and position title)	Actual FY 1974			Estimated FY 1975			Projected FY 1976			Projected FY 1977		
	On- board 6/30/ 74	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 75	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 76	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 77	MMS	Ex- pendi- tures (\$000)
PASA (USDA) - Total	3	45	131	5	48	143	5	60	170	(for contract personnel only)		
1. Long Term												
Forage & Range Management	1	12	30	1	12	32	1	12	33			
Livestock Advisor	1	12	28	1	12	28	1	12	29			
Forage & Irrigation Advisor	1	12	25	1	12	25	1	12	26			
Livestock Advisor(Dairy)	-	-	-	1	4	8	1	12	23			
Livestock Advisor(Sheep)	-	-	-	1	4	8	1	12	23			
2. Short Term												
Statistician	-	2	4	-	-	-	-	-	-			
Statistician	-	2	4	-	1	3	-	-	-			
Statistician	-	2	2	-	-	1	-	-	-			
Statistician	-	3	7	-	-	1	-	-	-			
Livestock Economist	-	-	-	-	2	5	-	-	-			
Other Professionals & Clerical	-	-	-	-	1	2	-	-	-			
Travel & Other Direct Costs	-	-	5	-	-	5	-	-	1			
Overhead 25%	-	-	26	-	-	25	-	-	35			

PROJECT PARTICIPANT TRAINING TABLE
 (\$ thousands)

	DIRECT AID									CONTRACT		
	U.S. Academic			U.S. Non-Academic			3rd Country					
	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$
FY 1974 Obligations	7	34	69									
Long-term - new	4	48	40									
Long-term - continuing	3	36	29									
Short-term												
FY 1974 Expenditures	7	65	54									
Long-term - new	1	4	3									
Long-term - continuing	6	61	51									
Short-term												
Unliquidated Oblig. - 6/30/74	9	69	57									
Long-term - new	3	36	29									
Long-term - continuing	6	33	28									
Short-term												
FY 1975 Obligations	4	48	40	5	45	50						
Long-term - new	1	12	10	-	-	-						
Long-term - continuing	3	36	30	-	-	-						
Short-term	-	-	-	5	45	50						
FY 1975 Expenditures	10	102	85	5	20	25						
Long-term - new	1	6	5	-	-	-						
Long-term - continuing	9	96	80	-	-	-						
Short-term				5	20	25						
Unliquidated Oblig. - 6/30/75	2	15	12	5	25	25						
Long-term - new	1	6	5	-	-	-						
Long-term - continuing	1	9	7	-	-	-						
Short-term	-	-	-	5	25	25						
FY 1976 Obligations	4	42	40	6	72	60						
Long-term - new	-	-	-	-	-	-						
Long-term - continuing	4	42	40	-	-	-						
Short-term	-	-	-	6	72	60						
FY 1976 Expenditures	5	57	46	6	56	61						
Long-term - new	-	-	-	-	-	-						
Long-term - continuing	5	57	46	-	-	-						
Short-term	-	-	-	6	56	61						

Project Number 664-11-130-276

COMMODITY AND OTHER COST BUDGET TABLE
(\$ thousands)

Commodity Budget (excludes centrally funded contraceptives)

6/30/74 Unliquidated (type and amount)

Seeds and Animal Husbandry Equipment Total: 33

FY 1975 Obligations (type and amount)

Demonstration Commodities Total: 6

FY 1976 Obligations (type and amount)

Demonstration Commodities and Materials Total: 8

Other Cost Budget

6/30/74 Unliquidated (type and amount) -

FY 1975 Obligations (type and amount) -

FY 1976 Obligations (type and amount) -

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Integrated Agricultural Development

Financing Dates (FY)

Project Number 664-12-120-277

Obligations

Begin	End
FY 1973	1978
FY 1974	1979

Appropriation Food and Nutrition

Expenditures

Estimated Total Costs: A. Per Latest PROP \$ 1,720 B. Per Current Estimate \$ 1,720

Project Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM			
	\$	MM	\$	MM					
FY 1974 Oblig.-Total	51	8			24	18	255		330
Direct	51 a/	8			24	18	255		330
PASA									
Contract									
FY 1974 Expend.-Total	122	31			-	-	-		122
Direct	44	8			-	-	-		44
PASA	78	23			-	-	-		78
Contract									
6/30/74 Unliq.-Total	13	2			24	18	292		329
Direct	7b/	-			24	18	292		323
PASA	6c/	2			-	-	-		6
Contract									
FY 1975 Oblig.-Total	282	79			27	36	94		403
Direct	19d/	-			27	36	94		140
PASA	235	70			-	-	-		235
Contract	28	9			-	-	-		28
FY 1975 Expend.-Total	295	81			51	54	292		638
Direct	26	-			51	54	292		369
PASA	241	72			-	-	-		241
Contract	28	9			-	-	-		28
6/30/75 Unliq.-Total	-	-			-	-	94		94
Direct	-	-			-	-	94		94
PASA									
Contract									
FY 1976 Oblig.-Total	306	87			21	28	66		393
Direct	25d/	-			21	28	66		112
PASA	248	75			-	-	-		248
Contract	33	12			-	-	-		33
FY 1976 Expend.-Total	306	87			21	28	160		487
Direct	25	-			21	28	160		206
PASA	248	75			-	-	-		248
Contract	33	12			-	-	-		33

- a/ Includes rent, utilities and transportation for PASA personnel in addition to Direct hire technician costs
- b/ Direct costs cover rent, utilities for FY 75 expenditures
- c/ PASA costs to be spent in FY 75
- d/ Direct support costs for PASA personnel

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

Project Number 664-12-120-277

PASA/~~CONTRACT~~ Name United States Department of Agriculture AFR-(AJ) 02-74

		Funding Periods		
		Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
		AFR(AJ) 02-74	AFR(AJ) 02-74	AFR(AJ) 02-74
Contract No.				
From (mo/yr)		7/73	7/74	7/75
To (mo/yr)		6/74	6/75	6/76

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN						
	\$	MM	\$	MM					
FY 1974 Obligations	-	-	-					-	
FY 1974 Expenditures	78	23	-					78	
6/30/74 Unliquidated	6	2	-					6	
FY 1975 Obligations	235	70	-					235	
FY 1975 Expenditures	241	72	-					241	
6/30/75 Unliquidated	-	-	-					-	
FY 1976 Obligations	248	75	-					248	
FY 1976 Expenditures	248	75	-					248	

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

Project Number 664-12-120-277

~~PASA~~/Contract Name To be negotiated preferably directly with contractor, otherwise expert will be hired through PASA.

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

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	-	-							-
FY 1974 Expenditures	-	-							-
6/30/74 Unliquidated	-	-							-
FY 1975 Obligations	28	9							28
FY 1975 Expenditures	28	9							28
6/30/75 Unliquidated	-	-							-
FY 1976 Obligations	33	12							33
FY 1976 Expenditures	33	12							33

Project Number 664-12-120-277

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

	FY 1975 Obligations			FY 1976 Obligations		
	No.	MMS	\$000	No.	MMS	\$000
U.S. Contract Technicians	6	70	235	6	75	248
Long-term	-	-	-	-	-	-
Short-term	-	-	-	-	-	-

Personnel (PASA/Contract/Grant implementing agent, and position title)	Actual FY 1974			Estimated FY 1975			Projected FY 1976			Projected FY 1977		
	On- board 6/30/ 74	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 75	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 76	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 77	MMS	Ex- pendi- tures (\$000)
PASA - (USDA) - Total	5	23	78	6	72	241	6	75	243	-	-	-
- Chief of Party	1	5	14	1	12	38	1	12	39	-	-	-
- Agronomist	1	4	9	1	12	32	1	12	33	-	-	-
- Ag. Mkts. specialist	1	5	10	1	9	21	1	12	22	-	-	-
- Irrigation Eng.	1	4	11	1	12	32	1	12	33	-	-	-
- Farm Dev. Eng.	1	3	7	1	12	28	1	12	29	-	-	-
- Equipt. Specialist	-	-	-	1	12a	24	1	12	25	-	-	-
- Short-term consultants(2)	-	-	-	-	1	10	-	1	10	-	-	-
- Backstopping personnel (experts in U.S.)	-	2	5	-	2	6	-	2	7	-	-	-
- Travel and per diem (in U.S.)	-	-	6	-	-	2	-	-	-	-	-	-
- Overhead (25%)	-	-	16	-	-	48	-	-	50	-	-	-

a/ Assumes McGrew in orientation/training as of 7/1/75, consequently charged to PASA.

Project No. 664-12-120-277

PROJECT PARTICIPANT TRAINING TABLE
(\$ thousands)

	DIRECT AID									CONTRACT		
	U.S. Academic			U.S. Non-Academic			3rd Country			No.	MMs	\$
	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$			
FY 1974 Obligations				3	18	24						
Long-term - new				-	-	-						
Long-term - continuing				-	-	-						
Short-term				3	18	24						
FY 1974 Expenditures				-	-	-						
Long-term - new												
Long-term - continuing												
Short-term												
Unliquidated Oblig. - 6/30/74				3	18	24						
Long-term - new				-	-	-						
Long-term - continuing				-	-	-						
Short-term				3	18	24						
FY 1975 Obligations				9	36	27						
Long-term - new				-	-	-						
Long-term - continuing				-	-	-						
Short-term				9	36	27						
FY 1975 Expenditures				12	54	51						
Long-term - new				-	-	-						
Long-term - continuing				-	-	-						
Short-term				12	54	51						
Unliquidated Oblig. - 6/30/75				-	-	-						
Long-term - new				-	-	-						
Long-term - continuing				-	-	-						
Short-term				-	-	-						
FY 1976 Obligations				7	28	21						
Long-term - new				-	-	-						
Long-term - continuing				-	-	-						
Short-term				7	28	21						
FY 1976 Expenditures				7	28	21						
Long-term - new				-	-	-						
Long-term - continuing				-	-	-						
Short-term				7	28	21						

Project Number 664-12-120-277

COMMODITY AND OTHER COST BUDGET TABLE
(\$ thousands)

Commodity Budget (excludes centrally funded contraceptives

6/30/74 Unliquidated (type and amount)

Farm equipment, seeds, fertilizers, pesticides and vehicles	Total	292
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FY 1975 Obligations (type and amount)

Demonstration equipment, seeds and fertilizers	Total	94
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FY 1976 Obligations (type and amount)

Demonstration equipment, seeds and fertilizers	Total	66
--	-------	----

Other Cost Budget

6/30/74 Unliquidated (type and amount)

-

FY 1975 Obligations (type and amount)

-

FY 1976 Obligations (type and amount)

-

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Grain Storage Facilities - Feasibility Financing Dates (FY)
Project Number 664-22-150-283 Obligations Begin End
Appropriation Food and Nutrition Expenditures FY 1975 1975 a/
Estimated Total Costs: A. Per Latest PROP \$ - B. Per Current Estimate \$ 30 FY 1975 1975 a/

Project Budget & Expenditures	Personnel		Local/TCN		Participants		Commodities	Other Costs	Total
	U.S.								
	\$	MM	\$	MM	\$	MM	\$	\$	\$
FY 1974 Oblig.-Total	-	-							-
Direct	-	-							-
PASA	-	-							-
Contract	-	-							-
FY 1974 Expend.-Total	-	-							-
Direct	-	-							-
PASA	-	-							-
Contract	-	-							-
6/30/74 Unliq.-Total	-	-							-
Direct	-	-							-
PASA	-	-							-
Contract	-	-							-
FY 1975 Oblig.-Total	30	8							30
Direct	-	-							-
PASA	-	-							-
Contract	30	8							30
FY 1975 Expend.-Total	30	8							30
Direct	-	-							-
PASA	-	-							-
Contract	30	8							30
6/30/75 Unliq.-Total	-	-							-
Direct	-	-							-
PASA	-	-							-
Contract	-	-							-
FY 1976 Oblig.-Total	-	-							-
Direct	-	-							-
PASA	-	-							-
Contract	-	-							-
FY 1976 Expend.-Total	-	-							-
Direct	-	-							-
PASA	-	-							-
Contract	-	-							-

a/ Feasibility study related to proposed Grain storage loan recommended for authorization in fourth quarter of FY 1975

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

Project Number 664-12-150-283

~~PASA~~/Contract Name Being negotiated with KSU (Kansas State University)

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	-	Unknown	-
	-	8/74	-
	-	10/74	-

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

Project Number 664-22-150-283

PROJECT ~~DATA~~ / CONTRACT / GRANT PERSONNEL TABLE
(\$ thousands)

FY 1975 Obligations		FY 1976 Obligations	
No.	MMs	No.	MMs
-	-	-	-
4	8	-	-
	\$000		\$000
	-		-
	30		-

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

Personnel (DATA / Contract / Grant implementing agent, and position title)	Actual FY 1974		Estimated FY 1975		Projected FY 1976		Projected FY 1977					
	On- board 6/30/ 74	MMs	Ex- pendi- tures (\$000)	On- board 6/30/ 75	MMs	Ex- pendi- tures (\$000)	On- board 6/30/ 76	MMs	Ex- pendi- tures (\$000)	On- board 6/30/ 77	MMs	Ex- pendi- tures (\$000)
Contract - Total	-	-	-	-	8	30	-	-	-	-	-	-
Agricultural Engineer	-	-	-	-	2	7	-	-	-	-	-	-
Agricultural Economist	-	-	-	-	2	7	-	-	-	-	-	-
Grain Storage Operator	-	-	-	-	2	7	-	-	-	-	-	-
Graduate Assistant	-	-	-	-	2	6	-	-	-	-	-	-
Over-Head	-	-	-	-	-	3	-	-	-	-	-	-
												(for contract personnel only)

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Rural Development in the South --- Feasibility

Project Number 664-11-190-285

Appropriation Food and Nutrition

Financing Dates (FY)

	<u>Begin</u>	<u>End</u>
Obligations	FY 1975	1981
Expenditures	FY 1975	1982

Estimated Total Costs: A. Per Latest PROP \$ - B. Per Current Estimate \$3.5 million

Project Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.	Local/TCN							
	\$	MM	\$	MM	\$	MM	\$	\$	\$
<u>FY 1974 Oblig.-Total</u>	-								-
Direct	-								-
PASA	-								-
Contract	-								-
<u>FY 1974 Expend.-Total</u>	-								-
Direct	-								-
PASA	-								-
Contract	-								-
<u>6/30/74 Unliq.-Total</u>	-								-
Direct	-								-
PASA	-								-
Contract	-								-
<u>FY 1975 Oblig.-Total</u>	55 1/	13							55
Direct	-								-
PASA	-								-
Contract	55	13							55
<u>FY 1975 Expend.-Total</u>	48	11							48
Direct	-								-
PASA	-								-
Contract	48	11							48
<u>6/30/75 Unliq.-Total</u>	7	2							7
Direct	-								-
PASA	-								-
Contract	7	2							7
<u>FY 1976 Oblig.-Total</u>	150	54			30	36	70		250 2/
Direct	-								-
PASA	50	18							50
Contract	100	36			30	36	70		200
<u>FY 1976 Expend.-Total</u>	107	38			10	12	20		137 2/
Direct	-								-
PASA	50	18							50
Contract	57	20			10	12	20		87

1/ \$ 15,000 to support EPA study and 40,000 to undertake Stabilization Pond/Irrigation feasibility study.

2/ Amounts indicated are illustrative except for footnote 1/ pending completion Preliminary Project Proposal (PPP)

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

Project Number 664-11-190-285

~~PKSA~~/Contract Name To be negotiated

Funding Periods

	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
Contract No.	-	unknown	unknown
From (mo/yr)	-	8/74	9/75
To (mo/yr)	-	8/75	9/76

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	-								
FY 1974 Expenditures	-								
6/30/74 Unliquidated	-								
FY 1975 Obligations	55	13							55
FY 1975 Expenditures	48	11							48
6/30/75 Unliquidated	7	2							7
FY 1976 Obligations	100	36							100
FY 1976 Expenditures	57	20							57

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

Project Number 664-11-190-285

PASA/~~Contract~~ Name To be negotiated

Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	-	-	Unknown
	-	-	7/75
	-	-	3/76

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

Project Number 64-11-190-285

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

FY 1975 Obligations		FY 1976 Obligations	
No.	MMs	No.	MMs
-	-	2	18
			50

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

	Actual FY 1974		Estimated FY 1975		Projected FY 1976		Projected FY 1977	
	On-board 6/30/74	MMs	Ex-penditures (\$000)	On-board 6/30/75	MMs	Ex-penditures (\$000)	On-board 6/30/77	Ex-penditures (\$000)
(PASA / CONTRACT / Grant implementing agent, and position title)	74	-	-	75	-	-	76	77
PASA -- Total	-	-	-	-	18	50	2	(for contract personnel only)
Civil Engineer	-	-	-	-	9	18	1	
Extension Specialist	-	-	-	-	9	18	1	
Travel and other direct expenses						4		
Overhead 25%						10		

Project No. 664-11-190-285

PROJECT PARTICIPANT TRAINING TABLE
(\$ thousands)

	DIRECT AID											
	U.S. Academic			U.S. Non-Academic			3rd Country			CONTRACT		
	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$
FY 1974 Obligations				-	-	-						
Long-term - new												
Long-term - continuing												
Short-term												
FY 1974 Expenditures				-	-	-						
Long-term - new												
Long-term - continuing												
Short-term												
Unliquidated Oblig. - 6/30/74				-	-	-						
Long-term - new												
Long-term - continuing												
Short-term												
FY 1975 Obligations				-	-	-						
Long-term - new												
Long-term - continuing												
Short-term												
FY 1975 Expenditures				-	-	-						
Long-term - new												
Long-term - continuing												
Short-term												
Unliquidated Oblig. - 6/30/75				-	-	-						
Long-term - new												
Long-term - continuing												
Short-term												
FY 1976 Obligations				6	36	30						
Long-term - new				-	-	-						
Long-term - continuing				-	-	-						
Short-term				6	36	30						
FY 1976 Expenditures				2	12	10						
Long-term - new				-	-	-						
Long-term - continuing				-	-	-						
Short-term				2	12	10						

TABLE IX

Project Number 664-11-190-285

COMMODITY AND OTHER COST BUDGET TABLE
(\$ thousands)

<u>Commodity Budget (excludes centrally funded contraceptives)</u>			-
<u>6/30/74 Unliquidated (type and amount)</u>			
FY 1975 Obligations (type and amount)	Total		-
FY 1976 Obligations (type and amount)	Total		70
Equipment and Materials			
<u>Other Cost Budget</u>			
<u>6/30/74 Unliquidated (type and amount)</u>			
FY 1975 Obligations (type and amount)			
FY 1976 Obligations (type and amount)			

②. Nutrition

a. New Activity: Nutrition Planning

Included in this year's Congressional Presentation, this technical assistance grant project will assist the Tunisian Government to incorporate nutrition into national planning and to improve Tunisia's capacity for analysis, planning, implementation and evaluation of nutrition programs.

This activity bears a major relationship to the USAID's Food Production and Nutrition areas of concentration and to Tunisia's development program. Malnutrition is recognized by both the USAID and the GOT as a serious impediment to economic development. The USAID has been assisting the GOT with the creation of a National Institute of Nutrition and Food Technology, which has been given a responsibility for coordinating Tunisia's nutrition programs. The new Nutrition Planning Project will build on the existing institutional infrastructure, giving the GOT a greater capability to program wisely its scarce resources.

The major beneficiaries are expected to be the poorest people, those whose income is the equivalent of \$160 or less per year and who constitute perhaps 40% of the population. Most of these seriously malnourished are found in the rural areas and on the fringes of the large cities, and include expectant and nursing women, infants, and pre-school children.

No other donors are known to be assisting specifically with nutrition planning, although other donors are involved in the Nutrition field, as is described in the sector discussion on nutrition in Part I of this FBS.

The specific project design will be drawn up after the assessment, referred to in Part II A above, is completed this Fall. This analysis would involve 3-4 experts for a period of a month. In addition to the aspects presented in TUNIS 1456 of 3/14/74, an important element of this analysis as mentioned in the Nutrition Institute project PROP of July 1974, will be an in-depth evaluation of the Nutrition Institute's technical capabilities for carrying out its current functions and any new roles evolving from the nutrition assessment.

The Congressional Presentation shows a funding requirement of \$ 1 million over a five year period, or about \$200,000 annually. This figure is for planning purposes only, and actual requirements will depend upon the results of the TA/N study team. The PROP is scheduled for submission to AID/W during the third quarter of FY 1975 with initial obligation of funds scheduled for the fourth quarter of FY 1975. Project inputs are likely to consist of a resident Nutrition Planning Specialist and short-term consultants, participants, and limited commodities.

b. On-Going Grant Projects

The following PAR's have been submitted during the past twelve months and should be referred to for an assessment of current project status:

Project 255.1, Nutrition Institute, PAR submitted 8 July 1974

Project 255.2, Lysine Fortification, PAR submitted 10 June 1974

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

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

Financing Dates (FY)

Project Number 664-11-560-255.1

Obligations
Expenditures

Begin	End
1969	1976
1969	1977

Appropriation Food and Nutrition

Estimated Total Costs: A. Per Latest PROP \$592 */ B. Per Current Estimate \$552 **/

*/ PROP submitted AID/W on 7/17/74. **/ Reduced because PASA Nutrition Advisor is in Operating Expenses Budget as DH starting 8/18/74.

Project Budget & Expenditures	Personnel		Local/TCN		Participants		Commodities	Other Costs	Total
	U.S. \$	MM	\$	MM	\$	MM			
FY 1974 Oblig.-Total	28	5			34	42	18	1	81
Direct	b/ 12	-			34	42	18	1	65
PASA	-	-			-	-	-	-	-
Contract	16	5			-	-	-	-	16
FY 1974 Expend.-Total	58	18			19	27	18	-	95
Direct	4	-			19	27	18	-	41
PASA	36	12			-	-	-	-	36
Contract	18	6			-	-	-	-	18
6/30/74 Unliq.-Total	13	2			25	32	11	1	56
Direct	c/ 6	-			25	32	11	1	43
PASA	-	-			-	-	-	-	-
Contract	7	2			-	-	-	-	7
FY 1975 Oblig.-Total	26	9			37	44	2	4	69
Direct	-	-			37	44	2	4	43
PASA	d/ 5	2			-	-	-	-	5
Contract	21	7			-	-	-	-	21
FY 1975 Expend.-Total	30	8			37	44	13	5	85
Direct	c/ 6	-			37	44	13	5	61
PASA	5	2			-	-	-	-	5
Contract	19	6			-	-	-	-	19
6/30/75 Unliq.-Total	9	3			25	32	-	-	34
Direct	-	-			25	32	-	-	25
PASA	-	-			-	-	-	-	-
Contract	9	3			-	-	-	-	9
FY 1976 Oblig.-Total	5	2			27	32	-	2	34
Direct	-	-			27	32	-	2	29
PASA	-	-			-	-	-	-	-
Contract	5	2			-	-	-	-	5
FY 1976 Expend.-Total	14	5			37	44	-	2	53
Direct	-	-			37	44	-	2	39
PASA	-	-			-	-	-	-	-
Contract	14	5			-	-	-	-	14

a/ International travel costs of non-AID-funded consultants for Nutrition survey.

b/ Primarily travel, transportation, rent, utilities, etc. for Nutrition Advisor.

c/ Primarily home leave costs of Nutrition Advisor.

d/ Nutrition Advisor PASA until transferred to Operating Expenses Budget as DH starting 8/18/74.

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

Project Number 664-11-560-255.1

~~PIA~~/Contract Name 1. Donna McLellan May - AID/afr-835 a/
2. Personnel Service Contracts-to be negotiated b/

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

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	16	5							16
FY 1974 Expenditures	18	6							18
6/30/74 Unliquidated	7	2							7
FY 1975 Obligations	21	7							21
FY 1975 Expenditures	19	6							19
6/30/75 Unliquidated	9	3							9
FY 1976 Obligations	5	2							5
FY 1976 Expenditures	14	5							14

a/ See PIO/T 664-255-3-40008, as amended, for details of services requested in FY 74 and FY 75.

b/ Plans are for a Pilot Plant Advisor and two TDY consultants.

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

Project Number 664-11-560-255.1

PASA/~~Contract~~ Name Department of Health, Education and Welfare

Funding Periods

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

Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
AFR(HA) 16-68	AFR(HA) 16-68	
7/73	7/1/74	
6/74	8/17/74	

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM			
	\$	MM	\$	MM			\$	\$	\$
FY 1974 Obligations	-	-							-
FY 1974 Expenditures	36	12							36
6/30/74 Unliquidated	-	-							-
FY 1975 Obligations	5	2 ^a							5
FY 1975 Expenditures	5	2							5
6/30/75 Unliquidated									
FY 1976 Obligations									
FY 1976 Expenditures									

a/ Nutrition Advisor to be transferred to Operating Expenses Budget as DH starting 8/18/74.

Project Number 664-11-560-255.1

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

	FY 1975 Obligations			FY 1976 Obligations		
	No.	MMS	\$000	No.	MMS	\$000
U.S. Contract Technicians						
Long-term	4			2	2	
Short-term		7	21			5

Personnel (PASA/Contract/Grant implementing agent, and position title)	Actual FY 1974			Estimated FY 1975			Projected FY 1976			Projected FY 1977		
	On- board 6/30/ 74	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 75	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 76	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 77	MMS	Ex- pendi- tures (\$000)
PASA (HEW) - Total	1	12	36	-	2	5	-	-	-	-	-	-
1. Health Administration Advisor (Nutritionist)	1	12	34		2	5						
2. Travel, Transport, etc			-									
3. Overhead			2									
Personnel Services Contract - Total		6	18		6	19		5	14		-	-
1. Program Analyst - AID/afr 835	-	6	18	-	2	5	-	3	7	-	-	-
2. Pilot Plant Advisor	-	-	-	-	2	5	-	-	-	-	-	-
3. TDY Consultants	-	-	-	-	2	4	-	2	4	-	-	-
4. Travel, Transport, etc						5			3			

Project Number 664-11-560-255.1

COMMODITY AND OTHER COST BUDGET TABLE
(\$ thousands)

Commodity Budget (excludes centrally funded contraceptives)

6/30/74 Unliquidated (type and amount)

Laboratory Equipment and Supplies Total: 11

FY 1975 Obligations (type and amount)

Laboratory Equipment and Supplies Total: 2

FY 1976 Obligations (type and amount) -

Other Cost Budget

6/30/74 Unliquidated (type and amount)

A. Travel Costs of TDY Consultant Total: 1

FY 1975 Obligations (type and amount)

A. Travel Costs of TDY Consultants Total: 4

FY 1976 Obligations (type and amount)

A. Travel Costs of TDY Consultants Total: 2

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

Project Title: Lysine Fortification Study Financing Dates

Project Number 664-11-560-255.2

Begin End

Obligations FY1969 FY1976

Expenditures FY1969 FY1977

~~UNDA~~ Contract Name Harvard University

Appropriation: Food and Nutrition

Estimated Total Costs: A. Per latest PROP \$ 1061^{a/} B. Current Est. \$ 1061

Funding Periods

Contract No. From (mo/yr) To (mo/yr)	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
		AID/afr 650, A-8	AID/afr 650, A-9
	9/73	9/74	9/75
	8/74	8/75	8/76

Budget ^{b/} & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	^{b/} 218	64	-	-	-	-	48	-	266
FY 1974 Expenditures	115	36	-	-	-	-	37	-	152
6/30/74 Unliquidated	155	36	-	-	-	-	20	-	175
FY 1975 Obligations	^{c/} 27	6	-	-	-	-	-	-	27
FY 1975 Expenditures	139	36	-	-	-	-	20	-	159
6/30/75 Unliquidated	43	6	-	-	-	-	-	-	43
FY 1976 Obligations	187	42	-	-	-	-	21	-	208
FY 1976 Expenditures	174	42	-	-	-	-	21	-	195

a/ PROP submitted AID/W June 1974.

b/ Of which 137 represents forward funding to provide for timely re-funding of contract which expires in August 1974 (cf State 135165 of 6/24/74).

c/ Makes up for shortfall in FY 1974 obligations that resulted from last minute priority requirement for funds elsewhere in sector.

Project Number 664-11-560-255.2

PROJECT ~~NO.~~ CONTRACT / GRANT PERSONNEL TABLE
(\$ thousands)

	FY 1975 Obligations			FY 1976 Obligations		
	No.	MMS	\$000	No.	MMS	\$000
U.S. Contract Technicians	3	6	27	3	42	187
Long-term	-	-	-	2	6	20
Short-term	-	-	-	-	-	-

Personnel (NO. Contract/Grant implementing agent, and position title)	Actual FY 1974			Estimated FY 1975			Projected FY 1976			Projected FY 1977		
	On- board 6/30/ 74	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 75	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 76	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 77	MMS	Ex- pendi- tures (\$000)
Contract (Harvard) - Total	3	36	115	3	36	139	3	42	174	-	6	56
1. Lab. Director-Chief of Party	1	12	18	1	12	19	1	12	21	-	2	4
2. Field Dir-Pediatrician	1	12	22	1	12	23	1	12	25	-	2	4
3. Statistician	1	12	22	1	12	23	1	12	25	-	2	4
4. Short-term Consultants	-	-	-	-	-	-	-	6	15	-	-	-
5. Transport and other Direct costs	-	-	4	-	-	15	-	-	20	-	-	20
6. Overseas Overhead	-	-	19	-	-	22	-	-	29	-	-	9
7. Home office salaries and benefits	-	-	20	-	-	25	-	-	27	-	-	10
8. Home office overhead	-	-	10	-	-	12	-	-	12	-	-	5

Project Number 664-11-560-255.2

COMMODITY AND OTHER COST BUDGET TABLE
(\$ thousands)

Commodity Budget (excludes centrally funded contraceptives)

6/30/74 Unliquidated (type and amount)		
Vitamins, minerals, laboratory equipment and supplies, and vehicle spare parts	Total:	20
FY 1975 Obligations (type and amount)		
None		-
FY 1976 Obligations (type and amount)		
Vitamins, minerals, laboratory equipment and supplies, and vehicle spare parts	Total:	21
<u>Other Cost Budget</u>		
6/30/74 Unliquidated (type and amount)		-
FY 1975 Obligations (type and amount)		-
FY 1976 Obligations (type and amount)		-

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Nutrition Planning*

Financing Dates (FY)

Project Number 664-11-560-284

	<u>Begin</u>	<u>End</u>
Obligations	FY 1975	FY 1979
Expenditures	FY 1975	FY 1980

Appropriation Food and Nutrition

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

Project Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.	Local/TCN							
	\$	MM	\$	MM	\$	MM	\$	\$	
<u>FY 1974 Oblig.-Total</u>	-		-		-		-	-	-
Direct									
PASA									
Contract									
<u>FY 1974 Expend.-Total</u>	-		-		-		-	-	-
Direct									
PASA									
Contract									
<u>6/30/74 Unliq.-Total</u>	-		-		-		-	-	-
Direct									
PASA									
Contract									
<u>FY 1975 Oblig.-Total</u>	120		-		60	72	20	-	200
Direct									
PASA									
Contract									
<u>FY 1975 Expend.-Total</u>									
Direct									
PASA									
Contract									
<u>6/30/75 Unliq.-Total</u>									
Direct									
PASA									
Contract									
<u>FY 1976 Oblig.-Total</u>									
Direct									
PASA									
Contract									
<u>FY 1976 Expend.-Total</u>									
Direct									
PASA									
Contract									

* The estimate of FY 1975 obligations was presented in the FY 1975 Congressional Presentation (p. 113) by the Office of Nutrition (TA/N), and the USAID is not in a position at this time to provide a detailed breakdown by project components.

3. Population and Health

a. On-Going Project: Family Planning (Project 224)

Per STATE 122950, the PROP submitted for this project in December 1973 is now undergoing major review with the new director of the Tunisian National Office for Family Planning and Population. While measurable progress has been achieved with regard to most outputs, there remain important questions of timing, priorities, national strategy as to methods and approaches, the nature of assistance needed from donors, and a detailed implementation plan.

AID/W advised in the above cable that no further funds will be allotted for this project until agreement has been reached with the GOT on a revised or updated long-term plan. The GOT has completed a first draft of a new plan, and USAID is hopeful that this can be developed into a fully satisfactory document for submission to AID/W by early or mid-Fall, 1974. In the interim, USAID has used the figures in the present PROP as a basis for completion of the required FBS tables. Data for FY 1975 and beyond should be considered illustrative only at this point, with firm funding decisions to be deferred until a revised PROP is submitted.

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Family Planning

Financing Dates (FY)

Project Number 664-11-580-224

Obligations

Begin	End
1968	1977
1968	1978

Appropriation Population Planning and Health Expenditures

Estimated Total Costs: A. Per Latest PROP \$ 6,997 * B. Per Current Estimate \$6,234 **

*PROP submitted Dec, 1973, to be revised FY 1975. However, new data not finalized, therefore PBS based on Dec. 1973 PROP. **Reflects personal transfer to Operating Expenses Budget.

Project Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.	Local/TCN							
	\$	MM	\$	MM	\$	MM			
FY 1974 Oblig.-Total	59	24			51	64	33	419	562
Direct	3 a/	-			51	64	33	419	505
PASA	55	24			-	-	-	-	55
Contract	-	-			-	-	-	-	-
FY 1974 Expend.-Total	27	12			24	36	78	518	647
Direct	-	-			24	36	78	518	620
PASA	27	12			-	-	-	-	27
Contract	-	-			-	-	-	-	-
6/30/74 Unliq.-Total	30	12			59	71	45	627	761
Direct	1	-			59	71	45	627	732
PASA	29 b/	12			-	-	-	-	29
Contract	-	-			-	-	-	-	-
FY 1975 Oblig.-Total	120	38			190	228	168	447	925
Direct	80 c/	24			190	228	168	447	885
PASA	35	12			-	-	-	-	35
Contract	5	2			-	-	-	-	5
FY 1975 Expend.-Total	115	38			70	84	129	851	1165
Direct	81	24			70	84	129	851	1131
PASA	29	12			-	-	-	-	29
Contract	5	2			-	-	-	-	5
6/30/75 Unliq.-Total	35	12			179	215	84	223	521
Direct	-	-			179	215	84	223	486
PASA	35	12			-	-	-	-	35
Contract	-	-			-	-	-	-	-
FY 1976 Oblig.-Total	122	38			100	120	160	342	724
Direct	80	24			100	120	160	342	682
PASA	36	12			-	-	-	-	36
Contract	6	2			-	-	-	-	6
FY 1976 Expend.-Total	121	38			142	168	164	394	821
Direct	80	24			142	168	164	394	780
PASA	35	12			-	-	-	-	35
Contract	6	2			-	-	-	-	6

a/ Rents and utilities of PASA technician (\$2,000 was subsequently deobligated).

b/ Forward funded per TUNIS 3102 (5/21/74) and STATE 122950 (6/11/74).

c/ Two DH Technical Specialists funded in FY 1974 from Operating Expenses sub-allotment.

PROJECT PASA/664-11-580-224/GRANT BACK-UP BUDGET TABLE
(\$ thousands)

Project Number 664-11-580-224

PASA/Contract Name HEW - Public Health Nurse AFR(HA) 28-70

PASA Contract No. From (mo/yr) To (mo/yr)	Funding Periods		
	Current-FY 1974 AFR(HA) 28-70	Proposed-FY 1975 AFR(HA) 28-70	Projected-FY 1976 AFR(HA) 28-70
	7/73	7/75	7/76
	6/75	6/76	6/77

Budget & Expenditures	Personnel				Participants		Commod- ities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	56	24							56
FY 1974 Expenditures	27	12							27
6/30/74 Unliquidated	29	12							29
FY 1975 Obligations	35	12							35
FY 1975 Expenditures	29	12							29
6/30/75 Unliquidated	35	12							35
FY 1976 Obligations	35	12							35
FY 1976 Expenditures	35	12							35

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

Project Number 664-11-580-224

~~XXXX~~/Contract Name Personal Services Contract to be negotiated (Short Term)

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

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$000
	\$	MM	\$	MM					
FY 1974 Obligations	-	-							-
FY 1974 Expenditures	-	-							-
6/30/74 Unliquidated	-	-							-
FY 1975 Obligations	5	2							5
FY 1975 Expenditures	5	2							5
6/30/75 Unliquidated	-	-							-
FY 1976 Obligations	6	2							6
FY 1976 Expenditures	6	2							6

Project Number 664-11-580-224

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

U.S. Contract Technicians	FY 1975 Obligations			FY 1976 Obligations		
	No.	MMs	\$000	No.	MMs	\$000
Long-term - PASA	1	12	35	1	12	36
Short-term -Contract	2	2	5	2	2	6

Personnel (PASA/Contract/Grant implementing agent, and position title)	Actual FY 1974			Estimated FY 1975			Projected FY 1976			Projected FY 1977		
	On- board 6/30/ 74	MMs	Ex- pendi- tures (\$000)	On- board 6/30/ 75	MMs	Ex- pendi- tures (\$000)	On- board 6/30/ 76	MMs	Ex- pendi- tures (\$000)	On- board 6/30/ 77	MMs	Ex- pendi- tures (\$000)
PASA (HEW) - Total	1	12	27	1	12	29	1	12	35	77	2	77
1. Public Health Nurse- Educator	1	12	26	1	12	27	1	12	33			
2. Travel, Transport, etc. (Paid outside PASA)	-	-	-	-	-	-	-	-	-			
3. Overhead	-	-	1	-	-	2	-	-	2			
Personnel Services Contract Total	-	-	-	-	2	5	-	2	6		2	7
TDY Consultants Travel, Etc.	-	-	-	-	2	4	-	2	5		2	6
	-	-	-	-	-	1	-	-	1		-	1

(for contract
personnel only)

Project No. 664-11-580-224

PROJECT PARTICIPANT TRAINING TABLE a/
(\$ thousands)

	DIRECT AID											
	U.S. Academic			U.S. Non-Academic			3rd Country			CONTRACT		
	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$
FY 1974 Obligations	6	64	51									
Long-term - new	4	48	38									
Long-term - continuing	2	16	13									
Short-term	-	-	-									
FY 1974 Expenditures	4	36	24									
Long-term - new	4	36	24									
Long-term - continuing	-	-	-									
Short-term	-	-	-									
Unliquidated Oblig. - 6/30/74	8	71	59									
Long-term - new	4	48	38									
Long-term - continuing	4	23	21									
Short-term	-	-	-									
FY 1975 Obligations	20	228	190									
Long-term - new	12	144	120									
Long-term - continuing	8	84	70									
Short-term	-	-	-									
FY 1975 Expenditures	8	84	70									
Long-term - new	4	36	30									
Long-term - continuing	4	48	40									
Short-term	-	-	-									
Unliquidated Oblig. - 6/30/75	20	215	179									
Long-term - new	12	144	120									
Long-term - continuing	8	66	59									
Short-term	-	-	-									
FY 1976 Obligations	10	120	100									
Long-term - new	-	-	-									
Long-term - continuing	10	120	100									
Short-term	-	-	-									
FY 1976 Expenditures	16	168	142									
Long-term - new	12	120	102									
Long-term - continuing	4	48	40									
Short-term	-	-	-									

a/ The December 1973 PROP is to be revised in FY 1975; therefore future requirements are not yet finalized. As a result, participant levels beyond those already in the pipeline, are illustrative.

TABLE IX

Project Number 664-11-580-224

COMMODITY AND OTHER COST BUDGET TABLE
(\$ thousands)

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

Audio-visual and education equipment, surgical and examining gloves Total: 45

FY 1975 Obligations (type and amount)

Audio-visual, medical and surgical equipment and drugs Total: 168

FY 1976 Obligations (type and amount)

Audio-visual, medical and surgical equipment and drugs Total: 160

Other Cost Budget

6/30/74 Unliquidated (type and amount)

D. Support of operating budget of Tunisian Office of Family Planning Total: 627

FY 1975 Obligations (type and amount)

D. Support of operating budget of Tunisian Office of Family Planning Total: 447

FY 1976 Obligations (type and amount)

D. Support of operating budget of Tunisian Office of Family Planning Total: 342

Centrally Funded Title X Contraceptives
for Bilateral Programs

	<u>Quantity Monthly Cycles</u>	<u>Oral Costs^{a/} \$ thousands</u>	<u>Number of Pills users</u>
1. <u>Usage through CY 1977</u>	<u>728,000</u>	<u>148</u>	<u>56,000</u>
CY 1974 Usage	143,000	24	11,000
CY 1975 Usage	169,000	36	13,000
CY 1976 Usage	195,000	41	15,000
CY 1977 Usage	221,000	47	17,000
2. <u>12/31/73 Unused</u>	<u>427,560</u>	<u>71</u>	<u>XXXX</u>
Central Warehouse	-	-	XXXX
Public Sector Distribution System	100,000	17	XXXX
On order and confirmed by AID/W	327,560	54	XXXX
3. <u>FY 1975 Obligations</u>	<u>300,440^{b/}</u>	<u>32^{b/}</u>	<u>XXXX</u>
4. <u>CY 1978 Usage</u>	<u>247,000</u>	<u>53</u>	<u>19,000</u>
5. <u>FY 1976 Obligations</u>	<u>165,000^{b/}</u>	<u>35</u>	<u>XXXX</u>

a/ For FY 1974 and prior year obligations, calculate based on \$.14 per MC plus 18% for transportation. For FY 1975 and succeeding years, calculate based on \$.18 per MC plus 18%.

b/ Non-obligating PIO/C for 150,000 cycles being sent AID/W per ProAg signed on 6/28/74. GOT has requested substantial portion of contraceptive needs from UNFPA-UNICEF, and definitive decision on best sources and division of contraceptive supply subject to further review with GOT.

Project Number: 664-11-580-224

TABLE IX A
(Continued)

Centrally Funded Title X Contraceptives
for Bilateral Programs

	<u>Quantity Gross</u>	<u>Condoms a/ Costs \$ thousands</u>	<u>Number of condom users</u>
1. <u>Usage through FY 1977</u> ^{b/}	<u>10,500</u>	<u>44</u>	<u>10,500</u>
FY 1975 Usage	3,000	11	3,000
FY 1976 Usage	3,500	13	3,500
FY 1977 Usage	4,000	20	4,000
2. <u>6/30/74 Unused</u>	<u>4,200</u>	<u>15</u>	<u>XXX</u>
Central Warehouse	2,700	10	XXX
Public Sector Distribution System	1,500	5	XXX
On order and confirmed by AID/W	<u>c/</u>	<u>c/</u>	XXX
3. <u>FY 1975 Obligations</u>	<u>1,800</u> ^{d/}	<u>9</u>	<u>XXX</u>
4. <u>FY 1978 Usage</u>	<u>4,500</u>	<u>23</u>	<u>4,500</u>
5. <u>FY 1976 Obligations</u>	<u>4,500</u>	<u>23</u>	<u>XXX</u>

a/ For FY 1974 Obligations calculate based on \$3.00 per gross plus 20% for transportation. For succeeding years, calculate based on \$4.20 per gross plus 20% for transportation.

b/ FY 1974 usage estimated at 2500 gross.

c/ USAID requested 4500 gross in FY'74. Order not yet confirmed by AID/W.

d/ Assumes 4500 gross referenced above will be received.

Project Number: 664-11-580-224

TABLE IX B

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

	FY 1974 Obligations		FY 1975 Planned Obligations		FY 1976 Proposed Oblig.	
	Quantity (MC/Grs)	Costs (\$000)	Quantity (MC/Grs)	Costs (\$000)	Quantity (MC/Grs)	Costs (\$000)
I. <u>Orals - Total</u>						
a. <u>Other Bilateral Donors</u>						
b. <u>Private Organizations</u> IPPF Pathfinder Fund PPFA/FPIA Other						
c. <u>U.N.</u>				a/		a/
d. <u>Host Country Government</u>	46,000	NA	-	-	-	-
II. <u>Condoms-Total:</u>						
a. <u>Other Bilateral Donors</u>						
b. <u>Private Organizations</u> IPPF Pathfinder Fund PPFA/FPIA Other						
c. <u>U.N.</u>				a/		a/
d. <u>Host Country Government</u>						

a/ At GCT request, UNICEF has earmarked \$96,000 in UNFPA funds for the procurement of contraceptives for each of these years. Call forwards are subject to review with U.N. and U.S.A.I.D.

4. Manpower Development

a. On-Going Grant Projects

The following PAR's have been submitted during the past twelve months and should be referred to for an assessment of current project status:

Project 228, Management Education and Executive Development, PAR submitted 21 December 1973

Project 237.2, Economics Education, PAR submitted 6 February 1974

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Management Education and Executive Development

Project Number 664-55-770-228

Appropriation Education and HUR Development

Estimated Total Costs: A. Per Latest PROP \$ 1,707 B. Per Current Estimate \$ 1,707

*/ PRCP submitted AID/W in June 1974.

Financing Dates (FY)

Begin	End
FY 1966	FY 1977
FY 1967	FY 1978

Project Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S. \$	MM	Local/TCN \$	MM	\$	MM			
FY 1974 Oblig.-Total	103	19			55	95	3		161
Direct	22	7			14	17	-		36
PASA	-				-		-		-
Contract	81	12			41	78	3		125
FY 1974 Expend.-Total	152	43			50	76	1		203
Direct	22	7			15	19	-		37
PASA	-				-		-		-
Contract	130	36			35	57	1		166
6/30/74 Unliq.-Total	58	6			46	79	3		107
Direct	-				5	5	-		5
PASA	-				-		-		-
Contract	58	6			41	74	3		102
FY 1975 Oblig.-Total	40	2			78	139	3		121
Direct	-				10	7	-		10
PASA	-				-		-		-
Contract	40	2			68	132	3		111
FY 1975 Expend.-Total	57	6			91	137	4		152
Direct	-				15	12	-		15
PASA	-				-		-		-
Contract	57	6			76	125	4		137
6/30/75 Unliq.-Total	41	2			33	81	2		76
Direct	-				-		-		-
PASA	-				-		-		-
Contract	41	2			33	81	2		76
FY 1976 Oblig.-Total	47	3			70	103	3		120
Direct	-				10	7	-		10
PASA	-				-		-		-
Contract	47	3			60	96	3		110
FY 1976 Expend.-Total	40	2			76	112	3		119
Direct	-				10	7	-		10
PASA	-				-		-		-
Contract	40	2			66	105	3		109

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

Project Number 664-55-770-228

PASA/Contract Name University of Illinois

Funding Periods

Contract No. From (mo/yr) To (mo/yr)	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	AID/afr-550	AID/afr-550	AID/afr-550
	April 1, 1974	April 1, 1975	April 1, 1976
	March 31, 1975	March 31, 1976	March 31, 1977

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	81	12			41	78	3		125
FY 1974 Expenditures	130	36			35	57	1		166
6/30/74 Unliquidated	58	6			41	74	3		102
FY 1975 Obligations	40	2			68	108	3		111
FY 1975 Expenditures	57	6			76	130	4		137
6/30/75 Unliquidated	41	2			33	81	2		76
FY 1976 Obligations	47	3			60	96	3		110
FY 1976 Expenditures	40	2			66	105	3		109

Project No. 664-55-770-228

PROJECT PARTICIPANT TRAINING TABLE
(\$ thousands)

	DIRECT AID									CONTRACT		
	U.S. Academic			U.S. Non-Academic			3rd Country			No.	MMs	\$
	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$			
FY 1974 Obligations	1	15	11	1	2	3				12	78	41
Long-term - new	-	-	-	-	-	-				8	44	24
Long-term - continuing	1	15	11	-	-	-				4	34	17
Short-term	-	-	-	1	2	3				-	-	-
FY 1974 Expenditures	1	19	15	-	-	-				6	57	35
Long-term - new	-	-	-							-	-	-
Long-term - continuing	1	19	15							6	57	35
Short-term	-	-	-							-	-	-
Unliquidated Oblig. - 6/30/74	1	3	2	1	2	3				12	74	41
Long-term - new	-	-	-	-	-	-				8	44	24
Long-term - continuing	1	3	2	-	-	-				4	30	17
Short-term	-	-	-	1	2	3				-	-	-
FY 1975 Obligations	-	-	-	3	7	10				10	132	68
Long-term - new				-	-	-				-	-	-
Long-term - continuing				-	-	-				10	132	68
Short-term				3	7	10				-	-	-
FY 1975 Expenditures	1	3	2	4	9	13				12	125	76
Long-term - new	-	-	-	-	-	-				8	88	56
Long-term - continuing	1	3	2	-	-	-				4	37	20
Short-term	-	-	-	4	9	13				-	-	-
Unliquidated Oblig. - 6/30/75	-	-	-	-	-	-				9	81	33
Long-term - new										-	-	-
Long-term - continuing										9	81	33
Short-term										-	-	-
FY 1976 Obligations	-	-	-	3	7	10				8	96	60
Long-term - new				-	-	-				-	-	-
Long-term - continuing				-	-	-				8	96	60
Short-term				3	7	10				-	-	-
FY 1976 Expenditures	-	-	-	3	7	10				9	105	66
Long-term - new				-	-	-				-	-	-
Long-term - continuing				-	-	-				9	105	66
Short-term				3	7	10				-	-	-

TABLE IX

Project Number 664-55-770-228

COMMODITY AND OTHER COST BUDGET TABLE
(\$ thousands)

Commodity Budget (excludes centrally funded contraceptives)

6/30/74 Unliquidated (type and amount)
Books, Periodicals and education aids Total: 3

FY 1975 Obligations (type and amount)
Books, Periodicals and education aids Total: 3

FY 1976 Obligations (type and amount)
Books, Periodicals and education aids Total: 3

Other Cost Budget

6/30/74 Unliquidated (type and amount) -

FY 1975 Obligations (type and amount) -

FY 1976 Obligations (type and amount) -

PROJECT PASA/CONTRACT/GRANT BACK-UP BUDGET TABLE

(\$ thousands)

Project Title Economics Education Financing Dates
 Begin End
 Obligations FY 1967 FY 1976
 Project Number 664-11-110-237.2 Expenditures FY 1968 FY 1977

PASA/Contract Name University of Minnesota

Appropriation: Education and HUR Development

Estimated Total Costs: A. Per latest PROP \$ 660 B. Per Current Estimate \$ 722

Funding Periods

Contract No.	Current-FY 1974	Proposed-FY 1975	Projected-FY 1976
	From (mo/yr)	AID/afr 469	AID/afr 469
To (mo/yr)	1/74	1/75	1/76
	12/74	12/75	12/76

Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.		Local/TCN		\$	MM	\$	\$	\$
	\$	MM	\$	MM					
FY 1974 Obligations	-	-	-	-	-	-	-	-	-
FY 1974 Expenditures	29	5	2	3	61	120	9		101
6/30/74 Unliquidated	35	3	1	2	45	77	-		81
FY 1975 Obligations	14	1	2	3	53	106	3		72
FY 1975 Expenditures	34	2	2	3	74	135	1		111
6/30/75 Unliquidated	15	2	1	2	24	48	2		42
FY 1976 Obligations	38	2	3	4	55	68	3		99
FY 1976 Expenditures	29	2	2	3	61	107	3		95

TABLE VII

Project Number 664-11-110-237.2

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

U.S. Contract Technicians	FY 1975 Obligations		FY 1976 Obligations	
	No.	MMS	No.	MMS
Long-term	-	-	-	-
Short-term	3	2	3	2
		\$000		\$000
		6		6

Personnel (PASA/Contract/Grant implementing agent, and position title)	Actual FY 1974		Estimated FY 1975		Projected FY 1976		Projected FY 1977		
	On- board 6/30/ 74	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 75	MMS	Ex- pendi- tures (\$000)	On- board 6/30/ 77	MMS	Ex- pendi- tures (\$000)
Contract - Total	1	8	31	1	5	36	1	5	26
Professor of Economics	-	3	4	-	-	-	-	-	-
Short-term Consultants	-	2	2	-	2	5	-	2	6
Participant Counselor in Tunis	1	3	2	1	3	2	1	3	2
Overseas Overhead			2						
Home Office Salaries and Benefits			9			11			6
Home Office Overhead			6			8			4
Travel, Transportation and other Direct Costs			6			10			8
									(for contract personnel only)
									26

Project No. 664-11-110-237.2

PROJECT PARTICIPANT TRAINING TABLE
(\$ thousands)

	DIRECT AID									CONTRACT		
	U.S. Academic			U.S. Non-Academic			3rd Country			No.	MMs	\$
	No.	MMs	\$	No.	MMs	\$	No.	MMs	\$			
<u>FY 1974 Obligations</u>												
Long-term - new												
Long-term - continuing												
Short-term												
<u>FY 1974 Expenditures</u>										a/10	120	61
Long-term - new										-	-	-
Long-term - continuing										10	120	61
Short-term												
<u>Unliquidated Oblig. - 6/30/74</u>										13	77	45
Long-term - new										-	-	-
Long-term - continuing										13	77	45
Short-term												
<u>FY 1975 Obligations</u>										15	106	53
Long-term - new										-	-	-
Long-term - continuing										b/10	86	34
Short-term										5	20	19
<u>FY 1975 Expenditures</u>										18	135	74
Long-term - new										-	-	-
Long-term - continuing										13	115	55
Short-term										5	20	19
<u>Unliquidated Oblig. - 6/30/75</u>										8	48	24
Long-term - new										-	-	-
Long-term - continuing										8	48	24
Short-term										-	-	-
<u>FY 1976 Obligations</u>										13	68	55
Long-term - new										-	-	-
Long-term - continuing										b/ 8	48	36
Short-term										5	20	19
<u>FY 1976 Expenditures</u>										13	107	61
Long-term - new										-	-	-
Long-term - continuing										8	87	42
Short-term										5	20	19

1/ Not including three additional participants who returned to Tunisia for FY 1974 to gather data for their PhD's.

2/ Costs and Man Months levels reflect the reductions resulting when the participants are in Tunisia collecting data for their PhD's.

Project Number 664-11-110-2372

COMMODITY AND OTHER COST BUDGET TABLE
(\$ thousand)

Commodity Budget (excludes centrally funded contraceptives)

6/30/74 Unliquidated (type and amount)

-

FY 1975 Obligations (type and amount)

Books, periodicals, and education aids

Total: 3

FY 1976 Obligations (type and amount)

Books, periodicals, and education aids

Total: 3

Other Cost Budget

6/30/74 Unliquidated (type and amount)

-

FY 1975 Obligations (type and amount)

-

FY 1976 Obligations (type and amount)

-

PROJECT BUDGET TABLE
(\$ thousands)

TABLE V

Project Title Technical Support
Education
 Project Number 664-11-999-000.2
 Appropriation Education and HUR Development
 Estimated Total Costs: A. Per Latest PROP \$ - B. Per Current Estimate \$ -

Financing Dates (FY)	
Begin	End
FY 1957	XX
FY 1957	XX

Project Budget & Expenditures	Personnel				Participants		Commodities	Other Costs	Total
	U.S.	MM	Local/TCN	MM	\$	MM			
FY 1974 Oblig.-Total					15	18			15
Direct					15	18			15
PASA									
Contract									
FY 1974 Expend.-Total					20	36			20
Direct					20	36			20
PASA									
Contract									
6/30/74 Unliq.-Total					10	10			10
Direct					10	10			10
PASA									
Contract									
FY 1975 Oblig.-Total					a/ 11	14			11
Direct					11	14			11
PASA									
Contract									
FY 1975 Expend.-Total					21	24			21
Direct					21	24			21
PASA									
Contract									
6/30/75 Unliq.-Total					-	-			-
Direct									
PASA									
Contract									
FY 1976 Oblig.-Total									
Direct									
PASA									
Contract									
FY 1976 Expend.-Total									
Direct									
PASA									
Contract									

a/ Consisting of \$5,000 to complete Mr. Kamoun's Ph.D. per STATE 242201 (12/11/73) and \$6,000 to complete Ph.D. of Mr. El Annabi who is returning to the US in September after 16 months of collecting data in Tunisia.

5. Outside Sectors of Concentration

The USAID's proposed program in the areas of housing guaranties, PL 480 Title I and Public Safety training, was covered in Part I. No further elaboration on these programs is provided in this section of the FBS, although clearly AID/W approval of our strategy in Part I would imply continuation of these three programs during the current fiscal year. Although not called for by the FBS guidelines, the balance of this section discusses proposed excess currency programs in Tunisia which are supportive of A.I.D. development objectives in Tunisia.

a. Excess Currency Programs

In recent years U.S.-owned excess currencies have not been available for development projects at levels which obtained during the 1960's. This reduction was in part inevitable since repayments on previous local currency loans and sales agreements have been declining; therefore, less funds are available for reallocation to the GOT under various PL 480 provisions, e.g., Sections 104(h), 104(f), and 204. Tunisian Government officials have requested on several occasions that a method be found to make a larger portion of current USG dinar holdings (approximately 9 million dinars) available for development. Various proposals have been discussed in the past involving the State Department, A.I.D., the Treasury, OMB and the GOT, although the problem has not been resolved. In FY 1974, for example, of approximately \$3 million equivalent in excess currencies determined to be available for special foreign currency and development programs, only \$300,000 equivalent was approved for A.I.D. development projects, and the balance for other U.S. agency activities in Tunisia.

The USAID recognizes that the issues involved in excess currency programming are complex and that availability of these dinars is restricted. Nevertheless, USAID recommends that AID/W make a maximum effort to assure that in arriving at our FY 1975 inter-agency program for excess Tunisian dinars, development projects be given important consideration, along with other purposes to which these scarce funds can be used.

In FY 1975 the USAID proposes the following utilization of excess currencies in support of development objectives in Tunisia:

(1) Nutrition: Continuation of an important research program in lysine fortification being conducted under A.I.D. contract with Harvard University is the first priority recommended by USAID

for use of excess currencies in FY 1975. Forty thousand dinars under PL 480 Section 104(h) is requested as local currency support to complete this research activity (terminating in FY 1976). No further funding is anticipated in FY 1976.

(2) Health and Rural Development: For the past two years, C.A.R.E. has been involved in an important program of well construction and renovation for public water supply and irrigation. Approximately 240 wells were rehabilitated in the remote western gouvernorat of Le Kef during that period. Authorization was granted in FY 1974 to support a second C.A.R.E. well construction project in Sfax with PL 480 Section 204 funds. These two projects have involved C.A.R.E. program monitorship, participation of Peace Corps volunteers and GOT budgetary and personnel support through the Ministry of Health and the local gouvernorats.

A third program of well renovation has recently been proposed by C.A.R.E. as a result of discussions concluded with officials in the Gouvernorat of Bizerte and GOT Ministry of Health. Similar to the previously approved projects, this program would involve renovation of 310 existing open wells and springs using local unskilled labor and six Peace Corps volunteers in remote rural areas of the Gouvernorat of Bizerte. It is the USAID's observation that these well renovation projects are making a significant impact in the rural areas in which they are being implemented, and furthermore, C.A.R.E. is developing an expertise and knowledge of Tunisia in this line of activity upon which USAID hopes to develop one aspect of our proposed new rural development activity in the South (see Part I).

USAID is reviewing the C.A.R.E. Bizerte proposal and will submit it separately with more detailed comments for AID/W consideration. We recommend that AID/W consider tentatively programming 110,000 dinars (\$254,000) in FY 1975 for this project out of PL 480 Section 204 availabilities.

(3) Low-Cost Housing: Part I of the FBS covers USAID's proposal with respect to PL 480 Section 104(f) lending in support of Tunisia's low-cost housing programs. It is requested that 250,000 dinars be tentatively reserved in both FY's 1975 and 1976 to permit further development of this program with the GOT.

Country or Sub-region

P.L. 480
Excess Currency Requirements

(000's dinars)

<u>Project or Area of Concentration</u>	<u>Authorized Actual U.S. FY 1974</u>	<u>Request Estimate U.S. FY 1975</u>	<u>Planned Request U.S. FY 1976</u>
A. <u>P.L. 480 Section 104 (h) Grant</u>			
Nutrition Projects	86	40	-
B. <u>P.L. 480 Section 104 (f) Loan</u>			
Low Income Housing Program	-	250	250
C. <u>P.L. 480 Section 204 Grant</u>			
Wells Project - Sfax	53	-	-
Wells Project - Bizerte	-	110	-
<u>TOTAL</u>	<u>139</u>	<u>400</u>	<u>250</u>

TUNISIA
Country or Sub-region

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TABLE X A

P.L. 480 Section 104 (h) Grant
Excess Currency Requirements

(000's Dinars)

<u>Project or Area</u> <u>of Concentration</u>	<u>GOT</u> <u>Budget</u> <u>Year (CY)</u>	<u>Actual</u> <u>U.S.</u> <u>FY 1973</u>	<u>Actual</u> <u>U.S.</u> <u>FY 1974</u>	<u>Estimate</u> <u>U.S.</u> <u>FY 1975</u>	<u>Planned</u> <u>U.S.</u> <u>FY 1976</u>
<u>Authorized and Released to GOT</u>					
Nutrition Institute Operations	1973	20			
Nutrition Institute Construction	1973	-			
Moving Expenses	1973	-			
National Nutrition Survey	1973	37			
Lysine Fortification	1973	65			
	<u>Sub-Total</u>		<u>122</u>		
<u>Authorized for Release to GOT in CY 74</u>					
Nutrition Institute Operations	1974	-	10		
Nutrition Institute Construction	1974	-	285		
Moving Expenses	1974	-	2		
National Nutrition Survey	1974	-	46		
Lysine Fortification	1974	-	49		
	<u>Sub-Total 1974 Program</u>		<u>392</u>		
	<u>Availabilities from previous obligations</u>		<u>321</u>		
	<u>Requirements requested to carry out</u> <u>1974 Program (TOAID A-023 of 2/74)</u>		<u>71</u>		
	<u>Allocations authorized FY 1974</u> <u>(STATE 120040 of 6/74)</u>		<u>86</u>		
	<u>Available for 1975 Program</u>		<u>15</u>		
<u>USAID Program Request</u>					
Lysine Fortification	1975	-	-	55	-
Prior Year availabilities	-	-	-	15	-
<u>Estimated Requirements</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40</u>	<u>-</u>

TUNISIA
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TABLE X B

P.L. 480 Section 104 (f) Loan
Excess Currency Requirements

(000's dinars)

<u>Loan Agreement and Projects</u>	<u>Actual</u> U.S. FY 1972	<u>Actual</u> U.S. FY 1973	<u>Actual</u> U.S. FY 1974	<u>Estimate</u> U.S. FY 1975	<u>Planned</u> U.S. FY 1976
<u>Loans Authorized</u>	<u>1,436^{a/}</u>	<u>743^{b/}</u>	<u>-</u>	<u>-</u>	<u>-</u>
Completion of CY 71 Program	720	-	-	-	-
Tunis Carthage Airport	716	743	-	-	-
<u>Expected Loans</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250</u>	<u>250</u>
Low Income Housing	-	-	-	250	250
<u>T O T A L</u>	<u>1,436</u>	<u>743</u>	<u>-</u>	<u>250</u>	<u>250</u>

a/ Loan Agreement 664-G-049 signed January 27, 1973. Funds released in June 1973.

b/ Loan Agreement 664-G-051 signed April 8, 1974. Release of funds expected August 1974.

TUNISIA
Country or Sub-region

P.L. 480 Section 204 Grant
Excess Currency Requirements

(\$ 000)

<u>Project/Activity</u>	<u>Actual</u> <u>U.S.</u> <u>FY 1972</u>	<u>Actual</u> <u>U.S.</u> <u>FY 1973</u>	<u>Actual</u> <u>U.S.</u> <u>FY 1974</u>	<u>Estimate</u> <u>U.S.</u> <u>FY 1975</u>	<u>Planned</u> <u>U.S.</u> <u>FY 1976</u>
<u>APPROVED ACTIVE PROJECT</u>					
Reconstruction and Renovation of Public Wells (Le Kef)	178				
Municipal PreSchool Program Purchase of Kitchen Equipment	-	29			
Wells Project - Sfax	-	-	122	-	-
<u>USAID CURRENT REQUEST</u>					
Wells Project - Bizerte	-	-	-	254	-
<u>TOTAL</u>	<u>178</u> <u>(D77)</u>	<u>29</u> <u>(D11)</u>	<u>122</u> <u>(D53)</u>	<u>254</u> <u>(D110)</u>	<u>-</u>