AGENCY FOR INTERNATIONAL DEVELOPMENT

Fiscal Year 1978
Submission to the Congress

Asia Programs

February 1977

ASIA DEVELOPMENT ASSISTANCE

Table of Contents

	Page
Asia Development Assistance Program Summary	1
Table I - Summary of Program by Country and Appropriation FY 1978	13
Table Ia - Summary of Program by Country and Appropriation FY 1976, Transition Quarter (TQ), FY 1977.	14
Table II - VII by Program:	
Bangladesh	15
Indonesia	41
Nepal	69
Pakistan	89
Philippines	117
Sri Lanka	151
Thailand	165
Regional Programs	177
Terminating Programs (Table II)	191
Korea	192
Indus Basin Development Fund	194
Additional Program Requirements	195

CHARTS

Page

Per Capita Annual Food Grain Production, Consumption, and Deficit in U.S.-Assisted Countries in Asia, 1969-71 and Projected 1985-86 4

Allocations to Countries with Annual Per Capita GNP's of $200 or Less 5

Development Programs by Function; Estimated FY 1977 and Proposed FY 1978 5

Development Programs by Country; Estimated FY 1977 and Proposed FY 1978 6

Development Efforts of Major U.S.-Assisted Asian Countries 9

Bangladesh Population Projections to the Year 2000 20

Indonesia Debt Service; Actual 1972-1975; Estimate for 1976-1980 43

Indonesian Population Growth and Food Production, 1968-1976 44

Demographic Impact of the Indonesian Family Planning Program on the Crude Birth Rate (CBR) 46

Selected Economic and Social Indicators for Nepal and Other Asian Countries 70

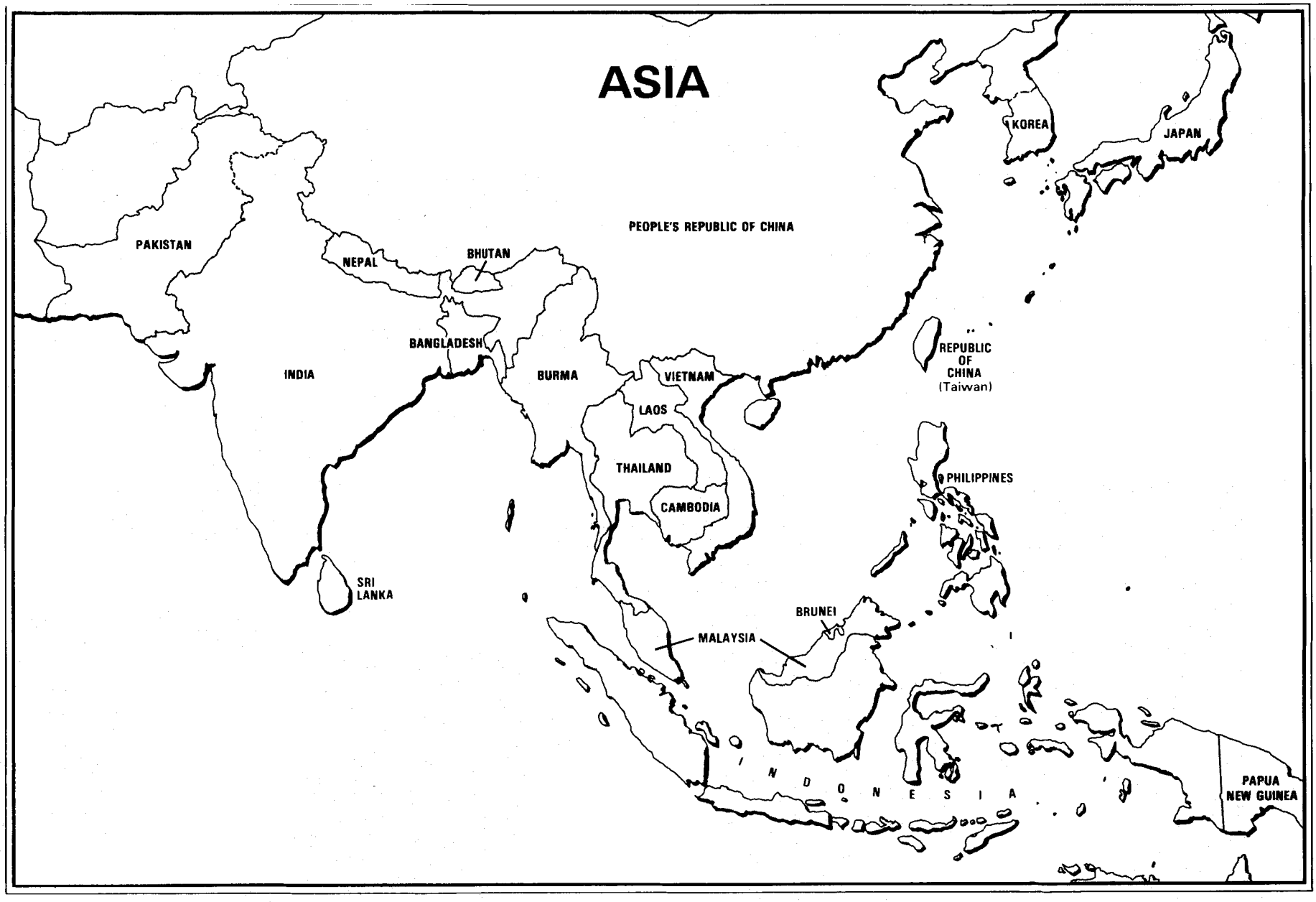
Wheat Production and Fertilizer Production in Pakistan, 1956-1976 91

Enrollment in Primary and Secondary Schools in Pakistan, 1960-1975 95

Development of Rural Electric Cooperatives in the Philippines, 1969-1976 121

Trend of Rice Production and Population in Sri Lanka; 1960 and 1970-1975 153

New Acceptors of Family Planning Services in Family Planning Programs in Thailand 168


ASIA
PAKISTAN
NEPAL
BHUTAN
PEOPLE'S REPUBLIC OF CHINA
KOREA
JAPAN
BANGLADESH
INDIA
BURMA
VIETNAM
LAOS
THAILAND
CAMBODIA
REPUBLIC OF CHINA (Taiwan)
PHILIPPINES
SRI LANKA
BRUNEI
MALAYSIA
I N D O N E S I A
PAPUA NEW GUINEA

ASIA

The United States interests in the region are political, economic and humanitarian:

-- political in supporting maintenance of stability in the South Asian sub-continent, in Southeast Asia and in the newly independent states of the South Pacific;

-- economic in promoting the growth of mutually beneficial trade and investment relationships;

-- humanitarian by encouraging the developing countries of Asia to undertake policies and programs which foster greater sharing by the majority of their peoples in the benefits of development.

A.I.D. assistance continues to be one of the essential components of U.S. policy in Asia. It:

-- supports our political interests by helping strengthen the forces of moderation in these countries which seek to maintain internal stability while they achieve progressive social change;

-- aids in the growth of U.S. trade and investment;

-- clearly identifies the United States, which in addition to bilateral aid also provides contributions to multilateral financing institutions, as a participant in the multi-donor effort to help Asian countries achieve their development goals;

-- helps focus attention and action on development problems which the United States perceives as particularly important;

-- promotes U.S.-developing country cooperation on international problems such as narcotics control and environmental pollution.

Economic assistance is proposed for nine countries in Asia.

-- Seven countries (Bangladesh, Indonesia, Nepal, Pakistan, Philippines, Sri Lanka and Thailand) will receive A.I.D. Development Assistance, and, except for Thailand, P.L. 480 Assistance (See Program Summary below and P.L. 480 Programs Summary table, p. 9).

PROGRAM SUMMARY
(in millions of dollars)

FISCAL YEAR	Total	Food and Nutrition	Population Planning and Health		Education and Human Resources Development	Selected Development Activities	Other Programs
1976							
Loans	176.9	145.1	16.8		5.0	10.0	-
Grants	51.4	11.3	28.4		8.4	3.3	1/
Total	228.3	156.4	45.2		13.4	13.3	-
Transition Quarter							
Loans	44.3	30.2	14.1		-	-	-
Grants	15.4	5.8	2.0		2.1	5.3	.2 1/
Total	59.7	36.0	16.1		2.1	5.3	.2
1977							
Loans	150.2	100.4	36.8		13.0	-	-
Grants	117.5	79.6	25.4		10.6	1.8	- 1/
Total	267.7	180.0	62.2		23.6	1.8	-
			Population Planning	Health			
1978							
Loans	199.7	119.5	11.7	56.0	8.5	4.0	-
Grants	168.6	109.8	27.4	11.1	12.4	7.7	-
Total	368.3	229.3	39.1	67.1	20.9	11.7	-

-- Two countries (India and Korea) will receive only P.L. 480 assistance (see P.L. 480 Programs).

1/ Indicates non-add ($9.0) million FY 1976; ($2.2) million TQ; ($15.8) million FY 1977 for Indus Basin Development Fund; $.2 million Disaster Relief for Indonesia in TQ.

Regional Setting

Poverty is pervasive in the seven A.I.D. program countries and in India. While some countries are poorer than others the general situation is one in which the great majority of Asians live in misery.

-- The population of these countries, the majority of whom live in rural areas, totals one billion and is growing at the rate of about 22 million annually.

-- Despite occasional good harvest years such as occurred in the crop year 1975/76, the forecast is for a 34 million ton deficit in these countries' foodgrain production in 1985/86.

-- One country, India, accounts for 15% of the world's people. Most of the poor people in the non-communist world live in India.

-- Over 730 million people receive less than $200 annual income.

-- Two countries, Bangladesh and Nepal, are among the world's least developed countries.

-- Five countries, Bangladesh, India, Nepal, Pakistan, and Sri Lanka, are among those countries having the lowest per capita incomes which have also been most severely affected by fuel and food cost increases.

The effects of poverty are evident in rural people's lives.

-- An estimated eight million Filipino children in the six months to 14 years age group suffer moderate to severe malnutrition, while in Thailand some 52% to 76% of the rural children age six months to five years suffer from malnutrition.

-- The number of infant deaths that occur for every 1,000 live births in rural areas is 200 in Nepal, 143 in Indonesia, 131 in India, more than 115 in Pakistan and 71 in the Philippines.

-- There is only one physician for each 40 thousand rural people in Bangladesh, 20 thousand in Indonesia, and 12 thousand in Pakistan.

-- The reported incidence of malaria in South and Southeast Asia has increased rapidly from 315 thousand cases in 1966 to over six and one-half million cases in 1975.

-- Only 22% of the rural population in Bangladesh and 27% of the Indian rural population are literate.

-- Only 47% of primary school age children are enrolled in rural schools in Bangladesh, and only 9.0% of secondary school age children (10 to 14 age group) are enrolled.

-- Unemployment statistics, while incomplete for all countries, show that in Sri Lanka the number of jobless workers has doubled from 1966 to 1974, with one out of five unable to find employment.

-- Estimates of the percentages of rural populations served by electricity range from a high of 13% in Thailand to 2.0% in Pakistan and Indonesia.

ASIA

Real poverty also exists in a number of states in the South Pacific.

-- We are currently exploring ways in which we might modestly supplement continuing Australian and New Zealand economic assistance which aids some of these states in meeting their real and pressing development needs.

The rate of development progress in Asia will probably continue to be adversely affected by:

-- Worldwide inflation and recession, which have caused a decline in the prices of region exports and an increase in the prices of vital imports, such as oil and food, which the countries must have for their development. The net effect has been to create serious balance of payments problems in most of these countries;

-- Low levels of foreign investment, including U.S., in South Asia.

U.S. Assistance Objectives

A.I.D. development strategy in Asia embraces two primary long-term objectives for its assistance and that of other bilateral and multilateral donors. These objectives are consistent with the developing countries' objectives:

-- A 3.5% annual growth rate in foodgrain production by 1985 from the current 2.4% growth rate;

-- Replacement-level fertility by the year 2000.

Foodgrain Production

We see the interrelated problems of inadequate foodgrain production and excessive population growth as the key problems inhibiting development in the region.

-- The region's annual foodgrain production growth rate has lagged behind its population growth rate.

-- Asia accounts for 50% of the foodgrain deficit projected for developing countries in 1985.

-- Three (India, Bangladesh and Sri Lanka) of the five countries identified as potentially the largest food deficit countries by 1985 are in Asia.

** The projected food cereals deficit is expected to be more than 10% of national foodgrain demand in these countries.

-- On a per capita basis, Asia was the region in 1973 and 1974 which received the smallest amount of concessional bilateral and multilateral aid to the agricultural sector.

** India, the most populous country in the region, received only 54 cents per capita of this aid during 1973 and 1974 compared to the regional average of 81 cents.

Achievement of the first objective, a 3.5% annual growth in foodgrain production, will substantially reduce dependence on foodgrain imports for the region by:

-- helping to build reserve stocks to offset normal annual fluctuations of domestic grain production due mainly to weather, insects, and plant diseases.

In years of large decreases in domestic production it is foreseen that countries with a reasonable supply of foreign exchange will purchase imports to fill the deficit, while those developing economies which are hard pressed for foreign exchange will require concessional financing or be forced to curtail other imports needed for development programs.

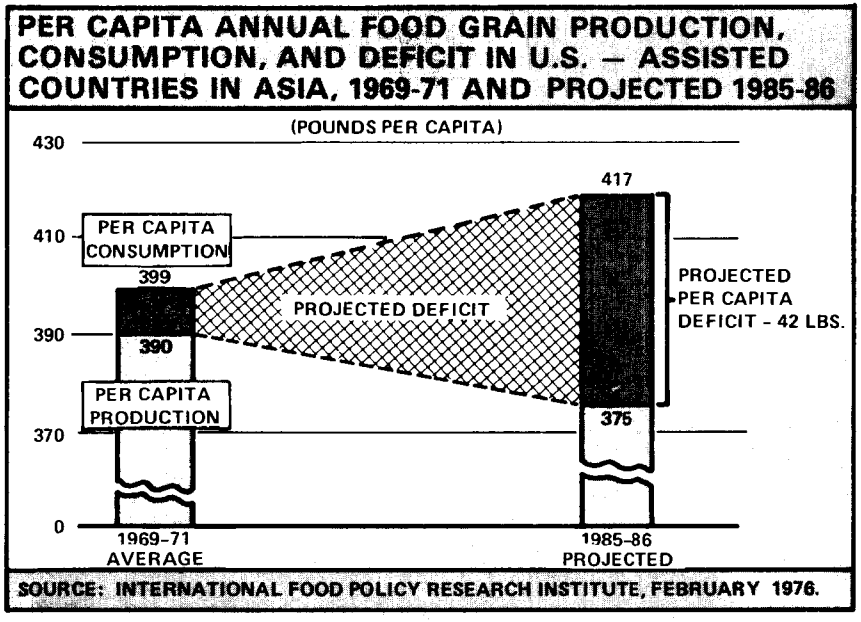
ASIA

Greater food production will also contribute at least indirectly to reduced fertility rates by:

-- increasing incomes;

-- improving nutrition;

-- providing resources for population planning programs.



Population Growth

The average annual population growth rate for the seven A.I.D. program countries, with the addition of India, is 2.2%. At this growth rate their combined populations will total almost two billion people by the year 2000.

Population growth rates must be reduced in order to:

-- avoid disastrous famine;

-- attain an improved economic and social existence for the majority of Asians;

-- maintain political stability in the region.

The goal of achieving replacement levels by the turn of the century, less than 25 years off, is admittedly very ambitious. To achieve this goal, will require that:

-- 86 million couples in the Asian countries where we are supporting population planning programs have access to population planning services;

-- 65% of these couples would have to practice contraception at any one time.

The results from A.I.D. support of population programs in the region thus far are mixed because of the different social, economic and cultural circumstances in each country, the differences in the timing and degree of political commitment to these programs, and differences in the level of financial and manpower resources applied to them.

-- Long term, well organized programs in Korea and Taiwan are now self-financed and have had a dramatic impact on fertility.

-- Preliminary evidence on program accomplishments in Indonesia, Thailand and the Philippines are that birth rates are decreasing.

-- The leadership in Bangladesh has declared that population growth is that country's first priority problem. Although momentum has built slowly since independence, new initiatives by the government are expanding fertility reduction activities and increasing the number of field workers.

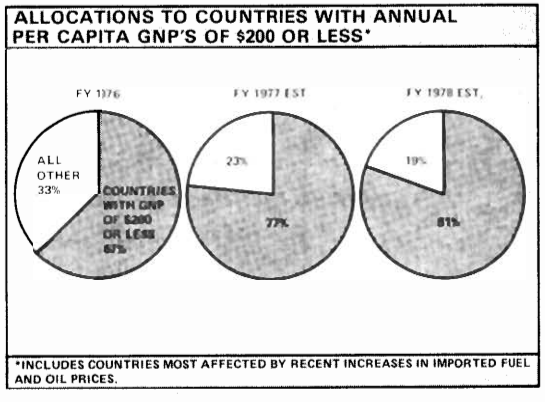
-- Despite significant increases by Pakistan in budget and staff devoted to family planning

coupled with widespread and growing public awareness of the problem - the rate of population increase remains high. In recognition of the need for injecting new vigor into the family planning program, the Pakistan Government is replacing provincial management of the program with Federal direction, is designing a country-wide voluntary surgical contraception program, and is broadening its contraceptive delivery service.

A.I.D. Program Directions in Asia

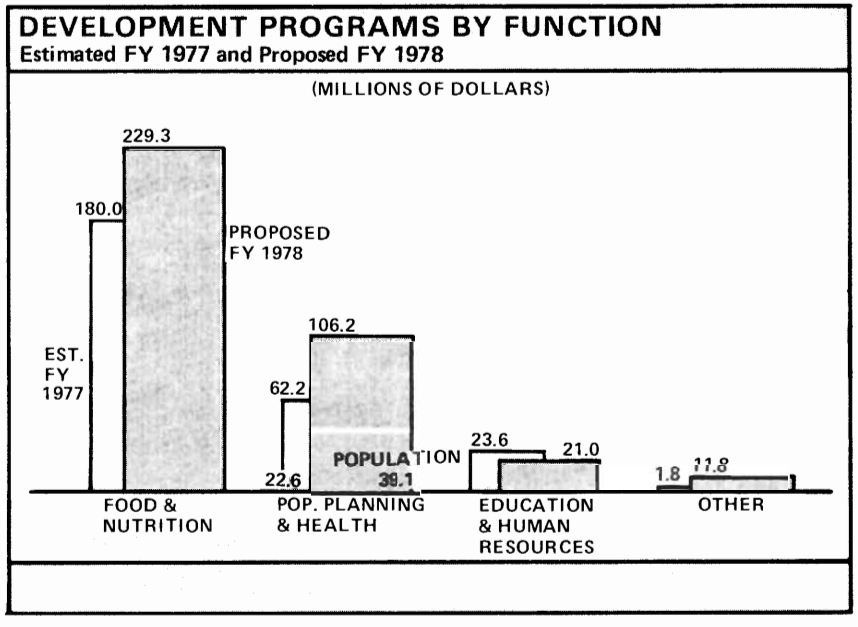
A.I.D. programs in Asia continue to evolve in directions prescribed by the Foreign Assistance Act.

-- An increasing proportion of this aid is going to those program countries with $200 or less per capita incomes and those most affected by imported fuel and food price increases.



A.I.D. has been refining and refocusing its Asian programs to make them more responsive to the needs of Asia's poor majority.

-- 91% of the allocations in FY 1978 will be concentrated in the key sectors, i.e., food production and nutrition, and population planning and health. These allocations are directly responsive to the most pervasive problems of low annual growth rates in foodgrain production, high annual population growth rates and health care available to only a few.



-- There will be continued use of U.S. voluntary agencies as channels for assistance. We expect a change in the focus of many voluntary agency activities from small scale village food production to local level institution building.

-- A new program proposed for the Philippines has as its major objective the integration of women into the development process of the country. A similar

project will begin in Bangladesh in FY 1977.

-- Continued emphasis is being given through a regionally focused program and through programs in Nepal and Indonesia to develop means to provide a minimum practical education.

-- New and ongoing activities in six program countries will help insure that basic health services, including endemic disease control, are available and within the means of all.

-- New ways will continue to be explored in Indonesia, Pakistan and the Philippines to involve the rural masses in planning and implementing local development activities.

-- Greater attention is being given to identifying the rural landless as the poorest segment of the rural poor in certain countries, and to devising ways to improve their economic and social conditions.

The FY 1978 Asia Development Assistance Program

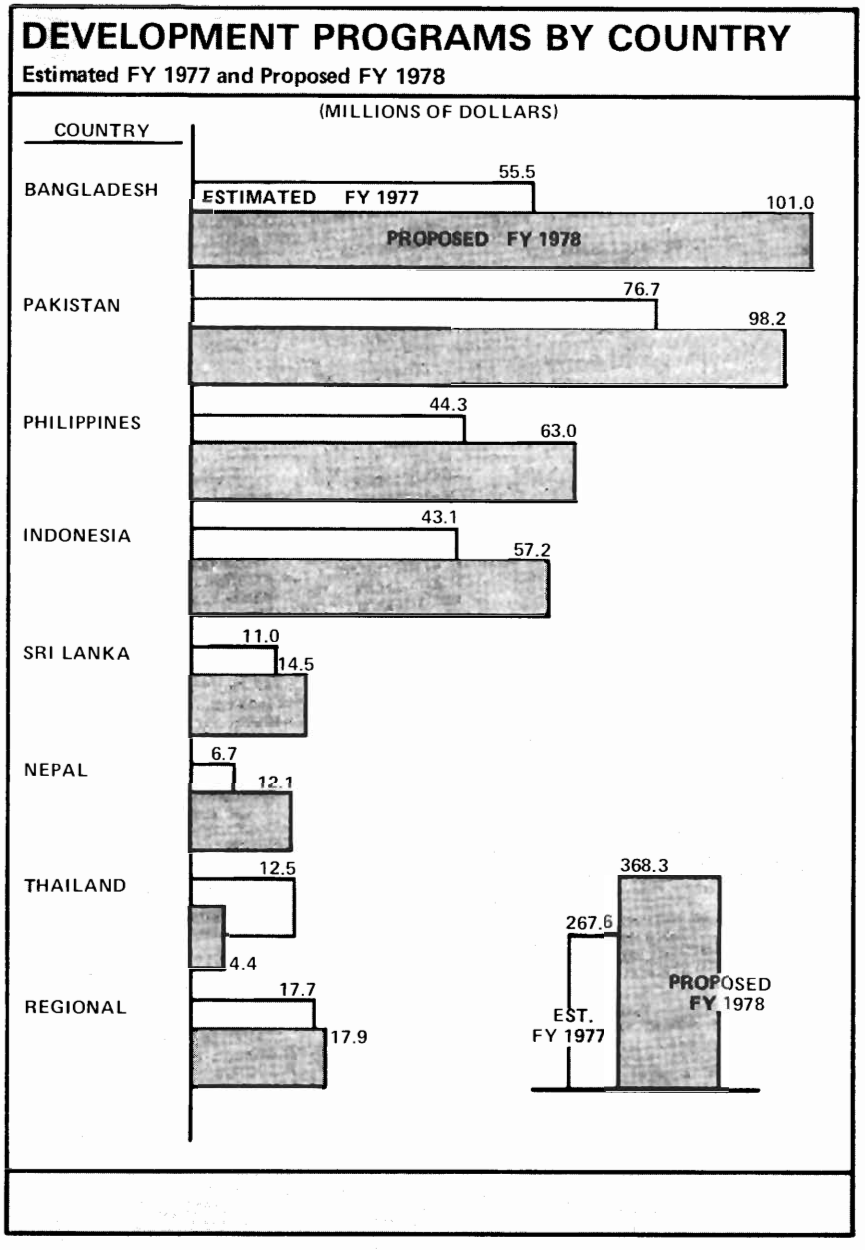
It is proposed that development assistance to Asia be increased 37.6% in FY 1978 from FY 1977.

Food and Nutrition

A.I.D.'s program emphasis in Asia is to provide assistance which will help increase food production for the benefit of the malnourished and the low income small farmer and his family who are the rural poor majority.

Assistance will take the form of:

-- adaptive agriculture research to produce higher-yielding and more disease-resistant foodgrains;



-- an expanded base of low term credit availabilities for the small farmer;

-- creating greater fertilizer production, storage and distribution capacities;

-- rehabilitated storage facilities to better protect foodgrain stocks;

-- expanded and better protected irrigated acreage;

-- new farm-to-market roads;

-- development of fisheries as a source of improved nutrition;

-- provision of economical electric power to rural areas;

-- fortifying basic foods of the rural populations in order to improve nutritional value;

-- developing bases for increasing local agribusiness activities;

-- establishing village level food processing plants to improve the quality and quantity of low cost food;

-- train market town planners and administrators in the design and management of projects to improve the provision of services to the surrounding areas.

Population Planning and Health

Most Asian Governments realize that sustained economic growth and political stability in their countries require a decline in population growth rates. More are coming to realize that, in addition, they must bring fundamental social services to their poor and foremost amongst these services is basic health care.

Population Programs will assist the governments of Bangladesh, Indonesia, Nepal, Pakistan, the Philippines and Thailand provide family planning services by:

-- strengthening the institutional structures which deliver family planning services and information;

-- testing new approaches for the delivery of non-clinical family planning services and voluntary surgical contraception;

-- assuring the reliability and availability of contraceptives.

Basic health care to the rural poor is the basis for programs which will:

-- bring serious levels of malaria under control in Bangladesh, Nepal, Pakistan and Sri Lanka;

-- expand basic rural health services in Nepal, Pakistan and the Philippines;

-- prevent the outbreak of water-borne communicable diseases through the provision of potable water in rural areas of Pakistan and the Philippines;

-- conduct research leading to techniques for the prevention, treatment and eradication of endemic diseases.

Education and Human Resources Development

A.I.D.'s proposed activities in Bangladesh, Indonesia, Nepal, Pakistan, and the Philippines are an expression of two emphases.

-- In the Philippines, a new project will expand the opportunities for the poor acquiring the basic skills to improve their standard of living by:

** supporting the testing of new low-cost non-formal educational systems;

** revising traditional educational systems to be more responsive to the functional needs of the poor.

-- In all five countries there will be activities to train those who must design and manage development projects by:

** assisting developing country secondary and higher educational institutions to meet the country's needs for development policy makers, project designers, implementers and evaluators;

** financing participant training in the United States and third countries when local institutions are unable to meet these needs.

Regionally focused programs will:

-- provide technical assistance for the development of trade union movements;

-- aid in establishing regional institutions for educational training and research.

A limited number of developing country doctoral recipients from the United States and third countries will be needed to:

-- head the formulation of national and sector development plans and policies within which the development of local projects directed towards the poor will be facilitated;

-- strengthen indigenous educational institutions to produce development program planners and managers in-country;

-- provide the leadership for development-oriented country research activities.

Selected Development Activities

A.I.D. activities in this category address problems which share a commonality in their effects on the achievement of development objectives in Asia. Activities will be undertaken to:

-- develop improved local tax systems to increase the generally limited local revenue base in order to fund additional development activities;

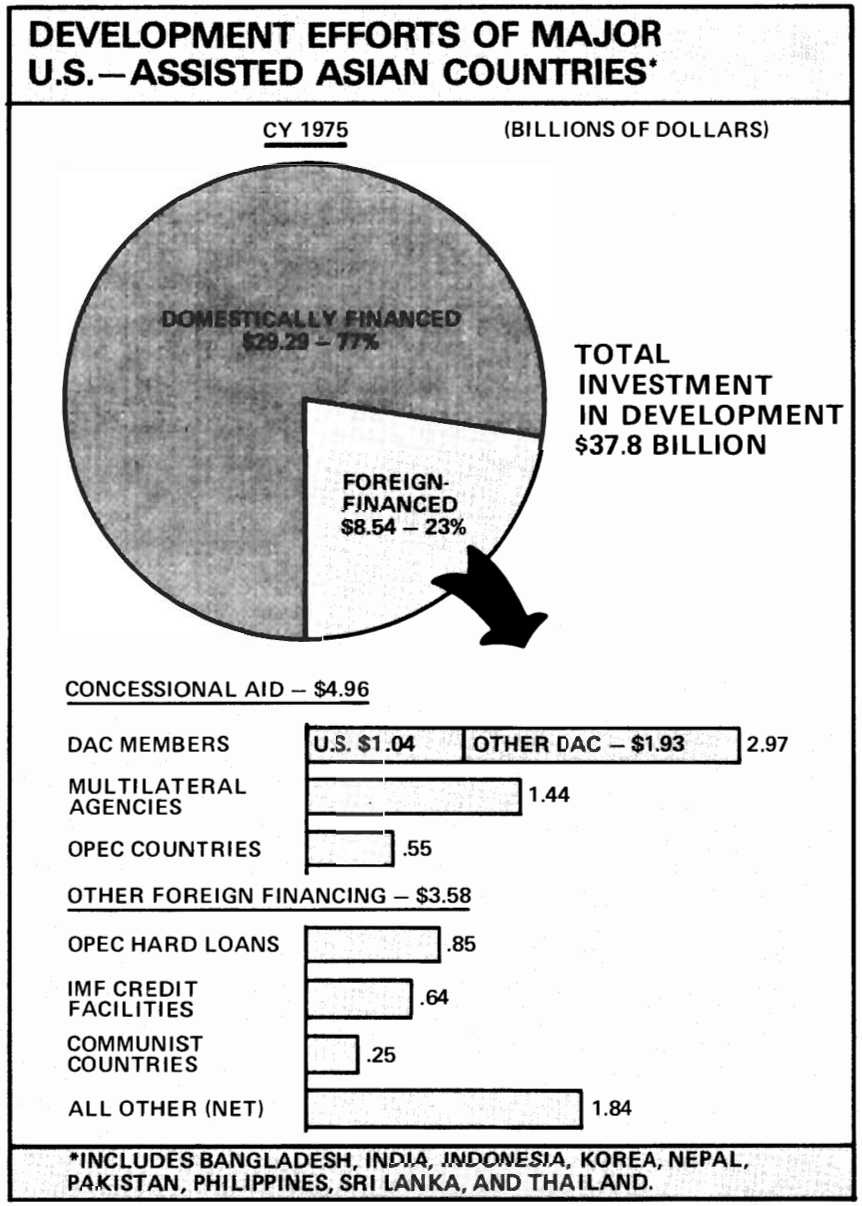
-- promote rural development and employment generation through low-cost labor intensive technology;

-- establish a cooperative system and train rural women in handicrafts through the aid of American voluntary agencies;

-- measure the social and economic impact of development projects on women.

The Development Effort in Asia

The chart below indicates the development effort of the major U.S.-assisted countries in Asia in relation to the foreign financing they receive. Data are for 1975.



P.L. 480 Programs

P.L. 480 PROGRAMS SUMMARY
(In 000MT/$000)

Program	FY 1976* (Actual)		FY 1977 (Estimated)		FY 1978 (Projected)	
	MT	$	MT	$	MT	$
Title I						
Wheat	1,996	290,667	1,402	170,400	1,933	228,100
Rice	813	212,307	495	124,300	415	110,700
Feedgrains	–	–	–	–	–	4,300
Vegoil	98	45,865	135	77,300	159	91,600
Non-food	43	51,909	33	23,100	107	47,300
Title I Total		600,748		395,100		482,000
Title II						
Voluntary Agencies		142,322		114,553		110,567
World Food Programs		15,333		20,133		15,845
Gov't.-to-Gov't.		6,423		–		–
Title II Total		164,078		134,686		126,412
Total P.L. 480		764,826		529,786		608,412

Includes Transition Quarter.

For countries receiving A.I.D. bilateral assistance, the P.L. 480 programs are described in the country narratives. In addition, significant P.L. 480 programs are planned for Korea and India.

Korea - P.L. 480 Programs

Title I

P.L. 480 sales to Korea will:

-- meet the understandings of the 1971 Kennedy Commitment which limits the quantity of Korean textile exports to the United States;

P.L. 480 PROGRAMS SUMMARY
(In 000MT/$000)

Program	FY 1976* (Actual)		FY 1977 (Estimated)		FY 1978 (Projected)	
	MT	$	MT	$	MT	$
Title I						
Wheat	471	61,803	480	56,600	550	64,900
Rice	228	57,810	45	11,300	45	12,000
Feedgrains	–	–	–	–	40	4,300
Vegoil	–	–	–	–	–	–
Non-food	12	17,774	30	11,200	75	28,100
Title I Total		137,387		79,100		109,300
Title II						
Voluntary Agencies		–		–		–
World Food Programs		245		–		–
Gov't.-to-Gov't.		–		–		–
Title II Total		245		–		–
Total P.L. 480		137,632		79,100		109,300

*Includes Transition Quarter.

-- enable the Korean Government to maintain buffer stocks of wheat to meet an increasing demand for wheat flour;

-- aid in financing planned development activities primarily in the agricultural sector.

The P.L. 480 Title I request for FY 1978 is $109.3 million to consist of 550 thousand tons of bulk wheat, 45 thousand tons of rice, 75 thousand bales of cotton and 40,000 tons of corn.

-- The estimated value of the wheat amounts to 28% of Korea's projected wheat imports for 1978 while the value of the cotton represents 6.3% of the country's estimated total 1978 imports of cotton.

-- The wheat will be milled locally for flour which is used principally for noodles and baked goods.

** A bran by-product will be used as feed in developing the domestic livestock industry.

** The government discontinued its subsidy of wheat prices to consumers in 1975 because of worldwide price decreases. Domestic prices of wheat are now within government guidelines.

-- Between July 1, 1975, and March 31, 1976, Korea purchased 1.2 million tons of wheat commercially from the United States.

-- Corn will be used principally as animal feed to encourage increased livestock production by holding down one of the principal costs of production.

-- Most of the Title I local currency proceeds will be used to supplement the Korean Government's agriculture sector development budget to finance irrigation facilities, develop new seed varieties, increase grain storage, and improve the foodgrain marketing, storage, and distribution system.

-- The proposed P.L. 480 program will not serve as a disincentive to local wheat production which is limited by unfavorable land and climatic conditions.

India - P.L. 480 Programs

Title I

P.L. 480 sales for India will:

-- provide foodgrain toward building-up and maintaining buffer stocks totaling 10 to 12 million tons;

P.L. 480 PROGRAMS SUMMARY
(In 000MT/$000)

Program	FY 1976* (Actual)		FY 1977 (Estimated)		FY 1978 (Projected)	
	MT	$	MT	$	MT	$
Title I						
Wheat	353	48,845	-	-	500	59,000
Rice	94	25,718	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	65	37,200	50	28,900
Non-food	-	-	-	-	-	-
Title I Total		74,563		37,200		87,900
Title II						
Voluntary Agencies		111,565		78,756		79,107
World Food Programs		8,706		6,549		8,405
Gov't.-to-Gov't.		-		-		-
Title II Total		120,271		85,305		87,512
Total P.L. 480		194,834		122,505		175,412

**Includes Transition Quarter.*

-- provide grain to the poor distributed through 233,000 government shops at subsidized prices lower than the open market.

The P.L. 480 Title I request for fiscal year 1978 is $87.9 million for 500 thousand tons of bulk wheat and 50 thousand tons of vegetable oil.

-- While India had a record foodgrain crop in 1975/76, substantially due to good weather, the long term growth trend for food production for India has improved only marginally.

-- Experience indicates that foodgrain output will continue to fluctuate from year to year and that local consumption requirements will be met exclusively from domestic production only during years of unusually good output.

-- A buffer stock of 12 million tons will reduce wide fluctuations in consumer and producer prices, distribution availabilities and import costs which have historically followed each monsoon failure and caused much hardship to the poor.

-- India is a major buyer of U.S. commercial wheat. Between May 30, 1975, and June 1, 1976, the United States exported 4.8 million tons of wheat to India.

-- Most of the local currency proceeds from the sale of Title I foods will be used to supplement the Indian Government's efforts to increase the production and distribution of fertilizer, seeds and equipment, improve storage facilities and water management systems, conduct a program of multiple cropping, continue with research to increase crop productivity, and develop new techniques of dry land farming.

-- It is unlikely that the proposed Title I program for wheat, which, in size, represents less than half a percent of India's aggregate foodgrain production and would be only 9.0% of its expected foodgrain imports, would have any effect in reducing grain prices to a level that could be considered a disincentive to Indian farmers.

India - Title II

The India P.L. 480 Title II proposal for FY 1978 is $87.5 million.

-- $79.1 million of this request is mostly for school feeding and maternal and child health programs administered by U.S. voluntary agencies.

** These programs provide high protein supplements to 13 million recipients among the severely undernourished poor.

-- $8.4 million is for the U.S. share of World Food Program projects in India which provide food supplements to undernourished poor.

Asia Region Resource Flows

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1976* (Actual)	FY 1977 (Estimated)	FY 1978 (Estimated)
A.I.D.**			
Loans	221,250	150,200	199,690
Grants	66,753	117,467	168,611
Total A.I.D.	288,003	267,667	368,301
P.L. 480*** 1/			
Title I	600,748	395,100	482,000
Title II	164,078	134,686	126,412
Total P.L. 480	764,826	529,786	608,412
Total A.I.D. and P.L. 480	1,052,629	797,453	976,713

*Includes Transition Quarter.
**A.I.D. levels represent actual and estimated expenditures.
***P.L. 480 levels represent actual and estimated value of shipments.

1/ FY 1977 and FY 1978 data represent estimated program amounts rather than estimated shipments.

SUMMARY OF PROGRAM BY COUNTRY AND APPROPRIATION
FISCAL YEAR 1978
(In thousands of dollars)

REGION:

TABLE I

COUNTRY	Total	Food and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs
Bangladesh	101,015	83,641	9,060	5,000	-	3,314	-
Indonesia	57,200	38,150	11,400	600	6,500	550	-
Nepal	12,096	8,610	1,303	852	1,331	-	-
Pakistan	98,208	50,840	5,218	40,000	2,150	-	-
Philippines	62,971	34,781	7,690	10,000	4,000	6,500	-
Sri Lanka	14,500	7,500	-	7,000	-	-	-
Thailand	4,405	-	4,405	-	-	-	-
Regional	17,906	5,800	-	3,700	7,006	1,400	-
Total	368,301	229,322	39,076	67,152	20,987	11,764	-

REGION: ASIA

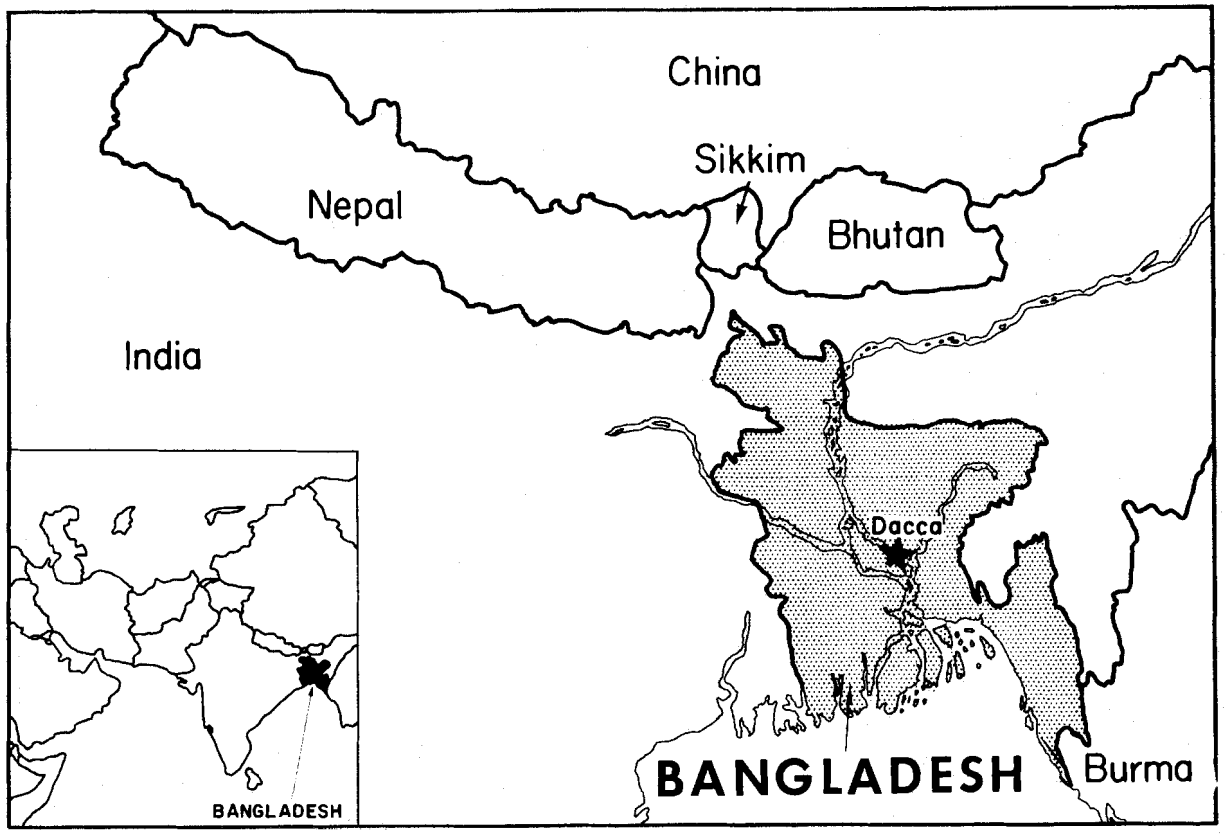
TABLE Ia

SUMMARY OF PROGRAM BY COUNTRY AND APPROPRIATION
FY 1976, TRANSITION QUARTER (TQ), FY 1977
(In thousands of dollars)

COUNTRY	Total			Food and Nutrition			Population Planning and Health			Education and Human Resources Development			Selected Development Activities			Other Programs		
	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977
Bangladesh	24,200	8,369	55,546	19,800	8,369	48,600	1,600	-	5,796	-	-	250	2,800	-	900	-	-	-
Indonesia	49,500	14,804	43,165	27,900	180	31,860	14,900	14,274	3,405	6,700	200	7,900	-	-	-	-	150	-
Korea	5,800	-	-	300	-	-	-	-	-	500	-	-	5,000	-	-	-	-	-
Nepal	2,900	577	6,742	1,100	180	4,219	1,300	218	1,534	500	179	989	-	-	-	-	-	-
Pakistan	59,000	25,194	76,731	48,600	25,194	45,935	7,600	-	23,178	300	-	7,618	2,500	-	-	-	-	-
Philippines	54,300	6,430	44,276	40,400	630	27,635	13,800	800	16,541	100	-	100	-	5,000	-	-	-	-
Sri Lanka	9,600	-	11,000	9,600	-	6,000	-	-	5,000	-	-	-	-	-	-	-	-	-
Thailand	12,900	612	12,542	8,400	300	7,712	4,100	212	4,030	400	100	800	-	-	-	-	-	-
Regional	9,900	3,717	17,665	200	1,168	8,070	1,800	605	2,752	4,900	1,645	5,943	3,000	299	900	-	-	-
(Non-Add) Indus Basin Development Fund	(9,000)	(2,250)	(15,750)	-	-	-	-	-	-	-	-	-	-	-	-	(9,000)	(2,250)	(15,750)
Total	228,300*	59,703	267,667	156,400*	36,021	180,031	45,200*	16,109	62,236	13,400	2,124	23,600	13,300	5,299	1,800	-	150	-

* Figures may not add due to rounding.

Bangladesh



KEY DATA

Population *(millions - mid-1976)*	81.1
Annual Growth Rate *(percent)*	2.7
Population in Urban Areas *(Percent - 1975)*	7
Labor Force in Agriculture *(Percent)*	78
Per Capita GNP *(dollars - 1974)*	100*
Life Expectancy *(years)*	47
People Per Doctor	9,350
Literacy Rate *(percent)*	25
Students as % of 5 - 19 Age Group *(Primary and Secondary)*	32

* - Estimate in IBRD 1976 Annual Report.

BANGLADESH

Table of Contents

		Page
Summary of Country Program		16
Table II -	Summary of Active and Proposed Projects	24
Table IV -	Continuing Activity	25
	Agricultural Research	25
	Food for Work	26
	Rural Electrification	27
	Rural Credit	28
	Population and Family Planning	29
	Private Voluntary Organizations Co-Financing	30
Table V -	New Activity	31
	Rural Irrigation Works	31
	Small Scale Irrigation II	32
	Fertilizer Distribution Improvement	33
	Rural Roads	34
	Foodgrain Protection	35
	Malaria Control	36
	Technical Resources	37
	Project Development Grant II	38
Table VI -	Summary of Total Foreign Assistance	39
Table VII -	Summary of Economic and Social Data	40

BANGLADESH

The U.S. political interests in Bangladesh are limited and reflect a concern for the impact that instability in Bangladesh could have on the subcontinent as a whole. The primary U.S. objective in Bangladesh is developmental and humanitarian.

Socio-Economic Setting

Bangladesh is one of the world's poorest, least developed countries. Its 81 million people are crowded into a land area the size of Wisconsin, a density three times that of India and five times that of China or Indonesia:

-- Its population is growing at 2.7% a year.

-- Illiteracy approaches 80%.

-- Life expectancy is 47 years and more than half the population suffers from chronic malnutrition.

-- Natural resources are lacking and foreign exchange earnings are heavily dependent on a single crop, jute.

-- Agricultural yields per acre are among the lowest in Asia.

-- The socio-economic status of women remains considerably below that of men and employment opportunities for women are limited.

Before it can offer improved living standards for its impoverished millions, Bangladesh must make significant strides in food production and population control:

-- Bangladesh's own commitment to development remains the basic determinant of whether or not equitable growth will occur.

-- Foreign assistance supports the Bangladesh Government's self-help effort.

During the course of the past year, the country has experienced a period of relative stability coupled with economic progress, but the political situation remains fragile and further stresses could occur:

PROGRAM SUMMARY
(In thousands of dollars)

FISCAL YEAR	Total	Food and Nutrition	Population Planning and Health		Education and Human Resources Development	Selected Development Activities	Other Programs
1976							
Loans	20,500	18,000	-		-	2,500	-
Grants	3,700	1,800	1,600		-	300	-
Total	24,200	19,800	1,600		-	2,800	-
Transition Quarter							
Loans	5,250	5,250	-		-	-	-
Grants	3,119	3,119	-		-	-	-
Total	8,369	8,369	-		-	-	-
1977							
Loans	-	-	-		-	-	-
Grants	55,546	48,600	5,796		250	900	-
Total	55,546	48,600	5,796		250	900	-
			Population Planning	Health			
1978							
Loans	-	-	-	-	-	-	-
Grants	101,015	83,641	9,060	5,000	-	3,314	-
Total	101,015	83,641	9,060	5,000	-	3,314	-

-- A Martial Law Administration, the third Government since independence, is in its second year. It has:

** continued its attempts to implement far-reaching economic and fiscal reforms begin in May 1975;

** announced its intention to hold local elections in early 1977 and form new regional and sub-regional councils;

** taken steps to encourage private investment and removed some administrative bottlenecks to development.

-- Gross Domestic Product grew about 10% in real terms in 1975-1976 and the cost of living declined 20% as a result of:

** record harvests, good weather and absence of natural disasters;

** strict controls on credit expansion, devaluation, and continued severe restrictions on deficit financing of the Government's budget.

-- Domestic revenues are projected to reach $615 million in 1976-77, a 12% increase over the previous year.

-- Increased jute exports, better prices and import restrictions have brought a two-thirds increase in foreign exchange reserves, from $160 million in September 1975 to over $250 million in September 1976.

Although the macro-economic picture appears brighter than ever before in Bangladesh's short history, it must be seen against a somber perspective:

-- Per capita income has yet to reach pre-independence levels.

-- Bangladesh Government development expenditures were $129 million in FY 1976 as compared to $145 million in FY 1975.

-- The Government's capacity to plan and implement development projects remains severely limited:

** institutions are weak, uncertain of their role and only tenuously linked;

** trained, experienced personnel, especially in the key areas of agriculture, health and family planning, are scarce.

Bangladesh Aid Group, which includes the United States and a score of other donors, is working with the Bangladesh Government to improve project planning and implementation:

-- Project development assistance is being provided by the World Bank, UNDP, and A.I.D.

-- The Aid Group is working to identify policy changes which can lead to more effective use of assistance.

Food and Population

Since independence, Bangladesh has produced on the average only enough foodgrain to meet her consumption requirements for 10 to 11 months of the year:

-- The balance of the annual consumption requirement, normally 1.5 to 2.5 million mt, is imported.

-- The rate of the population increase requires at least 300,000 MT of additional foodgrain each year to maintain the very low per capita consumption levels.

Bangladesh will continue to face a serious foodgap for the next decade, even under the best of circumstances. The imbalance between population and food supply is a major contributor to the nation's most serious health problems. Furthermore, the impact of food scarcity falls most heavily upon the poorest, those least able to bear it.

At present, however, with exceptional weather, more than two years of record harvests have reduced Bangladesh's food import requirements below a million mt for FY 1976-1977:

-- The 1976-1977 harvest will closely approximate the bumper rice harvest of 1975-1976.

-- The winter rice crop, mostly high yielding varieties, has reached approximately 2.5 million mt.

-- Wheat production in 1976-77 should be slightly higher than 1975-76 with a yield of about 400,000 mt.

-- Food stocks are currently high, with continued availability of ample supplies of rice throughout the country.

-- Domestic grain prices are at record lows.

-- Storage capacity reached just over one million mt by January 1976.

This relative abundance must be regarded as a transitory phenomenon. The food situation can and has changed drastically in a matter of weeks due to cyclones, inadequate rainfall or uncontrollable flooding.

The Bangladesh Government has set a target of achieving foodgrain self-sufficiency as soon as possible:

-- Its projection for 1986 is 19.7 million mt of production, a level necessary to feed a population estimated at 109 million.

-- It plans to use more intense cultivation as the primary means to achieve its goal, at the same time providing jobs for its rapidly expanding rural labor force.

-- Government purchase of farmers' foodgrain for reserves and distribution as part of an effort to stabilize grain prices is planned as the incentive for increased production.

The Bangladesh Government has also established a target of controlling its population growth and reaching replacement level fertility by 1985. It is adopting policies in pursuit of this goal by:

-- establishing incentives for family planning;

-- improving family planning organizations and strengthening programs to deliver family planning services to all the people.

Achievement of this goal will require unusual efforts by the Bangladesh Government to overcome administrative constraints and individual lack of desire to reduce family size.

Objectives of U.S. Assistance

U.S. assistance programs further U.S. interests by helping to promote social and economic progress for all Bangladesh while focusing especially on the needs of the poor -- the small farmers and landless.

The U.S. supports programs to:

-- increase agricultural productivity, while emphasizing the creation of employment opportunities;

-- reduce population growth.

BANGLADESH

FY 1978 Program

Bangladesh is designated a Relatively Least Developed Country (RLDC) by the United Nations. Accordingly, A.I.D. is proposing that all development assistance to Bangladesh be provided as grants.

Food and Nutrition

To achieve self-sufficiency in foodgrains, the Bangladesh Government has adopted an agricultural strategy which includes:

- -- increasing rice and wheat production using high yielding seeds adapted to Bangladesh's ecology;
- -- increasing the use of fertilizer and other agricultural inputs to gain the benefits from the improved varieties;
- -- increasing water use and improving irrigation to permit cultivation of a second and third crop during the dry season.

Bangladesh Government actions in its efforts to achieve self-sufficiency include:

- -- the assignment of high priority to the supply of agricultural inputs, increased budget for adaptive research, and launching of a wheat production campaign;
- -- the procurement of more than 430,000 mt of domestic rice and wheat during FY 1976, and plans to purchase 500,000 mt in FY 1977 to assure stable, fair farm gate prices for producers.

During FY 1974 and FY 1975, the first two years of development assistance to Bangladesh, most of A.I.D.'s food and nutrition funds financed fertilizer imports and the development of fertilizer production capacity in-country.

In FY 1976 A.I.D.'s effort was broadened to include assistance in agricultural research and small scale irrigation.

As efforts to increase production move forward, two problems have arisen:

- -- Continued low prices may reduce farmer's incentives to use high yielding varieties and fertilizer, to produce a marketable surplus.
- -- The number of landless and tenant farmers among the rural population may be considerably greater and may be increasing more rapidly than previously anticipated.

However, actions by donors and by the Bangladesh Government are designed to lessen the impact of these problems.

- -- All assistance donors and the Bangladesh Government are placing increased emphasis on government procurement of domestic foodgrain production as the basis of a grain price stabilization program.
- -- A.I.D. is supporting a major study to investigate patterns of land occupancy and tenure.
- -- The Bangladesh Government has undertaken a series of fertilizer distribution experiments to increase small cultivators' access to fertilizer.
- -- In addition, a major study of the economics of fertilizer use by small farmers is being undertaken by a consultant under the multi-donor funded Ashuganj fertilizer project.

BANGLADESH

In FY 1978 A.I.D. is proposing a program of $83.6 million to improve agricultural productivity especially by small land holders and tenant or sharecropping farmers. The program will provide fertilizer, agricultural credit and access to markets. It includes support for:

-- agricultural research;

-- improving infrastructure available to small cultivators, e.g., credit, small scale irrigation, and water control, and electric power;

-- expanding programs to ensure fertilizer availability to small cultivators;

-- initiating new projects in foodgrain protection and storage and rural access roads using labor intensive construction methods for the latter.

Population Planning

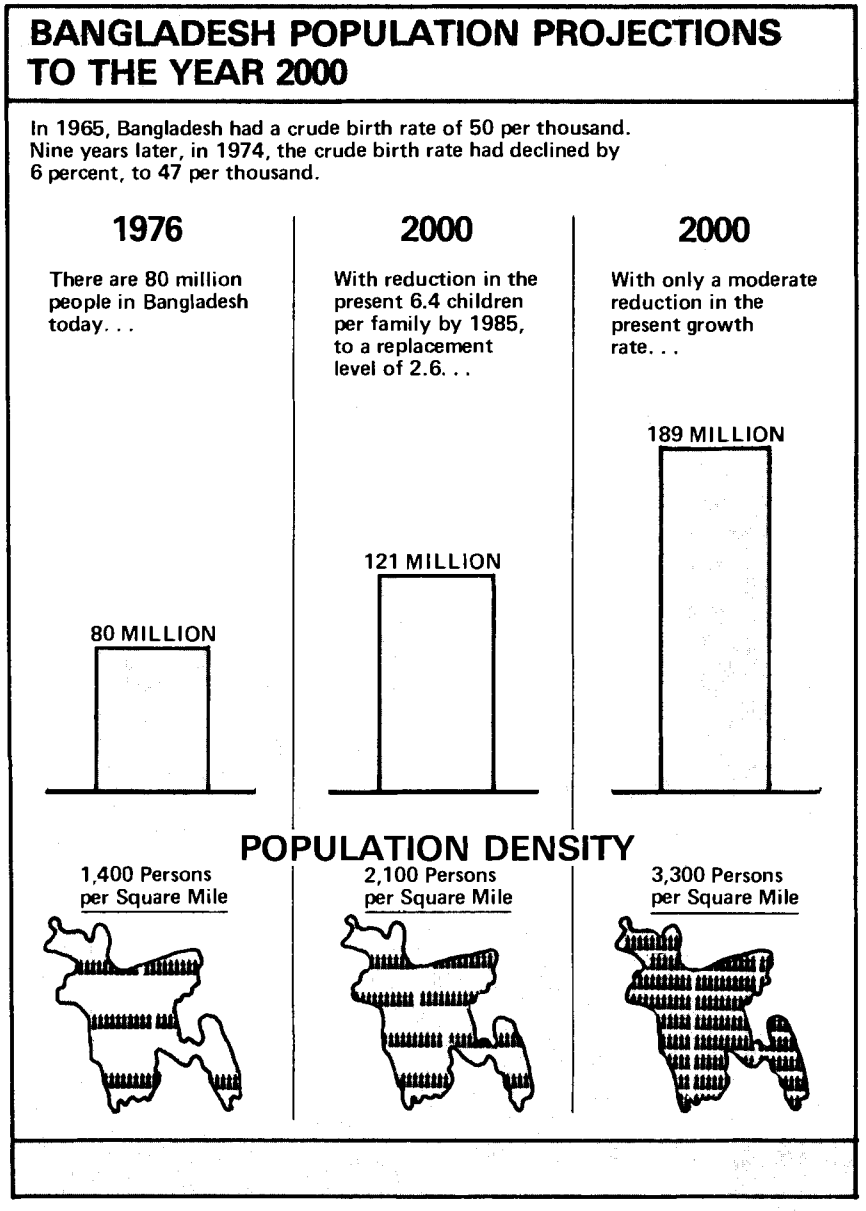
Confronted with a population growth rate of 2.7% per annum, the Bangladesh Government established a national population policy in 1976 and a target to reach replacement level fertility by 1985. The policy states that:

-- Population control is the government's top priority program.

-- Programs are to be strengthened and the use of incentives explored.

Some progress has been made:

-- The Government has undertaken a nation-wide program to place 13,500 female field workers at the village level to deliver maternal child health and family planning services, a first attempt by Bangladesh to recruit female civil servants to work in the field.



-- Private commercial sales of subsidized condoms have increased from 280,000 per month to over 1,330,000 per month since January 1976. Sales of oral contraceptives have also increased.

While individual awareness of family planning and knowledge of specific contraceptive methods has increased significantly over the last two years, serious problems remain:

-- Lack of individual motivation remains a serious obstacle to attracting and keeping acceptors.

-- Administrative and logistics problems plague the staffing of an effective field delivery service for the rural areas.

In FY 1978 A.I.D. is proposing a program of $9.1 million to support the Bangladesh Government's program in Family Planning. The U.S. contribution is largely in contraceptives and technical assistance.

Health

The size of the population and its relationship to food availabilities, social and public services are the major factors determining the health status of Bangladeshis. Thus, programs in health are limited and most effort is concentrated on family planning activities. Malaria is posing an increasing hazard, however, and requires urgent action.

In response to the growing incidence of malaria and its recurrence in areas where it had previously been absent for sometime, the Bangladesh Government, A.I.D. and other donors are designing a program to bring the disease under control:

-- The Government's target is to reduce the incidence to less than one case per 1,000 population, by 1981, in high risk areas which now have an incidence of 100 per 1,000 population.

-- It wishes to continue to hold down incidence in normally low risk areas in the country to acceptable levels.

-- It is launching an emergency control program in two high risk districts in early 1977.

A.I.D. is proposing a $5.0 million grant for malaria control in FY 1978. The program is designed to establish a capability in Bangladesh to maintain a constant vigil against malaria in all areas of the country as well as provide insecticides for use in malaria control.

Selected Development Activities

Some of the most innovative development activities in Bangladesh are planned and implemented by foreign and indigenous private and voluntary organizations.

-- To facilitate pilot efforts to deliver assistance to the rural poor, A.I.D. will continue the co-financing of voluntary organization development projects amounting to $500,000 in FY 1978.

-- Under the auspices of five voluntary organizations, project activities have included upgrading of rural cooperative and craft centers, creation of health care service centers, and conversion of saline soil areas to agricultural use.

In keeping with a recommendation of the 1976 Aid Group, the Bangladesh Government is undertaking a major effort to increase its absorptive capacity through improved project design, implementation and evaluation. A.I.D. is assisting with a $2.0 million grant for project development and $814,000 for development of planning units in selected ministries. The World Bank, World Health Organization and United Nations Development Program are also supplying coordinated assistance to meet these project management and policy needs.

ADDITIONAL PROGRAM DATA

Category	FY 1976 (Actual)	FY 1977 (Estimated)	FY 1978 (Proposed)
A.I.D. Personnel[a]			
Direct Hire[b]	31	36	50
PASA[c]	–	–	–
Contract	4	9	13
Total	35	45	63
Participants[d]			
Noncontract	95	83	104
Contract	–	–	–
Total	95	83	104

[a] *U.S. nationals on duty at the end of the fiscal year.*
[b] *FY 1977 and FY 1978 levels authorized as of Nov. 30, 1976.*
[c] *Participating agency technicians.*
[d] *Programmed during the fiscal year.*

P.L. 480 PROGRAMS SUMMARY

(In 000MT/$000)

Program	FY 1976* (Actual)		FY 1977 (Estimated)		FY 1978 (Projected)	
	MT	$	MT	$	MT	$
Title I						
Wheat	436	63,738	200	23,600	450	53,100
Rice	311	85,935	50	12,500	100	26,700
Feedgrains	–	–	–	–	–	–
Vegoil	40	21,488	–	–	25	14,400
Non-food	–	–	–	–	–	–
Title I Total		171,161		36,100		94,200
Title II						
Voluntary Agencies		–		10,833		9,360
World Food Programs		1,631		5,186		430
Gov't.-to-Gov't.		–		–		–
Title II Total		1,631		16,019		9,790
Total P.L. 480		172,792		52,119		103,990

**Includes Transition Quarter.*

P.L. 480 Programs

Title I

Bangladesh's domestic food production is growing, but is sufficient only to meet the needs of its growing population for 10 to 11 months of the year:

- -- This food gap is likely to persist for the next decade, when Bangladesh expects to achieve self-sufficiency,
- -- Food shipments under P.L. 480, as well as from other donors, remain a major resource to cover the deficit.

P.L. 480, Title I, serves as a key resource in furthering broader development objectives:

- -- Local currencies generated by Title I sales provide a substantial portion of the Bangladesh Government's development budget.
- -- The commodities themselves are part of a food distribution program which aims at adequate food availabilities at reasonable, stable prices in times of national or local food scarcity.

Bangladesh's need, based on availability of domestic production and imports from other donors, will determine the level of the FY 1978 program.

- -- For FY 1978, 450,000 mt of wheat, 100,000 mt of rice, and 25,000 mt of vegetable oil valued at $94.2 million is now programmed for Bangladesh.

Imports under Title I are provided in a framework of

BANGLADESH

Bangladesh Government programs to achieve foodgrain self-sufficiency including :

-- more intensive cultivation and use of high yielding varieties;

-- government purchase of farmer's foodgrain for reserves and distribution as part of an effort to stabilize prices at levels yielding a fair return to domestic producers;

-- improvement of its food management and storage capability throughout the countryside;

-- expansion of private sector involvement in food-grain purchasing and distribution.

These programs are structured to avoid food imports acting as a disincentive to domestic production.

Title II

P.L. 480 Title II commodities are programmed primarily in employment generating food-for-work programs administered by CARE and World Food Program.

-- In areas of labor surplus, unemployed persons, including women, are paid with food for their work on local rural works projects, such as canal rehabilitation and flood control embankments.

-- In FY 1978 under the CARE program $9.3 million in food commodities are planned to provide 37 million days of work for rural laborers.

-- The U.S. share of the World Food Program activities in Bangladesh is estimated at $430,000 for food for work and for vulnerable group feeding programs.

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1976* (Actual)	FY 1977 (Estimated)	FY 1978 (Estimated)
A.I.D.**			
Loans	25,750	-	-
Grants	6,819	55,546	101,015
Total A.I.D.	32,569	55,546	101,015
P.L. 480***			
Title I	171,161	36,100	94,200
Title II	1,631	16,019	9,790
Total P.L. 480	172,792	52,119	103,990
Total A.I.D. and P.L. 480	205,361	107,665	205,005

*Includes Transition Quarter.
**A.I.D. levels represent actual and estimated expenditures.
***P.L. 480 levels represent actual and estimated value of shipments.

COUNTRY: BANGLADESH

TABLE II

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

Project Title	*	Project Number	FY of Initial Obligation/Date of Loan Authorization	Grant: Through 9/30/76 Obligations	Grant: Through 9/30/76 Expenditures	Grant: Estimated FY77 Obligations	Grant: Estimated FY77 Expenditures	Grant: Proposed FY78 Obligations	Grant: Proposed FY78 Expenditures	Grant: Future Year Obligations	Loan**: Through 9/30/76 Amount Authorized	Loan**: Through 9/30/76 Amount Disbursed	Loan**: Through 9/30/76 Principal Repayments	Loan**: Through 9/30/76 Interest Collected	Loan**: Estimated FY 77 Authorization	Loan**: Estimated FY 77 Expenditures	Loan**: Proposed FY 78 Authorization	Loan**: Proposed FY 78 Expenditures
Food and Nutrition																		
Development Services Training		388-0002	1974	1,500	343	300	400	-	500	-	-	-	-	-	-	-	-	-
Project Studies		388-0008	1974	1,000	54	-	543	-	403	-	-	-	-	-	-	-	-	-
Rural Irrigation Works	*	388-0012	1978	-	-	-	-	2,100	783	5,000	-	-	-	-	-	-	-	-
Food for Work	*	388-0017	1976	411	157	500	612	425	675	800	-	-	-	-	-	-	-	-
Rural Electrification	*	388-0021	1977	-	-	19,000	7,000	21,000	18,000	-	-	-	-	-	-	-	-	-
Small Scale Irrigation II	*	388-0023	1978	-	-	-	-	10,000	3,730	-	-	-	-	-	-	-	-	-
Fertilizer Distribution Improvement	*	388-0024	1978	-	-	-	-	34,000	20,000	-	-	-	-	-	-	-	-	-
Rural Credit	*	388-0025	1977	-	-	4,000	1,500	4,000	2,172	-	-	-	-	-	-	-	-	-
Project Development Grant I		388-0031	TQ	3,000	-	-	1,033	-	1,900	-	-	-	-	-	-	-	-	-
Rural Roads	*	388-0032	1978	-	-	-	-	8,200	3,059	38,220	-	-	-	-	-	-	-	-
Foodgrain Protection	*	388-0033	1978	-	-	-	-	3,200	1,193	3,200	-	-	-	-	-	-	-	-
Agricultural Inputs		388-0035	1977	-	-	9,000	4,600	-	4,400	-	-	-	-	-	-	-	-	-
Agricultural Research	*	388-0003	1976	844	-	800	647	716	700	243	4,000	-	-	-	-	1,080	-	1,080
Ashuganj Fertilizer Plant		388-0016	1/75	-	-	15,000	5,595	-	8,145	-	30,000	8,743	-	-	-	8,100	-	8,100
Karnaphuli Third Unit		388-0018	2/76	-	-	-	-	-	-	-	2,500	-	-	-	-	1,000	-	1,500
Small Scale Irrigation I		388-0019	6/76	-	-	-	-	-	-	-	14,000	-	-	-	-	700	-	3,780
Bangladesh Fertilizer Storage		388-0030	9/76	-	-	-	-	-	-	-	5,250	-	-	-	-	2,630	-	2,620
Population Planning																		
Population/Family Planning	*	388-0001	1973	9,544	7,430	5,796	3,480	9,060	5,436	-	-	-	-	-	-	-	-	-
Health																		
Malaria Control	*	388-0034	1978	-	-	-	-	5,000	1,340	3,560	-	-	-	-	-	-	-	-
Education and Human Resources Development																		
Women in Development		388-0028	1977	-	-	250	78	-	172	-	-	-	-	-	-	-	-	-
Selected Development Activities																		
Private Voluntary Organizations Co-Financing	*	388-0010	1975	604	204	900	791	500	900	-	-	-	-	-	-	-	-	-
Technical Resources	*	388-0027	1978	-	-	-	-	814	274	1,398	-	-	-	-	-	-	-	-
Project Development Grant II	*	388-0036	1978	-	-	-	-	2,000	676	-	-	-	-	-	-	-	-	-
Total.....				16,903	8,188	55,546	26,279	101,015	74,458	52,421	55,750	8,743	-	-	-	13,510	-	17,080

*Detailed project narrative—See Table IV or Y.

**Loan terms: repayment period varies from 20-40 years, 10 years grace; interest 2% during grace, 3% amortization; repayable in U.S. dollars. Loans repayable in less than 40 years are noted.

Country: BANGLADESH

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Agricultural Research	Food and Nutrition	FY 78 716		
NUMBER 388-0003 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p.21	INITIAL OBLIGATION FY 1976	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Purpose: To strengthen the role of the Agricultural Research Council (ARC) as coordinator of all agricultural research activities in Bangladesh, and to develop the capacity of the Agricultural Research Institute (ARI) to conduct priority research on non-rice food crops and small farm systems. The ARI is responsible for all non-rice research activities in the country and operates within the ARC's research framework. The research results will provide farmers with specific information on crop diversification.

Major Outputs:

	FY 77	FY 78
	(Cumulative as of end of FY)	
ARI laboratory facilities completed along with farm-site development	-	x
Construction and completion of residential units for ARI faculty at Joydevpur and Ishurdi	x	-
Procedures established in ARC to plan research priorities	x	x
Farm equipment machinery in place at ARI	x	-
ARI research results on crop diversification published through ARC	-	x
ARI faculty members trained	5	10
Research-extension system established		x

Host Country and Other Donors:

Host Country $7,993,000 equivalent for ARI construction and operating costs and for ARC staff costs

Progress to Date: The Bangladesh Government has completed the administrative and laboratory infrastructure at Joydevpur, along with construction of a main road leading to farm site complexes. A contract has been signed with a local Bangladeshi architect and engineering firm to design the overall Joydevpur Campus complex including housing. An A.I.D. loan agreement for $4,000,000 was signed in March 1976 to finance physical facilities for the ARI. It is anticipated that a contract with an American firm will be signed in the spring of 1977 to provide research advisory services to ARI and ARC.

FY 1978 Program: $716,000 is requested to finance a contract to provide advisory services to ARC and ARI. This also includes funds to finance research at ARI. Participant training is planned for 19 members of the ARI staff.

A.I.D.-financed Inputs

($ Thousands)	FY 78
ARI and ARC technicians and consultants (40 pm)	398
ARC contract for local research	125
Training, long-term (108 pm), short-term (33 pm for 19 participants)	142
Administrative costs	51
Total	716

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	844	-	844
Estimated Fiscal Year 1977	800	647	
Estimated through September 30, 1977	1,644	647	997
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	716	243	2,603

PRINCIPAL CONTRACTORS OR AGENCIES

To be selected

Country: BANGLADESH

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Food for Work	Food and Nutrition	FY 78 425		
NUMBER 388-0017 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p.22	INITIAL OBLIGATION FY 1976	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Purpose: To provide employment for unemployed rural poor on on rural works projects, with payment in food provided under Title II of P.L. 480. The project supports the dollar cost of the technical assistance needed to administer the Food for Work Program (FFW). P.L. 480 Title II commodities are provided to the project on a reimbursable basis.

Major Outputs:	9/30/76	FY 77	FY 78
		(Cumulative as of end of FY)	
Work projects implemented	531	1,731	2,931
Wheat reimbursements (mt)	43,000	140,000	243,000
Man days of work created (millions)	51.0	51.0	87.0

Host Country and Other Donors:

Host Country	$300,000 equivalent to CARE for local costs
Australia, Libya, and World Food Program	Wheat for FFW programs

Progress to Date: In FY 1976 the FFW Program, in a tripartite arrangement with A.I.D., CARE and the Bangladesh Government, implemented 531 labor-intensive rural earthwork projects, e.g., cleaning canals and water storage ponds, and construction of embankments.

The Bangladesh Government hired 260 Project Implementation Officers to administer FFW projects with an additional 200 hired to help in FY 1977. The Bangladesh Government explicitly recognized the need for greater participation by women in FFW projects and issued a directive providing for such increased participation in the FY 1977 and 1978 programs. A full-time coordinator has been hired by CARE to work on FFW projects. An A.I.D.-supported Nutrition Survey Impact Study, started in FY 1977 under contract with Dacca University, will evaluate the impact of FFW projects on rural Bangladesh providing information on the program's nutritional impact and a socio-economic profile of the FFW laborer.

FY 1978 Program: $425,000 is requested to support CARE's monitoring of the FFW Program. In addition, it is proposed to provide approximately 100,000 mt of wheat annually from P.L. 480 Title II.

A.I.D-financed Inputs ($ Thousands)	FY 78
CARE technicians (28 pm)	288
Commodities: office supplies, furniture equipment and vehicle parts	107
Other costs: CARE overhead costs and computer time	30
Total	425

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	411	157	254
Estimated Fiscal Year 1977	500	612	
Estimated through September 30, 1977	911	769	142
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	425	800	2,136

PRINCIPAL CONTRACTORS OR AGENCIES

Cooperative for American Relief Everywhere (CARE)

Dacca University Institute of Nutrition

Country: BANGLADESH

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Rural Electrification	Food and Nutrition	FY 78 21,000		
NUMBER 388-0021 GRANT ☒ LOAN ☐	PRIOR REFERENCE Advice of Program Change to be Transmitted	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Purpose: To establish a rural electrification system and an institutional capability to plan, implement, maintain, evaluate, and expand rural electrification throughout Bangladesh.

Major Outputs:	FY 77	FY 78
	(Cumulative as of end of FY)	
Maximum benefit areas defined	10	10
Rural Electrification Unit (REU) established and operating	-	x
REU staff selected for training	Feasibility study underway	
Distribution lines installed	Feasibility study underway	

Host Country and Other Donors: ($000 equivalent)

Host Country	13,300 for Phase I feasibility study and Phase II construction
Government of Kuwait	16,700 for electrification of tubewells and low lift pumps
Asian Development Bank	20,000 for construction of distributor system in Chittagong and maintenance of western Bangladesh Power System

Progress to Date: A Rural Electrification Feasibility Study Contract was signed between the Bangladesh Power Development Board and the Commonwealth Associates and National Rural Electric Cooperatives Association on October 8, 1976. The study is expected to take up to 11 months and will be carried out in two stages. The first will include classifying areas in priority order for rural electrification based on social and economic development criteria. In the second stage the consultant will carry out feasibility studies for those areas selected by the Power Development Board and approved by A.I.D. as a result of the first stage work.

FY 1978 Program: $21,000,000 is requested to finance construction of distribution lines to rural areas, local market towns, and for tubewell and lowlift pumps. To manage and promote power distribution to rural agricultural areas, the Government of Bangladesh will establish or designate a rural electrification unit either as a separate agency or within the Bangladesh Power Development Board.

A.I.D.-financed Inputs ($ Thousands)	FY 78
Project construction equipment: poles, lines, transformers and other accessories	14,000
Pole line construction and transportation	2,000
Service connections and structures	4,000
Contingency and Training	1,000
Total	21,000

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	—	—	—
Estimated Fiscal Year 1977	19,000	7,000	
Estimated through September 30, 1977	19,000	7,000	12,000
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	21,000	—	40,000

PRINCIPAL CONTRACTORS OR AGENCIES

Commonwealth Associates and National Rural Electric Cooperatives Association (NRECA)

Country: BANGLADESH

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Rural Credit	Food and Nutrition	FY 78 4,000		
NUMBER 388-0025 GRANT ☒ LOAN ☐	PRIOR REFERENCE Advice of Program Change to be transmitted	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Purpose: To develop several replicable model systems of agricultural credit for small farmers and other small rural producers.

Credit for the rural population is scarce, especially for those without secure title to land. The supply of credit in small amounts at reasonable cost will improve small cultivators' access to inputs; e.g. fertilizer and seed, and small entrepreneurs' ability to invest.

Major Outputs:

	FY 77	FY 78
	(Cumulative as of end of FY)	
Personnel trained	246	492
Small farmer credit models tested in a three-year pilot operation	7	7
Number of loans	60,700	145,700

Host Country and Other Donors:

International Bank for Reconstruction and Development (IBRD)	Credit policy and procedure recommendation; jute farmer credit project.
Asian Development Bank	Rural credit project with A.I.D. and IBRD.

Progress to Date: A.I.D. is completing an overall analysis of small farmer credit needs, obstacles involved in obtaining credit and farmer attitudes toward credit. In addition, an analysis of the Bangladesh banking system, especially as it relates to credit, has been prepared. Seven models have been identified as potential means of supplying credit to small farmers throughout Bangladesh. The Bangladesh Bank, which serves as the central banking organization in the country, has agreed to coordinate the project. Major institutions which might administer the proposed schemes are being contacted and their capacity and interest assessed.

FY 1978 Program: $4,000,000 is requested to finance advisory services in credit-related areas including management systems, and training for in-country personnel such as branch bank managers, loan officers, accountants and other personnel vital to the operations of the experimental schemes. The funds will also provide working capital for pilot credit activities. A.I.D. will reimburse the Bangladesh Government on a Fixed Amount Reimbursement (FAR) basis up to 70% of each loan made to the small farmers and producers.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Advisors (48 pm)	480
Training, short-term (146 pm)	73
Loan capitalization (88,600 loans based on FAR procedure)	3,447
Total	4,000

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	-	-	-
Estimated Fiscal Year 1977	4,000	1,500	
Estimated through September 30, 1977	4,000	1,500	2,500
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	4,000	-	8,000

PRINCIPAL CONTRACTORS OR AGENCIES

To be selected

Country: BANGLADESH

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Population and Family Planning	Population Planning	FY 78 9,060		
NUMBER 388-0001 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977, Asia Program, p. 23	INITIAL OBLIGATION FY 1973	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979

Purpose: To establish a functioning national institutional structure providing family planning services, population and family planning information and education on a continuing basis to the people of Bangladesh.

Major Outputs:

	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		
Family planning and health workers trained	10,000	16,000	25,500
Family planning field supervisors trained	2,000	3,000	4,500
Regional family planning training centers established	8	8	11
Continuing contraceptive users	449,900	951,344	1,500,000

Host Country and Other Donors: ($000 equivalent)

Host Country	26,000 for personnel, facilities, participant travel for life of project
UNFPA	A 10,000 three-year program for training, education services, improvement of transport, and supply management systems
Ford Foundation	5,000 for training
IBRD/IDA and associates	45,700 through FY 1980 for construction, salaries, research, evaluation, pilot projects

Progress to Date: The Bangladesh Government has targeted a significant reduction in annual rates of natural increase of its population by mid-1978 by preventing 1.1 million births over a five-year period. Pills, condoms, foam, and IUDs now are available at the field level. Trained local workers are distributing family planning information and non-clinical contraceptives, including pills. A commercial contraceptive program has started to market pills and condoms at subsidized prices. In late September 1976, the Directorate responsible for family planning work increased its functional units from three to five in order to monitor an expanded program effectively.

FY 1978 Program: $9,060,000 is requested to finance contraceptives and technical assistance in the fields of training, mass communications, commercial marketing of contraceptives, field research, and establishment of family planning clinics.

A.I.D.-financed Inputs ($ Thousands)	FY 78
U.S. contract advisory services in mass communications and training (27 pm)	150
Participants (8 short-term; 10 long-term)	125
Commodities (IUDs, Vasectomy kits)	412
Contraceptives (Pills and Condoms)	7,373
Voluntary surgical contraception services	1,000
Total	9,060

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	9,544	7,430	2,114
Estimated Fiscal Year 1977	5,796	3,480	
Estimated through September 30, 1977	15,340	10,910	4,430
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	9,060	–	24,400

PRINCIPAL CONTRACTORS OR AGENCIES

To be selected

Country: BANGLADESH

CONTINUING ACTIVITY

Table IV

TITLE Private Voluntary Organizations Co-Financing	FUNDS Selected Development Activities	PROPOSED OBLIGATION (In thousands of dollars) FY 78 500		
NUMBER 388-0010 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p. 24	INITIAL OBLIGATION FY 1975	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979

Purpose: To engage the expertise of U.S. and Bangladesh private voluntary organizations (PVOs) in small-scale mutually-funded projects to benefit primarily the rural poor.

Major Outputs:	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		
Number of Co-financing projects	5	10	15
Number of PVOs with Co-financing projects	5	7	9

Host Country and Other Donors:

CARE personnel and project support costs	$142,750	To be determined
YWCA personnel and project support costs	19,039	"
International Voluntary Services (IVS) volunteer and support staff	40,000	"
Association of Baptists personnel and project support costs	39,108	"
Medical Assistance Programs, Inc., personnel, vehicles and medical supplies	160,000	"
Bangladesh Government local costs for CARE and IVS projects	186,900	"

Progress to Date: Five subprojects have been funded to date: IVS is working in three counties to establish a cooperative system. CARE is also developing a cooperative system with a pilot program in seven counties. The YWCA is implementing a program training poor women in handicrafts and providing family planning and nutrition information. The Association of Baptists is conducting a program testing the feasibility of polder efforts in coastal areas. The Medical Assistance Program, Inc. is establishing an integrated, low cost health project in one county. During the last quarter of 1976, three other project proposals were received from three different PVOs. These projects are currently under review for funding approval.

FY 1978 Program: $500,000 is requested to continue to support PVO projects in Bangladesh, such as (1) IVS and CARE programs for upgrading local cooperatives, (2) YWCA work with establishing a crafts center, and (3) Medical Assistance Programs work in low-cost health services for rural areas.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Five Co-financing projects	500

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	604	204	400
Estimated Fiscal Year 1977	900	791	
Estimated through September 30, 1977	1,504	995	509
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	500	-	2,004

PRINCIPAL CONTRACTORS OR AGENCIES

Country: BANGLADESH

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Rural Irrigation Works	Food and Nutrition	FY 78 2,100		
NUMBER 388-0012 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Goal: To increase income for small land-holding farmers, tenants, share-croppers and agricultural laborers.

Purpose: To expand irrigated crop areas.

Background: Foodgrain self-sufficiency is the national goal of Bangladesh and increased production has been established as one of the top priorities of the Bangladesh Government. An improved irrigation network which will enable farmers to cultivate a winter crop on land that would otherwise lie unused due to low rainfall during this period is one way of achieving this goal while simultaneously increasing rural employment. New labor intensive construction and rehabilitation of canals and feeder ditches will bring surface water to previously non-irrigated or under-irrigated land.

Major Outputs:	FY 78	FY 79	FY 80
	(Cumulative as of end of FY)		
Sub-projects	60	130	250
Miles of new or rehabilitated canals	60	130	250
Miles of distribution ditches	180	390	750
Local user organizations established	60	130	250

Host Country and Other Donors: ($000 equivalent)

Host Country	3,000 for advisors (630), added staff and training (710) and construction (1,660)
World Bank	Integrated rural development project with irrigation and rural road components in seven areas outside project 0012

FY 1978 Program: $2,100,000 is requested to assist the Ministry of Rural Development (MRD) to finance formal and on-the-job training for Bangladesh Government staff, and construction for canal sub-projects as plans are approved.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Consultants to MRD (200 pm)	1,050	1,900
Consultants to A.I.D. (65 pm)	348	610
Construction	702	4,590
Total	2,100	7,100

Country: BANGLADESH

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Small Scale Irrigation II	Food and Nutrition	FY 78 10,000		
NUMBER 388-0023 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Goal: To increase foodgrain production.

Purpose: To provide farmers with private ownership of small-scale irrigation equipment to produce additional foodgrains, principally rice and wheat in the winter season.

Background: Lack of reliable, adequate water supply is a principal constraint to year-round crop production; and water availability has become particularly critical with the introduction of high-yield seeds to the small rural farmers in Bangladesh. The problem is compounded by the lack of financing for pump fabrication by Bangladesh manufacturers and retail credit available to small farmers which limits their ability to purchase and utilize irrigation equipment. This project will continue financing credit, pump manufacture, and promotional activities. A Small Scale Irrigation Loan (Phase I) was signed with the Bangladesh Government in September 1976 for $14,000,000; disbursement will begin in FY 1977 for initial hand pump manufacture, and local promotion costs. A.I.D. is working with the Bangladesh Government and local banking institutions to establish a responsive credit system for purchase of hand pumps along with appropriate promotional activities.

Major Outputs:	FY 78	All Years
	(Cumulative as of end of FY)	
Small farmer credit program to purchase hand pumps established and operational	x	x
Media promotion of hand pumps and credit program (number reached)	1,500,000	4,000,000
Domestic production of hand pumps (units)	90,000	260,000

Host Country and Other Donors:

Host Country	$8,000,000 equivalent for farmer credit and to manufacture hand pumps
UNICEF	Manufacturing and selling of 40,000 hand pumps through cooperatives
Asian Development Bank	Administrative advisory assistance
World Bank	Foreign exchange and import pumps

FY 1978 Program: $10,000,000 is requested to finance the expansion of hand pump production and the continued media promotion of hand pump irrigation.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Small farmer credit promotion activities	310
Reimbursement to Bangladesh Government for pump fabrication costs (85,741 pumps at $27)	2,315
Foreign exchange costs for importation of materials for pump manufacturing (171,511 pumps at $43)	7,375
Total	10,000

Country: BANGLADESH

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Fertilizer Distribution Improvement	Food and Nutrition	FY 78 34,000		
NUMBER 388-0024 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Goal: To achieve foodgrain self-sufficiency in Bangladesh.

Purpose: To increase small farmer food production and incomes.

Background: Crop yields in Bangladesh are among the lowest in Asia. The lack of fertilizers for small farmers is a major reason for these low yields. The United States has provided fertilizer and technical inputs since 1974. This project will help meet the continuing fertilizer import requirements, reduce the cost by enabling the importation of bulk rather than bagged fertilizers, as well as address the need for further improvement of the distribution system and more fertilizer storage capacity to meet increased demand. The distribution system improvements will be based on results of a current pilot distribution project in Bangladesh and a major study on fertilizer distribution and use by small farmers.

Major Outputs:

	FY 78	All Years
	(Metric tons: cumulative as of end of FY)	
Warehouse Capacity	80,000	80,000
Annual bulk handling capacity	-	300,000
Annual fertilizer sales	552,000	608,000

Host Country and Other Donors: ($000 equivalent)

Host Country	57,200 for fertilizer (52,510), and warehouse (3,100) and bulk facility (1,600) construction
Canada, Japan, Norway, Sweden, Saudi Arabia, United Kingdom	Fertilizer programs under evaluation

FY 1978 Program: $34,000,000 is requested to support construction of warehouses (possibly including a portion in the private sector), bulk handling facilities, and the financing of fertilizer imports.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Consultant services (204 pm)	2,039
Construction of warehouses	8,052
Construction of bulk handling facilities	146
Equipment and vehicles	3,763
Fertilizer imports	20,000
Total	34,000

Country: BANGLADESH

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Rural Roads	Food and Nutrition	FY 78 8,200		
NUMBER 388-0032 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: Development of rural centers for supply of agricultural production and marketing inputs, basic services for marketing of agricultural products and processing of agricultural goods.

Purpose: To improve the transport network in selected project areas to link small farmers to rural centers where they will have access to markets, and government and private sector services.

Background: The Bangladesh Government recognizes that rural roads are a prerequisite for many rural development efforts. They provide a means of continuous contact with the rural population, and contribute to timely movement of goods, services and people. Farmers also recognize their critical need for roads as is evidenced by the priorities expressed in local councils and their willingness to contribute scarce land for road construction.

This project will provide for a 25% increase in the annual construction of local all-weather roads and an improved maintenance and program management capability. Roads will be selected on criteria which will consider the development potential of the areas served and the relationship of the roads to other development activities in the area.

Major Outputs:

(miles: cumulative as of end of FY)	FY 78	FY 79	FY 80
Unsurfaced roads	75	250	425
Surfaced roads	75	250	425
Upgraded roads	50	100	150

Host Country and Other Donors: ($000 equivalent)

Host Country	Construction	2,660
	Land	1,000
	Supervision	200

FY 1978 Program: $8,200,000 is requested to finance 75% of construction costs of roads on a fixed cost amount reimbursable basis. Road feasibility studies and consultants are financed under the Project Development Grant.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Road consultants (216 pm each year)	1,400	2,820
A.I.D. consultants (36 pm each year)	300	600
Road construction	6,000	42,000
Bridge and water connections	500	1,000
Total	8,200	46,420

Country: BANGLADESH

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Foodgrain Protection	Food and Nutrition	FY 78 3,200		
NUMBER 388-0033 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Goal: To achieve foodgrain self-sufficiency in Bangladesh.

Purpose: To improve the foodgrain protection and storage system for public sector distribution and to reduce foodgrain losses.

Background: The Government of Bangladesh has increased its foodgrain storage capacity to about one million metric tons. As storage increases, so do the problems of stock protection and management, especially during the damp monsoon season. This project will concentrate on reducing foodgrain losses and deterioration due to infestation, water damage, humidity, and pests, by providing needed pesticides and commodities necessary for rehabilitation of old or limited construction of new facilities, as well as by training managers of government storage facilities in appropriate stock management and rotation practices. In the meantime, the U.S.,working in conjunction with other donors and the Government of Bangladesh, will review the longer run questions of location and total amounts of storage required, size of reserve stocks and domestic grain production.

Major Outputs:	FY 78	FY 79	FY 80
(Millions of metric tons: cumulative as of end of FY)			
Foodgrains fumigated	1.0	2.0	3.0
Storage facilities rehabilitated and constructed capacity	-	.05	.1

Host Country and Other Donors:

Host Country	Equivalent of $1,330,000 in FY 1977 for rehabilitation, $2,150,000 in FY 1978 for counterpart services and local costs
Australia, Denmark	Foodgrain warehouse construction, 10,000 and 25,000 metric ton capacities, respectively
Canada, United Kingdom	Construction and rehabilitation proposals, respectively, under consideration
United Nations Development Program, Food and Agriculture Organization	Center and program to train 3,000 to 5,000 personnel in foodgrain management

FY 1978 Program: $3,200,000 is requested for (1) fumigants and equipment; (2) technical assistance in pest control, storage practices and warehouse maintenance; and (3) rehabilitation or construction of warehouses.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Consultants (96 pm)	450	900
Fumigants	276	552
Equipment and vehicles	324	648
Rehabilitation and construction of 100,000 metric tons of storage space	2,150	4,300
Total	3,200	6,400

Country: BANGLADESH

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Malaria Control	Health	FY 78 5,000		
NUMBER 388-0034 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1984

Goal: To reduce the rate of incidence of malaria to five cases per 10,000 nationwide.

Purpose: To bring malaria under control in high risk areas of Bangladesh, reducing the incidence to less than one case per thousand in these areas.

Background: Malaria is effectively under control in most of Bangladesh. Exceptions are Sylhet and the Chittagong Hill areas which have a population of about 7,800,000. If the recent expansion of malaria in these more remote areas is not checked, malaria will spread to the low endemic areas and result in the need for a costly nationwide malaria control program. A.I.D. is considering an emergency grant to provide essential commodities in FY 1977. For the longer term, A.I.D. is working with the Bangladesh Government and the World Health Organization to develop a program to control malaria in the Sylhet and Chittagong areas, beginning in FY 1978.

Major Outputs:	FY 78	All Years
Houses sprayed	1,500,000	1,500,000 annually
Population protected by spraying	6,000,000	6,000,000 annually
Antimalarial drugs for population	x	x

Host Country and Other Donors: ($000 equivalent)

Host Country	5,800 in FY 1977 and 6,100 in FY 1978 for local costs
World Health Organization	55 in FY 1977 and 44 in FY 1978 for staff, training and commodity costs

FY 1978 Program: $5,000,000 is requested to finance consultants, training, pesticides and antimalarial drugs.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Advisor, full-time, and consultants (53 pm)	130	530
Training, short-term (60 pm)	15	60
Commodities	4,720	7,355
Contingency	135	615
Total	5,000	8,560

Country: BANGLADESH

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Technical Resources	Selected Development Activities	FY 78 814		
NUMBER 388-0027 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: To improve the standard of living in the rural sector.

Purpose: To establish within selected Bangladesh Government agencies the capability to perform policy analyses, program planning, and project design, management and evaluation.

Background: The government of newly independent Bangladesh was faced with staggering and immediate emergency needs. In focusing its efforts on these in the short-term, the Bangladesh Government has not had the opportunity to develop long range policy and planning bodies within its Ministries to give guidance for the selection of choices that would lead to a coordinated development program. The government presently lacks skill and experience in project design, implementation and evaluation. This project will establish those capabilities in several key Bangladesh Government agencies such as the Ministry of Rural Development and the Food Ministry by providing selected technical assistance, detailed analysis of development problems in sectors of major importance, e.g., agriculture and health, and assistance in program development. This capability should enable the Government of Bangladesh to select policy alternatives and design development programs which effectively address the problems of the rural poor.

Major Outputs:	FY 78	All Years
	(Cumulative as of end of FY)	
Studies, technical assistance and related training, carried out in up to five policy and management areas for Bangladesh Government agencies	3	5

Host Country and Other Donors:

Host Country	$356,000 equivalent for consultants, training, and contingency and inflation costs
World Bank	Technical assistance for the Ministry of Agriculture to set up a planning unit
World Health Organization	Planning advisor for the Ministry of Health
United Nations Development Program	Assistance to develop disaster relief plans under consideration

FY 1978 Program: $814,000 is requested to finance consultant services and training, equipment and contingency costs.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Consultants (57 pm)	570	1,110
Training	164	326
Long-term (120 pm)		
Short-term (40 pm)		
Equipment for disaster preparedness	80	575
Contingency and inflation	-	201
Total	814	2,212

Country: BANGLADESH

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Project Development Grant II	Selected Development Activities	FY 78 2,000		
NUMBER 388-0036 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Goal: To increase income, standards of living and agricultural production in rural areas, through the implementation of selected development projects.

Purpose: To identify, analyze and prepare for implementation high priority development projects in agriculture, rural development and closely related areas.

Background: Information necessary for identification, design and assessment of Bangladesh project activities in many priority development sectors is currently insufficient. This problem was recognized by A.I.D. and the Government of Bangladesh and addressed in the FY 1976 Project Development Grant I for $3,000,000, which will support a rural roads study and studies on water and related land resources; foodgrain storage and transportation; and tubewell and lowlift pump operation and maintenance. A second series of design studies in areas broader than agriculture and rural development is now needed. These studies will provide the basis for capital projects ready for funding by the United States or other donors in FY 1978. This project will be complemented by efforts in the Technical Resources project aimed at improving the Bangladesh Government's own capacity for planning, analysis and design.

Major Outputs:	FY 78	All Years
	(Cumulative as of end of FY)	
Feasibility studies completed	2	4

Host Country and Other Donors:

Host Country	Counterpart personnel for project implementation
World Bank, Asian Development Bank	Feasibility studies for projects they may undertake

FY 1978 Program: $2,000,000 is requested to finance consultants to perform feasibility studies.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Consultants (200 pm)	2,000

Bangladesh

(U.S. Fiscal Years – Millions of Dollars)

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS 1973	1974	1975	1976	TQ	TOTAL 1946-1976†	REPAYMENTS AND INTEREST 1946-1976†	TOTAL LESS REPAYMENTS AND INTEREST
I. ECONOMIC ASSISTANCE – TOTAL	161.1	79.8	303.8	208.9	9.6			
Loans	-	73.2	297.3	203.5	5.9			
Grants	161.1	6.6	6.5	5.3	3.6			
a. A.I.D. and Predecessor Agencies	101.7	28.9	62.0	26.6	9.6			
Loans	-	25.0	60.0	22.8	5.9			
Grants	101.7	3.9	2.0	3.7	3.6			
(Security Supporting Assistance)	(-)	(-)	(-)	(-)	(-)			
b. Food for Peace (PL 480)	59.4	50.9	241.8	182.3	-	Not available at time of printing		
Loans	-	48.2	237.3	180.7	-			
Grants	59.4	2.7	4.5	1.6	-			
Title I - Total Sales Agreements	-	48.2	237.3	180.7	-			
Repayable in U.S. Dollars - Loans	-	48.2	237.3	180.7	-			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	59.4	2.7	4.5	1.6 a/	-			
Emerg. Relief, Econ. Develop. & World Food Program	59.4	2.7	4.5	1.6	-			
Voluntary Relief Agencies	-	-	-	-	-			
c. Other Economic Assistance	-	-	-	-	-			
Loans	-	-	-	-	-			
Grants	-	-	-	-	-			
Peace Corps	-	-	-	-	-			
Other	-	-	-	-	-			
II. MILITARY ASSISTANCE – TOTAL								
Credits or Loans								
Grants								
a. MAP Grants								
b. Credit Sales under FMS								
c. Military Assistance Service-Funded (MASF) Grants								
d. Transfers from Excess Stocks								
e. Other Grants								
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE								
Loans								
Grants								
Other U.S. Government Loans and Grants	-	-	3.3	-	-			
a. Export-Import Bank Loans	-	-	3.3	-	-			
b. All Other Loans	-	-	-	-	NA			

NO MILITARY PROGRAMS

(Millions of Dollars) TABLE VI

ECONOMIC PROGRAMS OF OTHER DONORS

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1975	FY 1976	TQ	FY 1946-76†
TOTAL	328.8	210.5	-	881.7
IBRD	54.9	*	-	54.9
IDA	181.0	187.1	-	652.3
ADB	82.1	21.6	-	136.8
UNDP	1.4	1.8	-	5.4
Other UN	9.4	-	-	32.3

B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS

Donor	CY 1974	CY 1976	CY 1969-75
1. D.A.C. COUNTRIES (Excluding U.S.)			
TOTAL	241.7	409.0	951.1
Japan	21.3	129.6	197.2
Canada	48.6	64.4	194.2
Germany	55.2	69.6	189.4
Sweden	19.2	29.1	85.8
Australia	31.9	16.2	63.2
U.K.	15.1	31.8	59.7
Netherlands	18.2	26.7	55.5
Other	32.2	41.6	106.1
2. O.P.E.C. COUNTRIES (COMMITMENTS)			
TOTAL	117.9	58.7	
Iran	-	12.5	
Iraq	54.0	6.1	
Kuwait	0.7	30.0	
UAE	60.7	10.1	
Other	2.5	-	

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1975	CY 1976 P	CY 1954-76
TOTAL	56	-	413
USSR	46	-	300
Eastern Europe	10	-	102
China	-	-	11

*Less than $50,000. TQ - Transition Quarter † - As of September 30, 1976. P-Preliminary. UAE-United Arab Emirates. Note: A.I.D. includes capitalized interest on prior year loans. NA-Not Available.
a/Includes the transition quarter.

Bangladesh

GENERAL ECONOMIC AND SOCIAL DATA

TABLE VII

POPULATION			
Total (mid-1976; millions)			81.1
Annual Growth Rate (percent)			2.7%
Urbanization	1960	1975	
Percent in Urban Areas	5%	7%	
Labor Force in Agriculture (percent)			78%

HEALTH	
Life Expectancy (years)	47
Infant Deaths per 1,000 Live Births	130
People per Doctor	9,350

EDUCATION			
Primary and Secondary Students	1960	1973	
a. Number (in thousands)	3,871	10,015	
b. As Percent 5-19 Age Group	20%	32%	
Literacy Rate (percent)			25%

PER CAPITA GROSS NATIONAL PRODUCT	
1974 (dollars)[1]	100
Average 1965-74 Annual Growth Rate (percent)[2]	-1.9%

AGRICULTURAL PRODUCTION—Average 1971-76 Annual Growth Rate	
Total Production (percent)	4.6%
Per Capita Production (percent)	2.0%

INTERNATIONAL COMMODITY TRADE ($ millions)	1974	1975
Exports (f.o.b.)	347	326
Imports (c.i.f.)	-1,097	-1,271
Trade Balance	-750	-945

Main Exports: Jute and jute goods.

OFFICIAL INTERNATIONAL RESERVES	1974	1975	1976
(Gross Holdings; End of Period; $ millions)	138	148	282(Nov)

CENTRAL GOVERNMENT FINANCES ($ millions)[3] (FY Beginning July 1)	1974 E	1975 E
Total Expenditures	718	1,053
Defense Expenditures		
a. As % of Total Expenditures	6.7%	9.4%
b. As % of GNP	1.1%	1.7%
Domestic Revenues	405	549

FY 1975 U.S. ECONOMIC ASSISTANCE	
a. As % of Country Central Government Expenditures	30%
b. As % of Country Imports of Goods & Services	25%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT as % of Goods and Non-Factor Services (1974)	n.a.

NOTE: Where year is not stated, data are latest information available.

[1] Estimate in IBRD 1976 Annual Report. Reflects a new computation based on GNP in average 1973-75 domestic prices converted to U.S. dollars at average 1973-75 exchange rates and adjusted by the ratio of 1974 U.S. prices to average 1973-75 U.S. prices.

[2] Estimate in the IBRD 1976 World Atlas.

[3] Converted to U.S. dollars at 1975 exchange rate. Data are in current prices and reflect the impact of inflation.

E - Estimate.

n.a. - Not available.

Indonesia

KEY DATA

Population *(millions - mid-1976)*	142.4
Annual Growth Rate *(percent)*	2.0
Population in Urban Areas *(Percent - 1975)*	19
Labor Force in Agriculture *(Percent)*	62
Per Capita GNP *(dollars - 1974)*	170*
Life Expectancy *(years)*	48
People Per Doctor	25,800
Literacy Rate *(percent)*	60
Students as % of 5 - 19 Age Group *(Primary and Secondary)*	30

* - Estimate in IBRD 1976 Annual Report.

INDONESIA

Table of Contents

		Page
Development Assistance Program Summary		42
Table II -	Summary of Active and Proposed Projects	50
Table III -	Summary of Loan Authorizations Estimated FY 1977 - Proposed FY 1978	52
Table IV -	Continuing Activity	53
	Voluntary Agency Co-Financing	53
	Kabupaten Planning and Management	54
	Northern Sumatra Regional Planning	55
	Provincial Area Development Program	56
	Agriculture Development, Planning and Administration	57
	Rural Electrification	58
Table V -	New Activity	59
	Sederhana (Simple) Irrigation II	59
	Sumatra Agricultural Research	60
	Family Planning Development and Services	61
	Oral Contraceptives	62
	Health Training Research and Development	63
	Professional Resources Development	64
	Appropriate and Low-Cost Technology	65
Table VI -	Summary of Total Foreign Assistance	66
Table VII -	Summary of Economic and Social Data	67

INDONESIA

Indonesia remains a moderate and responsible voice in post-war Southeast Asia. The principal U.S. interest in Indonesia is to maintain a stable political and economic climate in a country which, because of its geographic location and large population, is a key to the stability of Southeast Asia:

-- The United States also has a strong interest in preserving access to Indonesia's important raw materials;

-- Indonesia is a reliable supplier of oil to the United States and a moderating influence in the Organization of Petroleum Exporting Countries (OPEC).

Socio-Economic Setting

By all socio-economic indicators, Indonesia has serious development problems for which there are no easy solutions. The following indicators demonstrate its current difficulties:

-- Its per capita GNP is $170.

-- More than one-half of Indonesians (70 million people) subsist on less than $100 per year, a level insufficient to provide an adequate diet and minimal social needs.

-- Health standards are extremely poor:

** Potable water is available to only 1% of the rural population.

** 50% mortality exists among pre-school children.

-- Educational facilities and trained manpower are grossly inadequate:

** United States and World Bank analyses indicate that Indonesia has a serious shortage of trained manpower, especially at middle and upper levels, e.g., there are less than 300 Ph.D. degrees in a country of 140 million people

PROGRAM SUMMARY
(In thousands of dollars)

FISCAL YEAR	Total	Food and Nutrition	Population Planning and Health		Education and Human Resources Development	Selected Development Activities	Other Programs
1976							
Loans	38,500	26,700	6,800		5,000	-	-
Grants	11,000	1,200	8,100		1,700	-	-
Total	49,500	27,900	14,900		6,700	-	-
Transition Quarter							
Loans	14,100	-	14,100		-	-	-
Grants	704	180	174		200	-	150
Total	14,804	180	14,274		200	-	150
1977							
Loans	32,700	26,700	-		6,000	-	-
Grants	10,465	5,160	3,405		1,900	-	-
Total	43,165	31,860	3,405		7,900	-	-
			Population Planning	Health			
1978							
Loans	45,000	32,000	8,000	-	5,000	-	-
Grants	12,200	6,150	3,400	600	1,500	550	-
Total	57,200	38,150	11,400	600	6,500	550	-

** Gajha Mada University in Central Java has an enrollment of 16,000 students, but only 33 members of the faculty have Ph.D. degrees.

** About 65% of children ages 14 to 19 do not attend school.

** The national illiteracy rate is 40%.

-- Per capita consumption of electricity is 25 kwh (compared with 430 kwh in Korea).

Oil income has not matched predictions. The worldwide recession, reduced exports, and rising prices of Indonesian imports and national resources exploration have cut deeply into its oil profits:

-- Net per capita benefits from oil for 1973 to 1976 amount to $20 per year but less than approximately $14 per year in real income.

-- Indonesia produces only about 5.0% of the OPEC countries' total oil production, but has around 45% of the total population of the OPEC countries.

** Increased oil revenues in 1976 have been almost entirely offset by increased costs of food imports in a serious drought year.

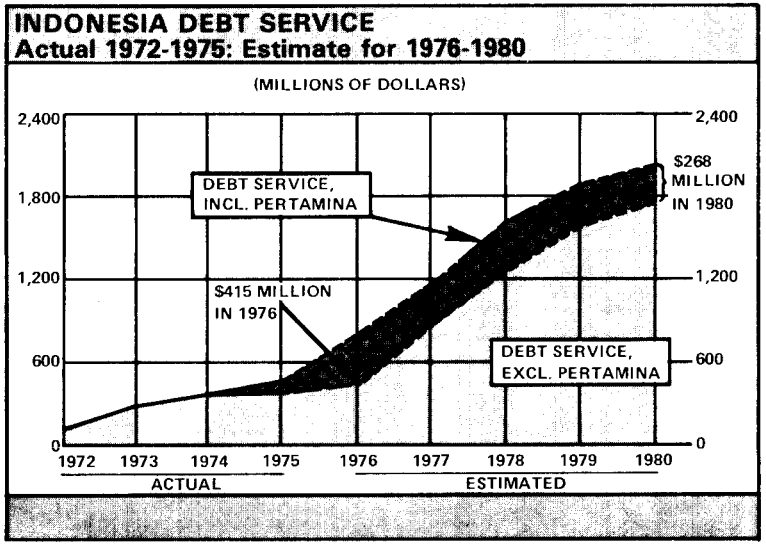
Indonesia's decision in March 1975 to assume the debts of the national oil company, Pertamina, has affected its economy and development policies at least through 1980:

-- The Government assumed an increase of $268 to $415 million in public debt payments per year. Tanker contract payments are yet to be determined:

** Debt payment burden is rising rapidly to a projected $2.0 billion per year by 1980 or a debt service ratio of 20%, the maximum allowable consistent with maintaining creditworthiness among international lending institutions.

** The World Bank estimates that the net inflow of foreign exchange will drop from nearly $2.0 billion in 1976 to less than $250 million per year in 1978-79.

-- The large increase in debt service obligations is sharply limiting opportunities for borrowing on commercial terms.



Food and Population

Indonesia is a chronic food deficit country. Despite an active family planning program, food production has not kept pace with the growing population and the need for better nutritional standards.

-- Family planning efforts initiated in 1969 have focused on Java and Bali:

** Over 20% of fertile couples on Java and Bali have accepted family planning. This has helped reduce the population growth rate in Indonesia from 2.6% to 2.0% during the past ten years.

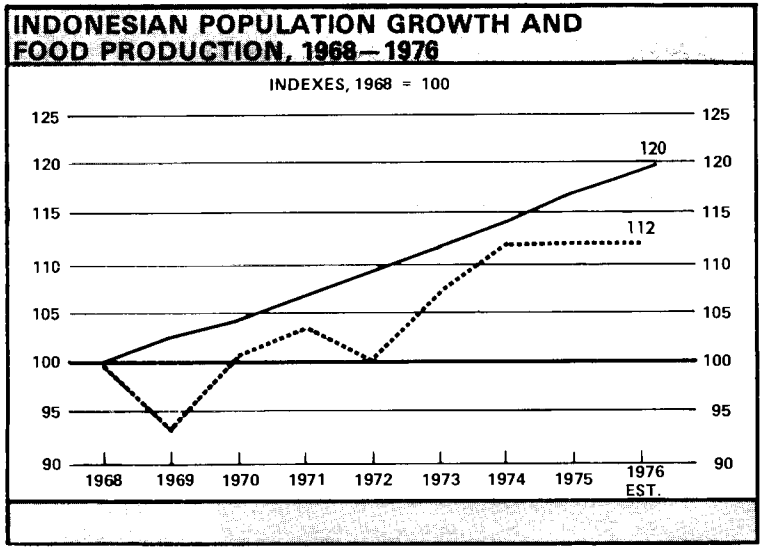
** Despite its success in voluntary family planning, Indonesia's population will increase by nearly 50% by the year 2000 (from 140 million

to over 200 million), raising the population of Java, an island the size of Mississippi, to 130 million people.

To keep pace with its population growth, Indonesia has set ambitious targets in food production; i.e., a 4.6% annual growth rate to be achieved before 1980:

-- Production of rice, Indonesia's major food crop, has increased by an average of 4.0% over the past ten years.

-- Despite production advances, Indonesia must import roughly 500,000 mt of rice in good years and as much as 1.7 million mt of rice during drought years, to provide minimal caloric levels.



Objectives of U.S. Assistance

The aim is to support Indonesia to achieve its social and economic goals in its Five-Year Plan:

-- Its second Five-Year Plan (1974 to 1979) assigns highest priority to employment creation, equitable distribution of the benefits of development, agriculture production, regional growth, improved health care, and education.

-- Indonesia recognizes that its institutional capabilities are inadequate to plan and implement programs needed to reach the poorer segments of its population.

** It has traditionally carried out large capital activities primarily in urban areas.

-- The U.S. aid seeks to redress this imbalance by addressing the major development constraints of limited trained manpower and administrative deficiencies, especially in relation to the predominant rural sector.

FY 1978 Program

The major constraint to achievement of Indonesian development targets is the lack of trained manpower and limited governmental administrative capacity:

-- Prior to oil price increases, U.S. assistance focused primarily on needed capital transfers. By contrast, it now addresses the need for training and institutional development, with particular emphasis on rural development, agricultural production, and family planning.

-- The funding needed to follow through on these activities is substantial and requires increased allocations from both domestic and external sources.

Food and Nutrition

The Government of Indonesia has established national goals for the economic and social betterment of the rural

community.

-- Its agricultural production goals are based on maximum participation of the rural poor in productivity increases:

** Steps that are being taken to improve production, nutrition, and incomes of the rural poor include basically farmer credit and techncial services and production inputs, and other programs designed to stimulate regional development.

** National Rice Intensification Programs designed to introduce new technology and expand utilization of high-yielding varieties have doubled the land area in higher technology rice production since 1969.

-- To reduce seasonal rice price fluctuations, the targeted government rice buffer stock storage capacity of one million metric tons (6.0% of annual consumption) is scheduled for completion in 1977.

The A.I.D. program level for FY 1978 is $38.2 million for Food and Nutrition to support Indonesia's efforts to achieve its objectives in agriculture and rural development:

-- As a direct result of the agricultural research project, two upland and three high elevation rice varieties were produced which are widely used today.

-- Graduate programs in agriculture at two major universities will have the capacity of awarding at least 100 graduate degrees annually by 1981.

-- Four-year bachelor degree programs graduating 600 students yearly by 1981 are being developed at six satellite institutions.

-- Projects in local and provincial development and agricultural development administration are proposed.

-- A new initiative in Sumatra is an agricultural research program to develop agricultural methods and new seeds for local farming conditions.

-- A major activity to expand simple, labor intensive irrigation activities for small farmers promises milled rice yields of 3,569 mt compared to 1,887 mt for each one million dollars of investment.

In an effort to increase and improve local-level development activities, A.I.D. is contributing grant support through the Co-Financing Project to U.S. voluntary agencies for small-scale rural development activities. Costs are shared among A.I.D., the voluntary agencies, and the local government.

Population Planning

Indonesia's goal is to reduce the crude birth rate by 50% by the year 2000. It plans to achieve its target by:

-- Maintaining a strong political and economic commitment to the population program by:

** providing about 40% of its own resources toward total program costs;

** introducing services into the public health clinics;

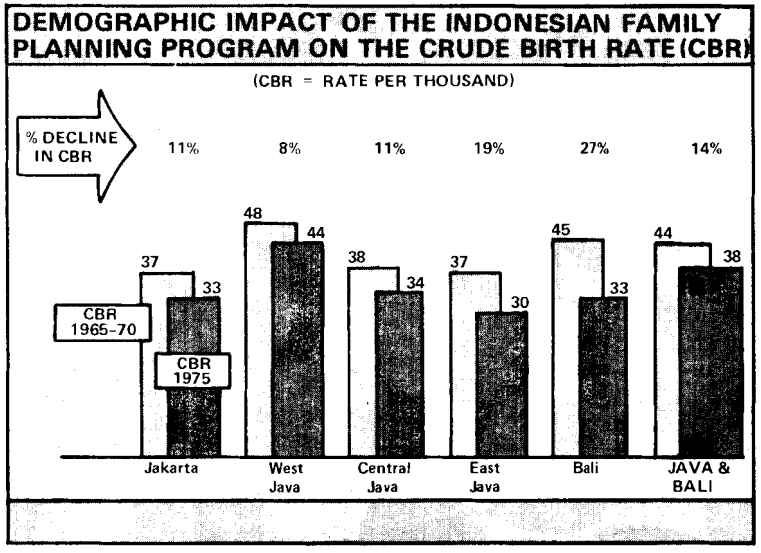
** building a viable national administrative system which involves government leaders at all levels.

U.S. efforts to help Indonesia in family planning have been instrumental in achieving the program's successes. Since

the family planning program began in 1968, a 12% to 14% reduction in fertility has been achieved on Java and Bali, where two-thirds of the population is located:

-- Over 20% Of the women of child-bearing age are now practicing contraception.

-- Original efforts were concentrated in East Java where the infant mortality rate is extremely high - 100 to 120 per 1,000 live births.



-- Indonesia is planning to develop its own capacity to produce contraceptives locally and is requesting $8.0 million in FY 1978 loan funds to bridge its transition to self sufficiency.

-- The key to the success in family planning has been the flexible Indonesian and U.S. collaborative administration of the program which permitted pragmatic responses to emerging opportunities.

A.I.D. is requesting $11,400,000 in FY 1978 for contraceptives, training and expansion of family planning services.

Health

Indonesia's aim is to raise the general health of its population by intensifying the fight against infectious and parasitic diseases, including malaria.

-- It is increasing the number of health centers 34% by 1977 (one in each district) to broaden its attack on malaria and other infectious and parasitic diseases.

-- Indonesia is training sanitarian technicians (from 1,110 in 1976 to 3,500 in 1979) in recognition of the severe shortage of public health manpower.

-- A malaria control effort is stemming the resurgence of the disease which grew from 10,000 cases in 1965 to over 280,000 in 1973.

-- A current spraying target of 5.5 million houses for 1976/77, an increase of 206% over the 1975/76 accomplishment, is considered reasonable.

A.I.D. is requesting a total of $600,000 in FY 1978 to assist Indonesia with technical assistance in health and with operational research activities.

Education and Human Resources Development

The lack of sufficient trained manpower is a key constraint to development in Indonesia. The Five-Year Plan, which stresses social and equity goals, proposes to upgrade the country's total educational structure and to spread the benefits of education to all of its people. Indonesian goals in education over the next four to five years can be characterized as follows:

-- Primary education for students is increasing from

nine million in 1960 to a projected 20 million by 1980. Secondary education has had an even greater proportional increase.

-- The education budget increased from $21.4 million in 1970/71 to $343 million in 1976/77.

-- The number of elementary school books is expected to increase by 179 million copies and secondary books by 45 million copies by 1979.

-- School plant capacity is being expanded to handle an additional 7.3 million elementary students (85% of school age) between 1973/78.

-- Six hundred and fifty (650) new, two-shift secondary schools are being built and over 2,000 buildings are under renovation to increase capacity by 800,000 students to a level of 3.2 million secondary school children by 1978.

-- An increase in the number of teachers from 1973 to 1978 is planned as follows: primary, 425,000 to 525,000, lower secondary, 90,000 to 105,000 and upper secondary from 52,000 to 59,000.

Indonesia launched the first communications satellite owned by a Southeast Asia nation, from Cape Canaveral in July 1976. This will help meet the need for improved communication and education capability in a country where population centers are separated by water and rugged terrain on a number of islands.

Indonesia has had a long history of programs to improve its manpower capability. The United States has been an important part of this effort:

-- Over the past two decades 5,693 Indonesians have completed A.I.D.-sponsored degree training in the United States of whom only 31 have failed to return to Indonesia.

-- Returning participants have assumed important positions of leadership; e.g., five are cabinet ministers, 45 are ranking central government officials and 16 are rectors among the 40 state universities and colleges.

-- The United States has educated about 75 of the 272 people holding Ph.D degrees in Indonesia. This indirect approach to reach the poor aims at a multiplier effect. It seeks to strike a balance in education that will provide quick payoffs by training the trainers.

Also a non-formal education project seeks to reach adults and children who are out of the formal education system to recoup a loss of manpower needed for development:

-- Informal techniques allied with flexible teaching methods, and more effective coordination nationwide are being investigated.

A loan for $5.0 million and a grant for $1.5 million are requested to create a significant pool of self-sufficient professionals to work in priority development areas where the need is great:

-- Six hundred and fifty (650) degree courses primarily at the Master's level and 2,000 non-degree courses will be provided.

-- Close institutional ties between selected U.S. land grant universities and Indonesian counterpart agricultural faculties will be established.

Selected Development Activities

Indonesia has begun programs to adapt and utilize modern technology for development. The United States is providing $550,000 in grant funds to support its efforts in this area.

-- It became the first Southeast Asian nation with its own communications satellite system.

-- Several Indonesian institutions have active research projects in appropriate technology.

ADDITIONAL PROGRAM DATA

Category	FY 1976 (Actual)	FY 1977 (Estimated)	FY 1978 (Proposed)
A.I.D. Personnel[a]			
Direct Hire[b]	50	64	66
PASA[c]	-	-	1
Contract	11	103	119
Total	61	167	186
Participants[d]			
Noncontract	271	364	192
Contract	107	334	674
Total	378	698	866

[a] *U.S. nationals on duty at the end of the fiscal year.*
[b] *FY 1977 and FY 1978 levels authorized as of Nov. 30, 1976.*
[c] *Participating agency technicians.*
[d] *Programmed during the fiscal year.*

P.L. 480 Programs

Title I

Indonesia is a chronic food-deficit country. P.L. 480 imports serve a number of objectives in addition to releiving food shortages:

-- P.L. 480, Title I, lending reduces the balance of payments burden caused by large food import requirements (Indonesia, now the world's largest importer of rice, imports six to nine percent of its annual consumption requirements.).

P.L. 480 PROGRAMS SUMMARY
(In 000MT/$000)

Program	FY 1976* (Actual)		FY 1977 (Estimated)		FY 1978 (Projected)	
	MT	$	MT	$	MT	$
Title I						
Wheat	97	15,339	255	31,600	175	20,700
Rice	180	42,844	350	87,900	250	66,700
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	31	34,135	-	-	-	-
Title I Total		92,318		119,500		87,400
Title II						
Voluntary Agencies		3,495		3,634		2,484
World Food Programs		2,643		1,799		785
Gov't.-to-Gov't.		-		-		-
Title II Total		6,138		5,433		3,269
Total P.L. 480		98,456		124,933		90,669

**Includes Transition Quarter.*

-- Sales proceeds from Title I food shipments channel increased local currency into the development budget.

-- The P.L. 480 program provides an outlet for excess U.S. agriculture production, as well as market development opportunities, thus serving the interests of both Indonesia and the United States.

The P.L. 480 Title I request for FY 1978 is $87.4 million for 175,000 mt of wheat and 250,000 mt of rice:

-- This amount is relatively small but is an important element of Indonesia's food and import requirements.

** P.L. 480 Title I represents ten percent of Indonesia's food imports.

-- All local currency sales proceeds are deposited in the Indonesian development budget.

-- Indonesia is making good progress in promoting increased agricultural production, with rice production over the past decade growing at almost twice the annual rate of population growth.

-- Nevertheless, it is projected that demand will continue to increase more rapidly than production, assuming continued growth in per capita incomes.

** Consumption is currently estimated at 20 percent below nutritional requirements.

** Growing numbers of landless and unemployed will create distribution problems in efforts to reach the most needy with improved nutrition.

Title II

Proposed funding for P.L. 480, Title II, in FY 1978 is $3.2 million:

-- $2.4 million is for voluntary agency nutrition programs serving the most needy.

-- $785,000 is for the U.S. share of World Food Program projects in Indonesia.

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1976* (Actual)	FY 1977 (Estimated)	FY 1978 (Estimated)
A.I.D.**			
Loans	52,600	32,700	45,000
Grants	11,704	10,465	12,200
Total A.I.D.	64,304	43,165	57,200
P.L. 480***			
Title I	92,318	119,500	87,400
Title II	6,138	5,433	3,269
Total P.L. 480	98,456	124,933	90,669
Total A.I.D. and P.L. 480	162,760	168,098	147,869

*Includes Transition Quarter.
**A.I.D. levels represent actual and estimated expenditures.
***P.L. 480 levels represent actual and estimated value of shipments.

COUNTRY: INDONESIA

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

TABLE II

Project Title	*	Project Number	FY of Initial Obligation Date of Loan Authorization	Grant: Through 9/30/76 Obligations	Grant: Through 9/30/76 Expenditures	Grant: Estimated FY77 Obligations	Grant: Estimated FY77 Expenditures	Grant: Proposed FY78 Obligations	Grant: Proposed FY78 Expenditures	Grant: Future Year Obligations	Loan**: Through 9/30/76 Amount Authorized	Loan**: Through 9/30/76 Amount Disbursed	Loan**: Through 9/30/76 Principal Repayments	Loan**: Through 9/30/76 Interest Collected	Loan**: Estimated FY 77 Authorization	Loan**: Estimated FY 77 Expenditures	Loan**: Proposed FY 78 Authorization	Loan**: Proposed FY 78 Expenditures
Food and Nutrition																		
Assistance to Agriculture		497-0189	1969	2,244	1,905	570	250	-	250	-	-	-	-	-	-	-	-	-
Agricultural Research		497-0198	1971	1,262	1,157	1,000	285	-	324	-	-	-	-	-	-	-	-	-
Voluntary Agency Co-Financing	*	497-0225	1974	638	440	362	350	250	200	750	-	-	-	-	-	-	-	-
Brackish Water Fishery Production		497-0236	1977	-	-	217	80	-	137	-	-	-	-	-	-	-	-	-
Kabupaten Planning and Management	*	497-0237	1977	-	-	220	150	250	203	-	-	-	-	-	-	-	-	-
Area Development Project Planning		497-0238	1975	316	122	81	375	-	-	-	-	-	-	-	-	-	-	-
Northern Sumatra Regional Planning	*	497-0246	1977	-	-	360	200	1,200	450	-	-	-	-	-	-	-	-	-
Sederhana (Simple) Irrigation II	*	497-0252	1978	-	-	-	-	-	-	-	-	-	-	-	-	-	25,000	1,250
Sumatra Agricultural Research	*	497-0263	1978	-	-	-	-	1,800	120	-	-	-	-	-	-	-	7,000	350
Provincial Area Development Program	*	497-0264	1977	-	-	600	200	800	600	600	-	-	-	-	5,200	260	-	1,400
Agriculture Development, Planning and Administration	*	497-0265	1977	-	-	750	500	600	750	1,150	-	-	-	-	2,500	125	-	675
Rural Electrification	*	497-0267	1977	-	-	1,000	600	1,250	800	1,000	-	-	-	-	19,000	850	-	4,600
Rural Works		497-0240	6/74	-	-	-	-	-	-	-	6,800	163	-	1	-	1,000	-	1,300
Aceh Road Betterment		497-0241	6/74	-	-	-	-	-	-	-	10,300	71	-	-	-	800	-	2,300
Sederhana Irrigation and Land Development I		497-0242	2/75	-	-	-	-	-	-	-	23,700	-	-	-	-	5,500	-	9,500
Luwu Area and Transmigration Development		497-0244	6/75	-	-	-	-	-	-	-	15,000	1	-	-	-	2,300	-	3,900
Citanduy Basin Development		497-0245	12/75	-	-	-	-	-	-	-	12,500	-	-	-	-	500	-	3,700
Technical Assistance/Consulting Services		497-0249	12/75	-	-	-	-	-	-	-	5,000	-	-	-	-	1,000	-	2,700
Agriculture Education for Development		497-0260	3/76	-	-	-	-	-	-	-	5,500	-	-	-	-	1,200	-	1,200
Population Planning																		
Family Planning Assistance Services		497-0188	1968	32,291	24,211	2,905	2,155	-	2,000	-	7,300	-	-	-	-	100	-	4,000
Family Planning Development and Services	*	497-0270	1978	-	-	-	-	3,400	900	13,600	-	-	-	-	-	-	-	-
Oral Contraceptives	*	497-0271	1978	-	-	-	-	-	-	-	-	-	-	-	-	-	8,000	-
Health																		
Health Research and Development		497-0230	1975	373	177	500	289	-	133	-	-	-	-	-	-	-	-	-
Health Training, Research, and Development	*	497-0273	1978	-	-	-	-	600	160	2,400	-	-	-	-	-	-	-	-
Malaria Control		497-0239	6/74	-	-	-	-	-	-	-	24,700	8,547	-	43	-	6,300	-	6,600
Rural Sanitation Manpower Development		497-0247	6/74	-	-	-	-	-	-	-	6,800	-	-	-	-	1,170	-	1,500
Surakarta Potable Water		497-0262	9/76	-	-	-	-	-	-	-	6,800	-	-	-	-	200	-	4,800

*Detailed project narrative—See Table IV or V.

**Loan terms: repayment period varies from 20-40 years, 10 years grace; interest 2% during grace, 3% amortization; repayable in U.S. dollars. Loans repayable in less than 40 years are noted.

COUNTRY: INDONESIA

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

Continuation Sheet

Project Title	*	Project Number	FY of Initial Obligation/Date of Loan Authorization	Grant: Through 9/30/76 Obligations	Grant: Through 9/30/76 Expenditures	Grant: Estimated FY77 Obligations	Grant: Estimated FY77 Expenditures	Grant: Proposed FY78 Obligations	Grant: Proposed FY78 Expenditures	Grant: Future Year Obligations	Loan**: Through 9/30/76 Amount Authorized	Loan**: Through 9/30/76 Amount Disbursed	Loan**: Through 9/30/76 Principal Repayments	Loan**: Through 9/30/76 Interest Collected	Loan**: Estimated FY 77 Authorization	Loan**: Estimated FY 77 Expenditures	Loan**: Proposed FY 78 Authorization	Loan**: Proposed FY 78 Expenditures
Education and Human Resources Development																		
General Participant Training		497-0183	1967	10,322	9,718	1,800	922	-	1,317	-	-	-	-	-	-	-	-	-
Agricultural Higher Education		497-0190	1969	7,392	7,314	-	78	-	-	-	-	-	-	-	-	-	-	-
Educational Finance		497-0229	1975	290	56	100	230	-	104	-	-	-	-	-	-	-	-	-
Non-Formal Education		497-0234	1975	750	150	-	600	-	-	-	-	-	-	-	-	-	-	-
Professional Resources Development	*	497-0275	1978	-	-	-	-	1,500	470	-	-	-	-	-	-	-	5,000	100
Higher Education Development Training		497-0248	6/76	-	-	-	-	-	-	-	5,000	-	-	-	-	500	-	1,500
Manpower Development Training		497-0261	1977	-	-	-	-	-	-	-	-	-	-	-	6,000	100	-	1,500
Selected Development Activities																		
Appropriate and Low-Cost Technology	*	497-0268	1978	-	-	-	-	550	186	-	-	-	-	-	-	-	-	-
Central Java Electric Power		497-0200	4/70	-	-	-	-	-	-	-	27,401	24,610	-	713	-	2,400	-	-
Medan Electric Power		497-0201	6/70	-	-	-	-	-	-	-	13,775	12,396	-	309	-	1,379	-	-
Semarang Steam Power Station		497-0204	6/71	-	-	-	-	-	-	-	19,700	15,553	-	174	-	1,500	-	1,000
Ketenger Power Transmission and Distribution		497-0213	6/71	-	-	-	-	-	-	-	21,000	16,403	-	291	-	3,600	-	997
Project Development		497-0224	7/71	-	-	-	-	-	-	-	4,600	3,096	-	43	-	1,400	-	-
West Java Transmission and Distribution, Phase I		497-0215	6/72	-	-	-	-	-	-	-	17,200	929	-	18	-	3,600	-	10,500
West Java Interim Generation		497-0231	2/73	-	-	-	-	-	-	-	5,716	5,680	-	113	-	36	-	-
Jagorawi Highway Construction		497-0223	2/73	-	-	-	-	-	-	-	26,000	14,705	-	291	-	2,800	-	4,500
West Java Transmission and Distribution, Phase II		497-0232	8/73	-	-	-	-	-	-	-	19,700	115	-	1	-	5,500	-	8,500
West Java Interim Generation		497-0231	11/73	-	-	-	-	-	-	-	5,500	3,615	-	98	-	1,885	-	-
Total.....				55,878	45,250	10,465	7,264	12,200	9,104	19,500	289,992	105,884	-	2,095	32,700	46,005	45,000	78,372

*Detailed project narrative—See Table IV or V.

**Loan terms: repayment period varies from 20-40 years, 10 years grace; interest 2% during grace, 3% amortization; repayable in U.S. dollars. Loans repayable in less than 40 years are noted.

SUMMARY OF LOAN AUTHORIZATIONS
Estimated FY 1977 – Proposed FY 1978

COUNTRY: INDONESIA (In thousands of dollars) TABLE III

FISCAL YEAR	TITLE	AMOUNT
1977	Manpower Development Training (FY 1977, Asia Programs, p. 69)*	6,000
1977	Rural Electrification*	19,000
	The purpose is to establish regulations and policies which permit development of rural electric systems throughout Indonesia, organize a rural electric agency with authority to organize and finance local rural electric utilities, and establish up to twelve viable rural electric systems. The loan finances the foreign exchange costs of imported equipment and commodities and the local currency costs of construction of distribution systems. An associated grant will finance training and technical assistance.	
1977	Agriculture Development Planning and Administration*	2,500
	The purpose is to upgrade the planning and administrative capabilities and development programs of the Department of Agriculture. The loan finances degree training for Indonesians in the United States and the costs of imported data processing equipment. An associated grant will finance consulting services.	
1977	Provincial Area Development Program*	5,200
	The purpose is to improve the institutional capability of two provinces to plan, coordinate, construct, implement, manage, and maintain rural development programs. The loan finances the costs, both foreign exchange and local currency, of training, technical assistance, commodities, and construction. An associated grant will finance the foreign exchange costs of consulting services.	
1978	Sederhana (Simple) Irrigation II	25,000
1978	Sumatra Agricultural Research	7,000
1978	Oral Contraceptives	8,000
1978	Professional Resources Development	5,000

Country: INDONESIA

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Voluntary Agency Co-Financing	Food and Nutrition	FY 78 250		
NUMBER 497-0225 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p.53	INITIAL OBLIGATION FY 1974	ESTIMATED FINAL OBLIGATION FY 1981	ESTIMATED COMPLETION DATE OF PROJECT FY 1982

Purpose: To increase the participation of U.S. and indigenous Private Voluntary Organizations (PVOs) in Indonesia's development, and to increase and improve local level development efforts.

Major Outputs:	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		
Number of projects			
initiated	29	43	50
completed	8	21	33
Number of PVOs	5	9	15

Host Country and Other Donors:
(Life of Project)

Host Country	$1,300,000 in rupiah
PVOs	$ 800,000 in rupiah
Other	$1,500,000 in rupiah

Progress to Date: During the first three years of this project, 29 subprojects have been co-financed with five U.S. PVOs and various local government and community organizations. The total value of the 29 subprojects was $1 million, with the A.I.D. input amounting to approximately 45% of the total costs. These subprojects are in fields such as nutrition, rural public works, rural and community development, public health, agriculture, animal husbandry, credit union and cooperatives training, transmigration, and appropriate technology. Two examples follow:

Church World Service Selomerto and Wonosobo Irrigation Subproject: Six irrigation systems were constructed for a total cost of $23,786 with an A.I.D. contribution of $15,566 for cement, rebar and skilled labor. Village governments, District Public Works, and the people contributed all other requirements, including labor. As a result, over 500 hectares of paddy are now irrigated, thus allowing for second cropping and directly affecting the entire population of 11,800 persons in six village areas. The total annual income increase due solely to the initial irrigated second crop harvest amounted to roughly $280,000.

CARE Integrated Nutrition Subproject: A model integrated nutrition delivery system was established in one area, combining supplemental feeding in nurseries and day-care centers, with garden plots, fish ponds, animal raising, health services, family planning, sanitation, drinking water, multi-mixes using the Brady Crop Cooker, an agricultural demonstration and extension center, nutrition education, and training of nutritionists. A.I.D. inputs included P.L.480 Title II and funding of $50,000 out of a total project cost of $156,500. The project has potential for replication in other areas.

FY 1978 Programs: $250,000 is requested to continue to provide grants to U.S. and Indonesian PVOs to support small-scale projects which benefit primarily the rural poor.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Grants to 15 PVOs for materials, equipment, training and other rural development support	250

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	638	440	198
Estimated Fiscal Year 1977	362	350	
Estimated through September 30, 1977	1,000	790	210
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	250	750	2,000

PRINCIPAL CONTRACTORS OR AGENCIES

Country: INDONESIA

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Kabupaten Planning and Management	Food and Nutrition	FY 78 250		
NUMBER 497-0237 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p.55	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979

Purpose: To establish a capability within four to five Kabupaten (sub-province) governments to identify rural needs and to plan, implement and evaluate the initial investment and maintenance phases of major development projects and activities.

Major Outputs:	FY 77	FY 78
Training courses designed	-	x
Sub-provincial administrators trained	-	80-100
Management and operations manuals prepared	x	x

Host Country and Other Donors:

Host Country $183,000 in rupiah for project support costs (salary, facility, operation)

Progress to Date: The project is new in FY 1977; the following activities are planned: organization and placement of Kabupaten Planning and Management Teams, including comprehensive orientation in Jakarta and Semarang; gathering of data related to development and operation of existing management systems; development of procedural manuals covering existing Kabupaten management systems; and commencement of design of training courses covering existing Kabupaten management systems. This project is designed to complement other A.I.D. activities in area development by providing a link between provincial government development programs and the sub-province level. There is expected to be considerable cross-fertilization of ideas between this project, the Northern Sumatra Regional Planning Project (0246) and the Provincial Area Development Project (0264).

FY 1978 Program: $250,000 is requested to finance: (1) the design and conduct of Kabupaten management training courses for existing management systems; (2) technical assistance to Kabupaten governments to apply training in implementation of development programs; and (3) the conduct of internal project evaluation.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Advisors, long-term (24 pm)	170
Consultants, short-term (3 pm)	30
Training course equipment, supplies, travel expenses, per diem, honoria	50
Total	250

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	-	-	-
Estimated Fiscal Year 1977	220	150	
Estimated through September 30, 1977	220	150	70
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	250	-	470

PRINCIPAL CONTRACTORS OR AGENCIES

To be selected

Country: INDONESIA

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Northern Sumatra Regional Planning	Food and Nutrition	FY 78 1,200		
NUMBER 497-0246	PRIOR REFERENCE	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1980
GRANT ☒ LOAN ☐	FY 1977 Asia Programs, p.57			

Purpose: To establish coordinated provincial and regional planning systems for Northern Sumatra (four provinces).

Major Outputs:	FY 77	FY 78
Approved regional development plan	-	-
System established for identifying and planning priority projects	-	X
Regional information center established	-	-
System institutionalized for project monitoring and evaluation	-	-
Plan formulated for long-term manpower development	-	X
Regional planners trained	-	5

Host Country and Other Donors:

Host Country $500,000 in rupiah for costs of professional staff, office space, transportation, and in-country training.

IBRD and Other Donors Data exchange on technical assistance programs in southern Sumatra.

Progress to Date: This is a new project in FY 1977. The Indonesian Government and the A.I.D. Mission have collaborated on the development of the project for over a year. In 1974, at the request of Indonesia, A.I.D. financed a study to design a decentralized approach to regional planning. The resulting report provided the basis for detailed discussions with the Indonesian Government concerning organization and staffing for the project. The project is based on the idea that decentralized planning is more responsive to development needs than was the highly centralized planning characteristic of the second Five-Year Plan period.

To achieve closer development coordination and complementarity, the Government of Indonesia plans to link activities in four provinces into one regional planning system. This project provides a regional, multi-province development context for the A.I.D.-funded pilot projects in provincial area development and Kabupaten management, and the previously funded project in area development project planning. Two of the four provinces in the northern Sumatra planning region are a part of these other projects.

FY 1978 Program: $1.2 million is requested to finance consultant and advisory services, training and some commodities.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Personnel	
Advisors, long-term (27 py, nine-man team)	960
Consultants, short-term (45 pm)	108
Training in the United States	
Long-term (7 py)	84
Short-term (9 pm)	27
Commodities	21
Total	1,200

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	-	-	-
Estimated Fiscal Year 1977	360	200	
Estimated through September 30, 1977	360	200	160
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	1,200	-	1,560

PRINCIPAL CONTRACTORS OR AGENCIES

Planning and Development Collaborative International (PADCO)

Country: INDONESIA

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Provincial Area Development Program	Food and Nutrition	FY 78 800		
NUMBER 497-0264 GRANT ☒ LOAN ☐	PRIOR REFERENCE Advice of Program Change to be submitted	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Purpose: To improve the institutional capability of two provinces to plan, coordinate, construct, implement, manage and maintain agricultural, health, education and other rural development programs to meet their varying needs and requirements.

Major Outputs:	FY 77	FY 78
Identification of development constraints	x	x
Planning and programming of provincial development activities	x	x
Implementation and management of subprojects		x
Evaluation of results		x

Host Country and Other Donors:

Government of Indonesia	$3,000,000 in rupiah for pilot project construction
Selected Provincial Governments	$2,000,000 in rupiah for staff and general services support

Progress to Date: This is a new project in FY 1977. Pre-project design includes field studies by consultants of alternative subprojects with strong Government interest. Follow-on steps included placement of joint teams in participating provinces to work with local planners in developing and designing projects for local consumption, and the establishment of organizational relationships and standard operational procedures within central and provincial agencies. This project focuses on provincial development administration and implementation. It is a major effort intended to assist the Government of Indonesia to decentralize aspects of rural development planning and management by the establishment of institutions sensitive to local needs and resources. In addition to technical assistance and training, this project provides loan funds which go directly to participating provinces to help implement rural development plans which the provincial planning units produce. The other two grant projects which contribute to this decentralization strategy are Kabupaten Management, which focuses on the sub-province level of management, and Northern Sumatra Regional Planning, which attempts to tie numbers of provinces together into a system to coordinate provincial development planning within a common regional context.

FY 1978 Program: $800,000 is requested to finance consultant and advisory services to assist provincial staffs to select specific development subprojects. Follow-on technical assistance will be provided to plan and adopt implementation schedules to select and train subproject managers and to proceed with initiation of the new activities.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Grant	800	2,000
Technical Assistance		
Loan		5,200
Training		800
Commodities		800
Construction		3,000
Technical Assistance		600

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	--	-	-
Estimated Fiscal Year 1977	600	200	
Estimated through September 30, 1977	600	200	400
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	800	600	2,000

PRINCIPAL CONTRACTORS OR AGENCIES

To be selected

Country: INDONESIA

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Agriculture Development Planning and Administration	Food and Nutrition	FY 78 600		
NUMBER 497-0265 GRANT ☒ LOAN ☐	PRIOR REFERENCE Advice of Program Change to be Submitted	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Purpose: To upgrade the planning and administrative capabilities and development programs of the Department of Agriculture. The major project focus is on the Office of the Secretary General, Bureau of Planning and Regional Programming, where agricultural sector plans and strategy are formulated and developed into action programs.

Major Outputs:	FY 77	FY 78
Staff in training: Ph.D/M.Sc	-	35/70
Improved coordination of university curriculum development in agricultural planning	-	x
Inter-departmental training program established	-	x
Data Processing Center in operation (FY 79)	-	-

Host Country and Other Donors:

Host Country $1.7 million in rupiah related to costs of local training, U.S. degree (51 M.Sc., 30 Ph.D.) training, office space and required general support

Progress to Date: This is a new project in FY 1977. A.I.D. and Bureau of Planning representatives defined the broad parameters of the project and have planned the necessary steps preparatory to project start-up. In the next few months, the Bureau of Planning will prepare an assessment of staff development requirements, identify qualified candidates, locate appropriate training programs at U.S. universities and agencies, and coordinate the development of integrated courses in agricultural planning at Indonesian universities. At the same time, a plan for improving the facilities and operations of the Bureau's Data Processing Center will be developed.

FY 1978 Program: $600,000 is requested to finance consultant services in agricultural economics, planning and management. Loan funds will provide computer equipment for the Data Processing Programming Center and training. Nearly three-fourths of the selected participants are scheduled to begin training by mid-FY 1978.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Grant	600	2,500
Consultants, long-term and short-term (48 pm)		
Loan		2,500
U.S. degree training (46 M.Sc., 20 Ph.D.)		2,000
Computer Equipment		500

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	-	-	-
Estimated Fiscal Year 1977	750	500	
Estimated through September 30, 1977	750	500	250
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	600	1,150	2,500

PRINCIPAL CONTRACTORS OR AGENCIES

To be selected

Country: INDONESIA

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Rural Electrification	Food and Nutrition	FY 78 1,250		
NUMBER 497-0267 GRANT ☒ LOAN ☐	PRIOR REFERENCE Advice of Program Change to be transmitted	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY 1982

Purpose: To establish regulations and policies which permit development of rural electric systems throughout Indonesia; to organize a rural electric agency with authority to organize and finance local rural electric utilities; and to establish up to twelve viable properly managed, constructed and maintained rural electric systems.

Major Outputs:	FY 77	FY 78
Rural electrification local distribution systems established		
- number of systems	-	-
- number of customers served	-	-
Staff trained in all phases of rural electrification	-	-
Regulations and policies established for development of national program	-	-
Evaluation of systems	-	-

Host Country and Other Donors:

Host country $15,000,000 in rupiah for construction and operational costs of systems

Progress to Date: Per capita consumption of electricity is 17 kwh per year. It is among the lowest in the world -- India consumes 125 kwh per year and the Philippines, 300 kwh. In May 1976, a team from the National Rural Electric Cooperatives Association (NRECA) completed a preliminary survey, finance by A.I.D., of rural electrification potential in Indonesia. The report is under consideration by all departments which may be involved in rural electrification. The project is designed to assist the Government to clarify the relative merits of accelerating rural electrification through consumer-owned electric cooperatives, through expansion of the presently limited distribution system of the national power company -- or through some combination of the two approaches. It will begin in FY 1977 with a loan to assist with system construction costs. NRECA will assist the Government to design and organize four or more regional rural electric distribution systems and train personnel to operate and manage these systems.

FY 1978 Program: $1,250,000 is requested to finance advisory services and training.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Grant		
Advisors	950	2,750
Training	300	500
Total	1,250	3,250
Loan		
Commodities for distribution system		
U.S. source	-	8,000
Shelf items in Indonesia	-	5,000
Local cost support for construction of distribution systems	-	6,000
Total		19,000

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	-	-	-
Estimated Fiscal Year 1977	1,000	600	
Estimated through September 30, 1977	1,000	600	400
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	1,250	1,000	3,250

PRINCIPAL CONTRACTORS OR AGENCIES

National Rural Electric Cooperatives Association (NRECA)

Country: INDONESIA

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Sederhana (Simple) Irrigation II	Food and Nutrition	FY 78 25,000		
NUMBER 497-0252 GRANT ☐ LOAN ☒		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1982

Goal: To expand rice production, raise rural incomes and provide employment for the rural poor.

Purpose: To expand the capacity of national and provincial agencies to carry out small-scale irrigation works and to enable farmers and water-user associations to utilize irrigation improvements to increase production, incomes and employment.

Background: The first Sederhana Loan, which covers advisory, commodity and construction costs for about 120 irrigation subprojects, is projected to disburse $15,800,000 by March 30, 1977. This project, which provides a second loan, is designed to accelerate small-scale irrigation activities and establish the viability of local water-user associations to serve farmer needs. Subprojects are designed to be rapidly executed, using labor-intensive methods, and to have a quick impact on rice production. Advisors and training programs will be provided to assist implementing-agency personnel and to train farmers. These efforts will increase the numbers of trained Indonesians who can continue this program after external assistance ends.

Major Outputs:	FY 78	FY 79	FY 80	FY 82
	(Cumulative as of end of FY)			
Completion of small-scale irrigation subprojects serving approximately 110,000 hectares	-	140	300	300
Completion of tertiary canals and farm-service ditches for each subprojects	-	-	140	300
Establishment of viable water-user associations	-	80	140	300

Major Outputs (Continued):	FY 78	FY 79	FY 80	FY 82
	(Cumulative as of end of FY)			
Development of effective procedures for on-farm water management and operation and maintenance of the irrigation facilities	X	X	X	X
Implementing-Agency staff trained				
U.S. degree and short-term	-	-	-	50
In-country short-term	-	-	-	700

Host Country and Other Donors:

Host Country $10,000,000 in rupiah in FY 1978; $40,000,000 for total life of project.

World Bank Coordination of plans for irrigation projects, plus assistance in improvement of the national food crops extension program to support Sederhana subprojects.

FY 1978 Program: $25,000,000 is requested to finance consultants, training, design services, and, the construction and equipping of irrigation structures.

A.I.D.-financed Inputs ($ Thousands)	FY 78
Advisors, long-term (35 py)	2,000
Consultants, short-term (60 pm)	500
Training	1,000
Design Services	800
Commodities: construction equipment and materials	3,200
Construction costs	17,500
Total	25,000

Country: INDONESIA

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Sumatra Agricultural Research	Food and Nutrition	FY 78 8,800 (1,800 Grant, 7,000 Loan)		
NUMBER 497-0263 GRANT ☒ LOAN ☒		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1982

Goal: To increase agricultural production.

Purpose: To develop a research capability to adapt new crop varieties and farm technology to the needs of small farmers in Sumatra.

Background: Indonesia is the world's largest importer of rice. Its target to increase food production by 4.6% per year has been partially met by crop intensification. Improved technology has increased lowland rice yields in Java from 3,160 kg per hectare in 1968 to 3,780 kg per hectare in 1974. This is insufficient to meet the country's food needs and further production must come from the more sparsely settled uplands of the outer islands, particularly in Sumatra. Little research has been done to solve the problems of upland planting, e.g., drought, cold tolerance, pests, low fertility. This project will establish a central research center and six to eight sub-stations on Sumatra to develop crops suitable for Sumatra's climate. Coordination of research and extension efforts at the central and provincial levels will be emphasized. The principal linkage will be with the Central Research Institute for Agriculture (CRIA) located at the University of Bogor.

Major Outputs:

	FY 78	FY 82
	(Cumulative as of end of FY)	
Research center and sub-stations completed	1	7-9
Staff trained in the United States: Ph.D./M.S.	0	8/33
Staff trained in-country	x	x
Research on agro-specific soil management problems and development of plants resistant to unfavorable factors	x	x

Host Country and Other Donors:

Host Country	$4,000,000 in rupiah for operational costs
Japan and Netherlands	Related plant nutrition and entomology research data
International Rice Research Institute	Related rice and multiple cropping research data
IBRD	Loan for related rice and secondary crop research

FY 1978 Program: $8,800,000 is requested to finance architectural and engineering work and training. A.I.D. will also finance a contract to construct the research center and substations.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Grant	1,800
Advisors, long-term (16 pm)	1,500
Consultants, short-term (24 pm)	300
Loan	7,000
Construction of research facilities	3,750
Staff Training	1,850
Graduate study in the United States (98 py)	
Graduate study in Indonesia (82 py)	
Office and laboratory equipment	1,400
Total	8,800

NEW ACTIVITY

Table V

Country: INDONESIA				
TITLE Family Planning Development and Services	FUNDS Population Planning	PROPOSED OBLIGATION (In thousands of dollars) FY 78 3,400		
NUMBER 497-0270 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1982	ESTIMATED COMPLETION DATE OF PROJECT FY 1983

Goals: To decrease the rate of population growth in Indonesia by achieving a 50% reduction of the crude birth rate (currently estimated at 38 to 40 per 1,000 population) by the year 2000 as called for in the current Indonesian Five-Year Plan (1974-1979).

Purpose: To increase the prevalence and effective use of all legal types of contraceptive methods through increased availability of family planning services and contraceptives.

Background: A.I.D. has been assisting the Indonesian family planning program since 1968. Since that time, the program has achieved a reduction of as much as 10% in crude birth rates in Java and Bali (20% in East Java and Bali). The number of new and continuing acceptors has increased sharply since the program turned to the establishment of village family planning centers, providing a tenfold increase in contact points (beyond those available through the clinic system). Over 20% of fertile women are now practicing contraception. The Indonesian Government has paid 40% of total program costs and is assuming an increasing share of the costs.

Major Outputs:	FY 1978	All Years
	(Cumulative as of end of FY)	
Field workers trained	6,000	6,000
Continuing contraceptive users (millions)	4.6	11.7
Active family planning clinics established	3,650	4,000
Village contraceptive distribution centers established	38,000	55,000

Host Country and Other Donors: ($ Millions)

	FY 78	FY 79	FY 80
Government of Indonesia*	18.9	20.6	22.3
IBRD	2.0	6.0	6.0

*in rupiahs

FY 1978 Program: $3,400,000 is requested to finance training of field workers, family planning services, evaluation and special population studies and pilot activities. This represents the second phase of a long-term population and family planning program in Indonesia.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Training (clinic and field workers and distribution center staff)	450	2,450
Local Support Costs for		
Family Planning Services	1,550	6,065
Voluntary Surgical Contraception Services	300	3,550
Operations Development and Evaluation	1,000	4,160
Population Studies	100	775
Total	3,400	17,000

Country: INDONESIA

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Oral Contraceptives	Population Planning	FY 78 8,000		
NUMBER 497-0271 GRANT ☐ LOAN ☒		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1982	ESTIMATED COMPLETION DATE OF PROJECT FY 1983

Goal: To decrease the rate of population growth by achieving a 50% reduction of the crude birth rate (currently estimated at 38 to 40 per 1,000 population) by the year 2000 as called for in the current Indonesian Five-Year Plan (1974-1979).

Purpose: To increase use of oral contraceptives throughout Indonesia and effect the transition from A.I.D. financing to country financing of oral contraceptive requirements for the national family planning program.

Background: Indonesia has been using increasing quantities of oral contraceptives supplied by A.I.D. since the Agency began supplying these commodities in 1968. To date, A.I.D. has provided over 1,636 million monthly cycles (mcs) since the program began. The percentage of new acceptors using oral contraceptives has shown a gradual increase from 54% in 1972 to 63% in 1974 and 69.5% in August 1976. Approximately two million women are currently using oral contraceptives. The Indonesian Government wishes to ensure an adequate supply of oral contraceptives while phasing into local financing and manufacture. An initial loan for $7,300,000 was authorized in September 1976 to finance oral contraceptives.

This project is interdependent with the Family Planning Development and Services Project since the commodities supplied by this loan are fed into the delivery system supported by the grant project. As indicated in the description of the Family Planning Development and Services Project, a reliable supply and distribution has had great impact on reducing the birth rate in Java and Bali.

This project will finance the procurement of 30 million mcs of finished tablets and raw materials to produce an additional 14.7 mcs or a total of 44.7 mcs. The raw materials will include packaging. To the extent that there are delays in local production, loan funds will be shifted to additional amounts of imported finished products.

Major Outputs: (In millions of monthly cycles of oral contraceptives)

Year of Purchase	Projected Requirement	Imported	Locally Produced
FY 1978	44.7	30.0	14.7
FY 1979	62.3	20.0	42.3
FY 1980	69.3	10.0	59.3
FY 1981	76.2	-	76.2
FY 1982	83.0	-	83.0
FY 1983	90.1	-	90.1

Host Country and Other Donors:

Host Country — $31,600,000 in rupiah through FY 1983, plus locally produced oral contraceptives at about 14½¢ per cycle, and the costs of warehousing and distribution.

IBRD — Technical assistance to establish production facilities.

FY 1978 Program: $8,000,000 is requested to finance the local production of oral contraceptives during the transition period as the Indonesian Government begins to take over its own production.

A.I.D.-financed Inputs
($ Thousands)

	FY 1978	All Years
Oral contraceptive commodities	8,000	53,542

Country: INDONESIA

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Health Training, Research and Development	Health	FY 78 600		
NUMBER 497-0273 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Goal: To improve the health status of the Indonesian people with emphasis on lower income groups in rural areas.

Purpose: To strengthen the capabilities of Indonesia's Ministry of Health at all administrative levels to improve the coverage and quality of health delivery systems.

Background: The project will provide consultant services and training resources to the Ministry of Health to assist it to meet health sector goals of the Indonesian Five-Year Development Plan which include improvement of family health services and wider outreach of preventive health systems such as sanitation and health education. The proposed grant focuses on institution building and manpower development among the major operating agencies of the Indonesian Ministry of Health. These include, in part, the National Institute of Health, Research and Development, the Bureau of Planning, and the Directorate of Health Education. It is planned that training and research will focus on such priority areas as (1) development of techniques for delivery of primary health care to villages to increase use of indigenous medicine, village health insurance schemes and results of behavorial studies, and (2) development of evaluation systems for both service and management performance within the Ministry of Health at all levels.

Major Outputs:	FY 78	All Years
	(Cumulative as of end of FY)	
Staff with M.P.H. and other U.S. technical degrees	13	49
Staff trained in-service in research, planning, management, and education	761	1,493
Research projects completed	-	25
Various health-related education, evaluation, and data collection programs carried out	X	X

Host Country and Other Donors:

Host Country	$8,500,000 in rupiah for support costs
World Health Organization	Consultants and 97 pm of fellowships in various health fields
UNICEF	Technical assistance in primary health care
Canada, New Zealand, Netherlands	Capital and technical assistance in nurse training programs

FY 1978 Program: $600,000 is requested to finance participants for long-term training and to provide technical assistance for sub-project design and implementation in the areas of health planning, management, field research and feasibility analysis.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Training, long-term (13 py)	146	755
Technical Assistance		
Advisors long-term (60 pm)	240	390
Consultants short-term (176 pm)	153	883
Commodities	-	68
Other Costs		
Research Grants and In-service training	61	904
Total	600	3,000

Country: INDONESIA

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Professional Resources Development	Education and Human Resources Development	FY 78 6,500 (1,500 Grant, 5,000 Loan)		
NUMBER 497-0275 GRANT ☒ LOAN ☒		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1983

Goal: Self-sustained economic and social growth through development of a self-sufficient managerial and technical capability to address development problems.

Purpose: To create a significant and growing pool of skilled Indonesian manpower within selected ministries working in areas of high developmental priority.

Background: The lack of skilled manpower is recognized as the key constraint to Indonesian development in nearly every sector of activity. In a population of 140 million, 60% of the children ages 14 to 19 are not in school and only 275 individuals hold Ph.D. degrees. Even the government's target of 400 Ph.D.s within five years is insufficient to meet management needs. Under previous A.I.D. programs, 6,000 individuals have been trained at various levels and many now hold key positions (see Country Narrative).

Funding under this project supplements training activities provided under an FY 1977 loan with specific focus on middle management. Individuals from ministries which impact on basic equity development will be selected primarily for U.S. Master's degree training. Consultants will conduct preliminary studies and analyses to help identify specific bottlenecks in overall professional resource development and define key manpower gaps in the development process in order to channel A.I.D. training funds where they will have greatest impact. In addition, consultants will conduct management seminars stressing administration, budgeting, personnel, development finance, and trade-off consideration.

While the FY 1977 Congressional Presentation contemplates total loan funding beginning in FY 1978, we now find it necessary to request a grant component for training.

Major Outputs:	FY 78	All Years
Staff trained (degree and special	140	650
courses in the United States)	140	650
Staff trained (non-degree in-country)	250	2,000
Increased management capabilities of selected ministries in human resources development	X	X

Host Country and Other Donors:

Host Country $2,000,000 in rupiah to cover local costs, principally local training and participant salaries.

FY 1978 Program: $6,500,000 is requested to finance training, consultants and commodities. The grant portion is provided to induce the Government to train staff in a multi-disciplinary approach. The loan will support both in-country and U.S. degree training programs in management of social and economic development.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Grant	1,500
Training	1,490
Other Costs	10
Loan	5,000
Consultants, short-term (125 pm)	1,500
Contract training support	600
Training	2,530
Commodities	370

Country: INDONESIA

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Appropriate and Low-Cost Technology	Selected Development Activities	FY 78 550		
NUMBER 497-0268 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979

Goal: To improve the quality of life and increase the income of the rural poor.

Purpose: To promote rural development and employment generation through low-cost, labor-intensive technology.

Background: Development of the rural areas of Indonesia requires considerable effort to identify and apply appropriate, low-cost technology--particularly in areas such as construction of rural facilities, water use, power, crop storage and processing, small-scale manufacturing, health services, and conversion of waste to useful products. Low-cost technology is needed to increase food production and to generate additional employment opportunities for the rural population. The Government of Indonesia recognizes the potential of appropriate technology, and the Development Technology Center (DTC) at the Institute of Technology, Bandung, is experimenting with various forms of appropriate technology, particularly in alternative energy sources. Low-cost, labor-intensive technologies will be selected which are relevant to rural development and employment generation and which will rely primarily on Indonesian resources. The subprojects will adapt, experiment, demonstrate, promote and replicate such technologies.

In Aceh Province, for example, wooden pontoons are used to support ferries--the only means for vehicles to cross many of Aceh's rivers. The pontoons last less than a year. Sand mining from river bottoms in Aceh provides employment and a basic building material. The small boats used to collect the sand last about three months. In addition, much commerce in Aceh moves along rivers. However, quays built on log pilings are difficult to construct and deteriorate rapidly; floating quays are often preferable. These circumstances provide an opportunity for the construction and use of ferrocement hulls. The cement and wire required are available but the technology, although simple and used widely in China and other developing countries, is totally unknown in Aceh and in most other areas of Indonesia.

Major Outputs:	FY 78	FY 79
Projects to convert agricultural wastes to energy	X	X
Projects to develop and utilize ferrocement in food-storage, boats, tanks, etc.	X	X
Other appropriate technology projects	X	X

Host Country and Other Donors:

Host Country $150,000 in rupiah for research and development

FY 1978 Program: $550,000 is requested to finance a number of small grants, consultant services, training and research activities.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Advisors, short-term (12 pm)	100
Training, short-term (10-12 pm)	50
Local research costs	400
Total	550

Indonesia

(U.S. Fiscal Years – Millions of Dollars)

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS						REPAYMENTS AND INTEREST 1946-1976†	TOTAL LESS REPAYMENTS AND INTEREST
	1973	1974	1975	1976	TQ	TOTAL 1946-1976†		
I. ECONOMIC ASSISTANCE – TOTAL	240.6	90.0	89.8	106.3	53.8			
Loans	221.5	68.0	69.9	89.2	43.9			
Grants	19.1	22.0	19.9	17.1	9.9			
a. A.I.D. and Predecessor Agencies	122.4	78.7	43.4	49.6	16.6			
Loans	111.8	68.0	35.1	38.6	6.8			
Grants	10.6	10.7	8.3	11.0	9.8			
(Security Supporting Assistance)	(-)	(-)	(-)	(-)	(-)			
b. Food for Peace (PL 480)	118.2	11.2	46.3	56.7	37.1	Not available at time of printing		
Loans	109.7	-	34.8	50.6	37.1			
Grants	8.5	11.2	11.5	6.1	-			
Title I - Total Sales Agreements	109.7	-	34.8	50.6	37.1			
Repayable in U.S. Dollars - Loans	109.7	-	34.8	50.6	37.1			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	8.5	11.2	11.5	6.1 a/	-			
Emerg. Relief, Econ. Develop. & World Food Program	6.6	9.9	8.7	2.6	-			
Voluntary Relief Agencies	1.9	1.3	2.8	3.5	-			
c. Other Economic Assistance	-	0.1	0.1	*	0.1			
Loans	-	-	-	-	-			
Grants	-	0.1	0.1	*	0.1			
Peace Corps	-	-	-	-	-			
Other	-	0.1	0.1	*	0.1			
II. MILITARY ASSISTANCE – TOTAL	20.3	19.7	21.0	46.0	10.6			
Credits or Loans	-	3.5	5.0	23.1	-			
Grants	20.3	16.2	16.0	22.9	10.6			
a. MAP Grants	18.6	14.0	15.9	14.7	10.6			
b. Credit Sales under FMS	-	3.5	5.0	23.1	-			
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-			
d. Transfers from Excess Stocks	1.7	2.2	0.1	8.2	-			
e. Other Grants	-	-	-	-	-			
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	260.9	109.7	110.8	152.3	64.4			
Loans	221.5	71.5	74.9	112.3	43.9			
Grants	39.4	38.2	35.9	40.0	20.5			
Other U.S. Government Loans and Grants	73.8	40.3	211.2	114.4	-			
a. Export-Import Bank Loans	71.7	40.3	211.2	71.9	-			
b. All Other Loans	2.1	-	-	42.5	NA			

(Millions of Dollars) TABLE VI

ECONOMIC PROGRAMS OF OTHER DONORS

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1975	FY 1976	TQ	FY 1946-76†
TOTAL	444.9	680.8	31.4	1,981.2
IBRD	310.5	538.5	30.0	927.0
IFC	-	1.1	-	58.9
IDA	30.0	-	-	561.4
ADB	91.3	138.0	1.4	341.5
UNDP	5.7	1.8	-	58.2
Other UN	7.4	1.4	-	34.2

B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS

Donor	CY 1974	CY 1975	CY 1969-75
1. D.A.C. COUNTRIES (Excluding U.S.)			
TOTAL	484.3	465.5	2,433.8
Japan	232.6	209.6	1,035.7
Netherlands	55.3	45.7	334.5
Germany	67.3	56.0	327.6
France	32.8	38.7	176.9
Australia	32.1	33.2	163.9
Italy	*	2.1	110.7
Canada	25.8	34.1	98.0
Other	38.4	46.1	186.5
2. O.P.E.C. COUNTRIES (COMMITMENTS)			
TOTAL	0.1	99.5	
Saudi Arabia	-	99.5	
UAE	0.1	-	

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1975	CY 1976P	CY 1954-76
TOTAL	-	-	482
USSR	-	-	114
Eastern Europe	-	-	263
China	-	-	105

*Less than $50,000. TQ - Transition Quarter † - As of September 30, 1976. P-Preliminary. UAE- United Arab Emirates. Note: A.I.D. includes capitalized interest on prior year loans. NA-Not Available.
a/Includes the transition quarter.

Indonesia

GENERAL ECONOMIC AND SOCIAL DATA

TABLE VII

POPULATION			
Total (mid-1976; millions)			142.4
Annual Growth Rate (percent)			2.0%
Urbanization	1960	1975	
Percent in Urban Areas	15%	19%	
Labor Force in Agriculture (percent)			62%

HEALTH	
Life Expectancy (years)	48
Infant Deaths per 1,000 Live Births	146
People per Doctor	25,800

EDUCATION		
Primary and Secondary Students	1960	1973
a. Number (in thousands)	9,702	15,191
b. As Percent 5-19 Age Group	33%	30%
Literacy Rate (percent)		60%

PER CAPITA GROSS NATIONAL PRODUCT	
1974 (dollars)[1]	170
Average 1965-74 Annual Growth Rate (percent)[2]	4.1%

AGRICULTURAL PRODUCTION—Average 1971-76 Annual Growth Rate	
Total Production (percent)	3.0%
Per Capita Production (percent)	0.7%

INTERNATIONAL COMMODITY TRADE ($ millions)	1974	1975
Exports (f.o.b.)	7,426	7,103
Imports (c.i.f.)	-3,842	-4,709
Trade Balance	3,584	2,394

Main Exports: Petroleum and rubber.

OFFICIAL INTERNATIONAL RESERVES	1974	1975	1976
(Gross Holdings; End of Period; $ millions)	1,492	586	1,715(Nov)

CENTRAL GOVERNMENT FINANCES ($ millions)[3] (FY Beginning April 1)	1974[E]	1975[E]
Total Expenditures	4,653	6,092
Defense Expenditures		
a. As % of Total Expenditures	15.2%	18.2%
b. As % of GNP	3.2%	4.3%
Domestic Revenues	4,239	5,221

FY 1975 U.S. ECONOMIC ASSISTANCE	
a. As % of Country Central Government Expenditures	2%
b. As % of Country Imports of Goods & Services	1%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT as % of Goods and Non-Factor Services (1974)	5.2%

NOTE: Where year is not stated, data are latest information available.

[1] Estimate in IBRD 1976 Annual Report. Reflects a new computation based on GNP in average 1973-75 domestic prices converted to U.S. dollars at average 1973-75 exchange rates and adjusted by the ratio of 1974 U.S. prices to average 1973-75 U.S. prices.

[2] Estimate in the IBRD 1976 World Atlas.

[3] Converted to U.S. dollars at 1975 exchange rate. Data are in current prices and reflect the impact of inflation.

E - Estimate.

Nepal

KEY DATA

Population *(millions - mid-1976)*	12.9
Annual Growth Rate *(percent)*	2.3
Population in Urban Areas *(Percent - 1975)*	5
Labor Force in Agriculture *(Percent)*	94
Per Capita GNP *(dollars - 1974)*	100*
Life Expectancy *(years)*	44
People Per Doctor	36,120
Literacy Rate *(percent)*	14
Students as % of 5 - 19 Age Group *(Primary and Secondary)*	15

* - Estimate in IBRD 1976 Annual Report.

NEPAL

Table of Contents

		Page
Development Assistance Program Summary		70
Table II	- Summary of Active and Proposed Projects	78
Table IV	- Continuing Activity	79
	Population and Family Planning	79
	Malaria Control	80
	Integration of Health Services	81
	Radio Education Pilot	82
	Educational Skills Training	83
	Manpower Development Training	84
Table V	- New Activity	85
	Seed Production and Storage	85
	Trail Suspension Bridges	86
Table VI	- Summary of Total Foreign Assistance	87
Table VII	- Summary of Economic and Social Data	88

NEPAL

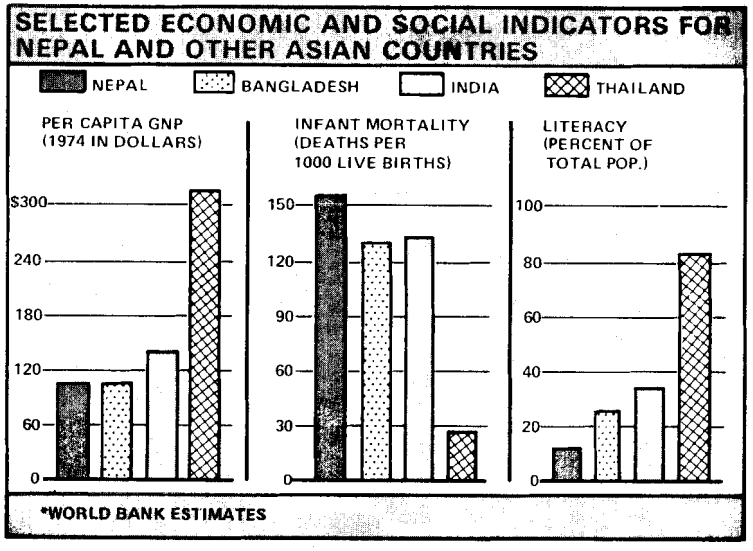
Nepal is one of the poorest of the least developed countries in the world. The United States interest is humanitarian.

Socio-Economic Setting

Nepal is among the poorest of the least developed nations with limited material resource endowment and inadequate skilled manpower to carry out its development programs:

-- Its annual per capita income is $100, but for the bulk of the rural population annual income averages about $60.

-- Its population is expanding at an annual rate of 2.3% while food production is growing at a lesser rate of 1.8% per year.



-- About 90% of the population is dependent on subsistence agriculture, and 60% live in mountainous and remote areas without adequate access to economic or social services.

-- Its infant mortality rate is over 150 per 1,000 live births, and life expectancy is 40 years.

-- The estimated per capita supply of calories is 93% of minimum daily requirements and daily protein supply is 53 grams, well below the Food and Agriculture Organization's world nutritional standard of 75 grams per day.

PROGRAM SUMMARY
(In thousands of dollars)

FISCAL YEAR	Total	Food and Nutrition	Population Planning and Health		Education and Human Resources Development	Selected Development Actitivies	Other Programs
1976							
Loans	-	-	-		-	-	-
Grants	2,900	1,100	1,300		500	-	-
Total	2,900	1,100	1,300		500	-	-
Transition Quarter							
Loans	-	-	-		-	-	-
Grants	577	180	218		179	-	-
Total	577	180	218		179	-	-
1977							
Loans	-	-	-		-	-	-
Grants	6,742	4,219	1,534		989	-	-
Total	6,742	4,219	1,534		989	-	-
			Population Planning	Health			
1978							
Loans	-	-	-	-	-	-	-
Grants	12,096	8,610	1,303	852	1,331	-	-
Total	12,096	8,610	1,303	852	1,331	-	-

-- Its adult literacy rate is 14% with primary school enrollment 43% and secondary only 7.0% of its school age population.

NEPAL

Food and Population

Nepal's increasing population coupled with low agricultural productivity has resulted in declining nutritional standards for much of its rural population. Food deficits occur regularly in the mountain areas which are historically marginally productive agricultural areas and which are now suffering from high incidence of erosion and lack of easy transport and communications. Food grains which are surplus to local needs and produced along Nepal's southern border with India have traditionally tended to flow to Indian markets rather than to food deficient areas of Nepal. Both higher prices in India and cheaper transport costs to these nearby markets encourage this practice.

The Government of Nepal is targeting a 2.7% annual increase in foodgrain production (compared to the current rate of 1.9% per year) for 1976 to 1980, with particular stress on raising production in the mountain areas. Direct agricultural investment necessary to reach these targets needs to increase from 26% of budgetary outlays to 35% and includes:

-- irrigation and water management expansion from 9.0% of total cultivable land to 18%;

-- expansion of storage and distribution with the addition of 25,000 mt of storage capacity for fertilizer and seeds and construction of 36 small seed processing plants in the mountain areas;

-- expansion of agricultural credit from a present annual level of about $3.0 million to about $25 million by channeling small farmer credit through an expanded agricultural bank and production cooperatives system;

-- expansion of skills training of agricultural manpower and adaptive research on improved strains at the farm levels through agricultural research and extension;

-- forging improved transport links to remote agricultural areas through new feeder roads, improved foot trails, foot suspension bridges, and road links to main highways serving market towns and urban centers.

On the other side of the equation, Nepal's population targets stress increased and expanded Family Planning and Maternal and Child Health (FP/MCH) services into rural areas to reach up to 700,000 couples per annum as potential acceptors. It believes that this will achieve the following results:

-- reduce the crude birth rate from 40 to 38 per 1,000 births;

-- stabilize the annual population growth rate at about 2.0% by 1981, down from the current rate of 2.3%.

In an effort to assist the Nepalese Government achieve its goals, A.I.D. program activities are focused on the following areas:

-- adaptive research on three main foodgrain crops - rice, wheat and maize - with supporting technology and inputs;

-- storage facilities for inputs and processing and storage of improved seeds;

-- selected rural areas development;

-- agricultural manpower skills training;

-- access roads, trails, and foot suspension bridges;

-- voluntary family planning contraceptives supply;

-- population planning and service delivery systems.

Objectives of U.S. Assistance

The objective of A.I.D.'s development assistance program is to support Nepal's efforts to improve the quality of life for its poor majority by helping to:

- -- improve agricultural technology, inputs, storage and services for the small farmer;
- -- expand the delivery of family planning services for the rural poor;
- -- improve the Government's capacity to organize and manage effective basic health services for the benefit of the rural poor.

FY 1978 Program

A.I.D. program activities proposed for FY 1978 address development constraints or problems inhibiting progress in expanding food production, controlling population growth, and providing equal access to basic services. U.S. technological and managerial expertise is of particular value and relevance to Nepal's efforts to:

- -- adapt and apply technological innovations to priority development problems in areas consistent with the New Directions;
- -- strengthen and expand economic and social services delivery systems to accelerate growth and direct benefits to a broader segment of the population;
- -- expand the pool of skilled manpower needed for development tasks;
- -- build and improve the institutional base needed for growth and development.

Food and Nutrition

Agriculture is the primary sector in the Nepalese economy, accounting for over two-thirds of Gross Domestic Product, over 90% of employment and 80% of export earnings. However, it has serious problems:

- -- Foodgrain production has grown at a lower rate than population since the mid-1960s, i.e., 1.9% versus 2.3%.
- -- Inadequate knowledge of new production technologies, shortages of skilled manpower and poor physical access to farmers acts as a drag on production.

The Government of Nepal is dedicated to a policy of raising total agricultural output by 3.6% per annum and foodgrain production by 2.7% annually over the next five-year period. It plans to:

- -- diversify agricultural production, including cash crops to raise farmers' incomes;
- -- improve access to remote agricultural areas to link farmers into an effective marketing and distribution system;
- -- provide improved and expanded agricultural services to farmers.

Representative actions taken by Nepal to achieve its agricultural objectives largely without external assistance include:

- -- Annual budgetary allocation to the agricultural sector has increased from $5.0 million in 1970 to $23 million in 1976.
- -- Improved seeds for foodgrains are now in use on 550,000 hectares out of 1.8 million hectares planted to foodgrains.
- -- Approximately 600 graduate personnel are employed by the Department of Agriculture, as compared to

an estimated 250 in 1970.

-- New and improved breeding stock of cows, buffaloes, and pigs have been distributed to farmers.

-- Small scale irrigation schemes are aimed at the small farmer.

-- Rice export marketing has been reorganized to benefit the small farmers.

-- A national potato program has been established to spur the production of potatoes by the hill and mountain farmers.

Successful development experience in Food and Nutrition sector activities undertaken by A.I.D. and Nepal cover a variety of efforts:

-- An area development effort in the Chitwan Valley served as a model for integrated area projects by other donors:

** The comprehensive effort in malaria eradication, feeder road construction, land-leveling and soils survey, infrastructure-building and resettlement opened up a potentially productive agricultural area of 125,000 acres.

** Extensive public and private investments were attracted to the valley.

-- A.I.D. inputs of technology, practices, and know-how were used by the Nepal Government to develop a variety of enterprises and infrastructure such as:

** a network of agricultural research stations;

** a poultry industry;

** groundwater investigation capability;

** winter wheat as a new crop;

** an Agriculture Development Bank.

There have been failures as well as success, but failures are seen as part of a long-term learning process in most instances:

-- Programs to develop maize varieties suitable for widespread use in the mountain areas have not yet achieved their targets.

-- Other efforts faltered due to inadequate marketing research, for example, in developing on-farm pond fisheries.

-- The major lesson learned from these experiences is that activities must be limited to well-defined, researched and planned scopes, with full Government participation at all stages.

In FY 1978, A.I.D. proposes to expand Food and Nutrition activities beyond the two continuing projects dealing with adaptive-research on foodgrains and agricultural manpower and institution-building for a total of $8.6 million. Two new projects are proposed to address:

-- seed production and input storage requirements;

-- a need for reliable, year-around access to remote agricultural areas to move inputs and farm produce.

Population Planning

Nepal's annual population growth rate of 2.3% is outpacing the current 1.9% annual growth in food production:

-- 43% of the population is under 15 years of age.

-- Over 60% of the rural population is in the mountain areas where population density is now about 1,000 per square kilometer of arable land.

-- Demand for population services, particularly surgical contraception, currently exceeds the Govern-

ment's ability to provide services.

The Government's objectives in the population field are to foster through both direct and indirect means a progressive decline in family size; thus, the following targets are established:

-- reduce an annual population growth rate to 2.0% by 1981;

-- achieve migration and distribution patterns consistent with overall social and economic development objectives of the country.

Representative actions undertaken this past year by the Government consistent with these goals are:

-- opened 60 new FP/MCH clinics and trained 200 village-level workers for outreach programs operating through these clinics;

-- started a regular training program for female obstetrician and gynecologist trainees in laparascopic operations;

-- commenced the first training program for nurses in IUD insertion techniques and graduated 18 trainees (formerly this procedure was performed only by physicians);

-- held the first seminar to assess population policy alternatives for migration, resettlement, and population education;

-- continued to expand service delivery, reaching a level of 65,000 effective acceptors, including 12,000 for surgical services, with an estimated 13,000 births prevented in 1976.

A.I.D. has assisted Nepal in the population field since 1968 commencing with population research studies oriented to creating an awareness within the Government of the economic and social implications of unrestrained population growth. This effort resulted in the creation of the country's basic family planning infrastructure:

-- delivery services system;

-- organization of a national FP/MCH program;

-- skills training for family planning workers;

-- construction of training and field facilities.

As the services delivery system expanded, A.I.D. overestimated the rate at which new acceptors were being reached and built up excess contraceptive stocks within country. Data reporting procedures throughout the system were found to be inadequate in predicting the demand. Extensive revision and strengthening of data gathering and processing procedures was made which improved the entire planning-management-logistics-evaluation process.

In FY 1978 A.I.D. will continue its support of the Nepalese Family Planning Program with $1.3 million to finance contraceptives and related medical supplies; training for field workers; and advisory services in delivery systems, management, and policy and planning.

Health

Health services in Nepal are inadequate and unevenly distributed with 90% of the population lacking access to modern medical services. As a result nutritional disorders and communicable diseases are rampant, and less than 70% of the children reach age five.

The Government's development objective in Health is to provide, at reasonable cost, a minimum basic health service to the people in order to:

-- reduce infant mortality by 25%;

-- control communicable diseases such as malaria, tuberculosis, smallpox and leprosy;

-- provide medical treatment through an adequate rural clinic and hospital system;

-- meet preventive health needs through a clinic-based paramedical service.

Recent efforts by the Government in this direction are encouraging in the following actions:

-- opened an additional 100 health posts and clinics and trained 1,100 additional health workers in 1975-76;

-- opened a new auxiliary health and paramedical training school with associated model health posts for practical work experience by students;

-- completed planning and start-up work on construction on Nepal's first public health laboratory;

-- expanded malaria control efforts and decreased the 1974 case rate of 14,000 to 11,000 confirmed cases in 1975.

A.I.D. has given extensive support to Nepal's efforts to develop a functional health system since the early 1950s:

-- Two prototype delivery systems were tested to identify a cost-effective approach to integrating health programs.

-- Trained health workers were increased from 500 to 6,000 and functioning training centers created to enlarge the trained manpower pool.

-- Provincial hospitals and rural health centers have been constructed under A.I.D. auspices.

-- A special effort in malaria control was made from 1958 to 1972 which opened up many malaria-endemic areas to settlement and productive development.

While all of these efforts provided some long-lasting effects, the malaria program may have been terminated too abruptly. After 1972 the Nepal Government was unable to commit resources and manpower at the level needed to maintain the effective control level reached by 1972; consequently, the W.H.O., UNDP and A.I.D. were forced to resume assistance in 1975.

A.I.D. is requesting a total of $852,000 to continue support for the building of an effective integrated low-cost health delivery system, and expansion of Nepal's malaria control program.

Education and Human Resources Development

Nepal has a literacy rate of approximately 14% and a secondary school enrollment of 7.0% of the school-age population. Basic constraints in this sector are serious; a geographically widely dispersed and highly mobile population which makes it difficult to increase educational opportunities; inadequate financial resources to continue the expansion of the educational system; shortages of trained teachers and support personnel.

Nepal seeks to extend educational opportunities to the bulk of the population through formal and non-formal means. It plans to increase the relevance of education to the country's development needs, and it hopes to build up a skilled manpower pool needed for the tasks of development.

Representative actions taken by Nepal over the recent past to achieve these objectives include:

-- Primary and secondary school teaching methods and curricula were recast to stress practical instruction:

** introduction of work problems to replace rote memorization of theory;

** teaching aids added to class instruction materials;

** practical science and "every-day" mathematics courses added to curricula.

-- Vocational studies have been added to the secondary class structure in wood working and handicrafts; home economics; physical and health education; and introductory agricultural methods, including school gardening.

-- Colleges and institutes in the higher education field consolidated into a national university and major emphasis shifted to meeting manpower needs in agriculture, health and agro-industry, e.g.

** Institute of Agriculture and Animal Sciences;

** Institute of Medicine, established in 1975.

-- Acceptance of non-formal education as a major education policy instrument is demonstrated by the start-up of non-formal programs in population and experimental radio programs in the fields of agriculture, health and education.

Over 20 years of A.I.D. involvement in education development in Nepal has helped create or build:

-- basic institutions at primary, secondary and higher education levels, such as:

** National Vocational Training Center;

** teacher training centers;

** Janak Educational Materials Organization;

-- a trained corps of lower-middle-upper level technical and administrative personnel to manage Nepal's education system:

** from about 5,000 in 1950 to 18,000 in 1970;

** while student enrollment rose from less than 11,000 to 570,000 in the same period;

-- educational facilities of all types, such as:

** four model multi-purpose secondary schools and one technical institute;

** a fully equipped text and materials production plant;

** eight teacher-training and extension centers with equipment;

** design and construction of demonstration primary schools in a number of rural locations.

-- a cohesive system of curricula, texts, teaching materials and evaluation standards;

-- a national education planning capability.

However, in the case of one project -- Teacher and Technical Education -- A.I.D. failed to recognize early enough that growing Nepalese capabilities required increased involvement by Nepalese in project planning, including selection of contract advisors who would work with them, if project objectives were to be met in full. The project was terminated before completion. As a result, A.I.D. adjusted to a more collaborative style on all projects and stresses direct Nepalese leadership, particularly in assessment and selection of potential contractors and contract advisors.

In FY 1978, A.I.D. is requesting $1.3 million to continue support for two Manpower and Education Skills Training projects, and accelerate work on a non-formal radio education activity.

Additionally, A.I.D. proposes to use a requested special Foreign Currency Appropriation of $400,000 equivalent in Indian Rupees to finance expanded training of Nepalese in India in a broad range of skills.

ADDITIONAL PROGRAM DATA

Category	FY 1976 (Actual)	FY 1977 (Estimated)	FY 1978 (Proposed)
A.I.D. Personnel[a]			
Direct Hire[b]	19	19	21
PASA[c]	-	-	-
Contract	17	24	28
Total	36	43	49
Participants[d]			
Noncontract	42	40	60
Contract	23	83	72
Total	65	123	132

[a] *U.S. nationals on duty at the end of the fiscal year.*
[b] *FY 1977 and FY 1978 levels authorized as of Nov. 30, 1976.*
[c] *Participating agency technicians.*
[d] *Programmed during the fiscal year.*

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1976* (Actual)	FY 1977 (Estimated)	FY 1978 (Estimated)
A.I.D.**			
Loans	-	-	-
Grants	3,477	6,742	12,096
Total A.I.D.	3,477	6,742	12,096
P.L. 480***			
Title I	-	-	-
Title II	839	1,526	2,311
Total P.L. 480	839	1,526	2,311
Total A.I.D. and P.L. 480	4,316	8,268	14,407

**Includes Transition Quarter.*
***A.I.D. levels represent actual and estimated expenditures.*
****P.L. 480 levels represent actual and estimated value of shipments.*

P.L. 480 Programs

There are no Title I or Title II programs. However, $2.3 million has been programmed as the U.S. contribution to World Food Program projects in Nepal.

COUNTRY: NEPAL

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

TABLE II

Project Title	*	Project Number	FY of Initial Obligation/Date of Loan Authorization	Grant: Through 9/30/76 Obligations	Grant: Through 9/30/76 Expenditures	Grant: Estimated FY77 Obligations	Grant: Estimated FY77 Expenditures	Grant: Proposed FY78 Obligations	Grant: Proposed FY78 Expenditures	Grant: Future Year Obligations	Loan**: Amount Authorized	Loan**: Through 9/30/76 Amount Disbursed	Loan**: Through 9/30/76 Principal Repayments	Loan**: Through 9/30/76 Interest Collected	Loan**: Estimated FY 77 Authorization	Loan**: Estimated FY 77 Expenditures	Loan**: Proposed FY 78 Authorization	Loan**: Proposed FY 78 Expenditures
Food and Nutrition																		
Institute of Agriculture and Animal Science		367-0102	1974	670	222	2,531	321	-	500	-	-	-	-	-	-	-	-	-
Integrated Cereals		367-0114	1975	1,544	111	1,688	711	-	1,300	1,768	-	-	-	-	-	-	-	-
Seed Production and Storage		367-0118	1978	-	-	-	-	5,610	2,000	-	-	-	-	-	-	-	-	-
Trail Suspension Bridges		367-0119	1978	-	-	-	-	3,000	1,100	-	-	-	-	-	-	-	-	-
Population Planning																		
Family Planning*		367-0096	1968	5,789	4,153	1,236	1,073	1,303	1,400	-	-	-	-	-	-	-	-	-
Health																		
Malaria Control		367-0115	1976	75	45	73	75	167	100	-	-	-	-	-	-	-	-	-
Integration of Health Services		367-0126	1973	340	-	225	300	685	600	675	-	-	-	-	-	-	-	-
Education and Human Resources Development																		
Radio Education Pilot Project		367-0123	1976	-	-	607	350	604	450	1,214	-	-	-	-	-	-	-	-
Education Skills Training		367-0124	1976	64	1	87	57	557	450	-	-	-	-	-	-	-	-	-
Manpower Development Training		367-0224	1973	311	223	150	161	170	200	-	-	-	-	-	-	-	-	-
Teacher and Material Utilization		367-0228	1972	1,566	1,250	145	374	-	-	-	-	-	-	-	-	-	-	-
Total.....				10,359	6,005	6,742	3,422	12,096	8,100	3,657	-	-	-	-	-	-	-	-

* Integrated with Project No. 0122, Population Policy.

*Detailed project narrative—See Table IV or V.

**Loan terms: repayment period varies from 20-40 years, 10 years grace; interest 2% during grace, 3% amortization; repayable in U.S. dollars. Loans repayable in less than 40 years are noted.

Country: NEPAL

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Population and Family Planning	Population Planning	FY 78 1,303		
NUMBER 367-0096 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p.80, 81	INITIAL OBLIGATION FY 1968	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979

Purpose: To establish a cost-effective family planning program, and a capability to identify and assess population and migration policy choices and their implication for national development planning.

Major Outputs:

	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		
Family planning and maternal and child health (FP/MCH) workers trained	778	1,100	1,500
FP/MCH supervisors trained	75	110	140
FP/MCH training centers established	3	3	4
Commercial outlets established	0	50	300
Population Coordination Board and demographic data bank established	1	1	1
Population Institute established	0	0	1

Host Country and Other Donors:

Nepal Government	$3,200,000 equivalent for commodities, general FP/MCH support and training
Others (UNFPA, IPPF, FPIA, World Fertility Survey)	Training, fellowships, commodities, in-country technical assistance

Progress to Date: Over 150,000 women of reproductive age have become acceptors of oral contraceptives since 1968. An additional 400,000 couples are users of other contraceptive methods. Approximately 42,500 voluntary sterilizations have been elected by males and females (3,500 laparascopies and 39,000 vasectomies). The service delivery network now comprises 505 FP/MCH clinics, and outreach programs are expanding as additional trained staff are graduated from the three FP/MCH training centers. A successful pilot test of door-to-door community-based contraceptive distribution has resulted in incorporation of this approach into the delivery system to strengthen the outreach element. The Population Coordination Board, founded in 1975, is now coordinating planning at the inter-ministerial level; Nepal's first high-level policy seminar was convened this year to assess policy alternatives for migration, resettlement and population education planning.

FY 1978 Program: $1,303,000 is requested to finance contraceptives, training, information materials, FP services delivery, evaluation, and population policy guidance. A trial on subsidized commercial marketing of contraceptives is also planned.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Contract Services	182
Training (9 long-term, 14 short-term)	193
Voluntary surgical contraception services	400
Contraceptives (condoms and orals)	385
Commodities and other costs	143
Total	1,303

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	5,789	4,153	1,636
Estimated Fiscal Year 1977	1,236	1,073	
Estimated through September 30, 1977	7,025	5,226	1,799
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	1,303	-	8,328

PRINCIPAL CONTRACTORS OR AGENCIES

University of California, Berkeley

Country: NEPAL

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Malaria Control	Health	FY 78 167		
NUMBER 367-0115 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 77 Asia Programs, p.85	INITIAL OBLIGATION FY 1976	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Purpose: To bring malaria under control at an incidence level of five cases per 10,000 population.

Major Outputs:

	FY 77	FY 78
	(Cumulative as of end of FY)	
Trained personnel	26	38
Percent of population changed from spray to surveillance status	53.6	54.7
Cases detected per year	7,500	4,000

Host Country and Other Donors: ($000 equivalent)

Host Country:	
Personnel and facilities	10,300
Commodities	2,170
Total	12,470
World Health Organization:	
Advisory services	453
Commodities	296
Participant training	19
Total	768
United Nations Development Program:	
Commodities	3,120

Progress to Date: The Government of Nepal continues to meet the annual target established in the malaria control program. The active case detection program has been expanded and data provided show the incidence of malaria has fallen from 15,000 cases in 1974 to approximately 10,000 by the end of 1976. An A.I.D. malariologist is assisting the Government in developing a management system to plan for training and commodity procurement.

FY 1978 Program: $167,000 is requested to finance a U.S. technician, commodities and local support costs.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Advisor (10 pm)	72
Commodities	20
Other Costs	75
Total	167

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	75	45	30
Estimated Fiscal Year 1977	73	75	
Estimated through September 30, 1977	148	120	28
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	167	-	315

PRINCIPAL CONTRACTORS OR AGENCIES

To be selected

Country: NEPAL

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Integration of Health Services	Health	FY 78 685		
NUMBER 367-0126 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p.82,84	INITIAL OBLIGATION FY 1976	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Purpose: To establish an integrated health care system utilizing multipurpose house visitors with paramedical training.

Major Outputs:

	FY 76	FY 77	FY 78
	(Cumulative as of end of FY)		
New integrated health posts established	155	180	230
Existing Health posts converted to integrated model	36	59	95
In-country paramedical personnel trained	335	909	1,582

Host Country and Other Donors: ($000 equivalent)

Host Country	
Personnel costs	8,286
Commodities/construction	6,251
Total	14,537
World Health Organization	
Advisory services	1,130
Commodities	91
Participant	212
Total	1,433
Canadian Aid	
Advisory services	358
Commodities	100
Construction	34
Participant	650
Total	1,142

Progress to Date: In 1973, USAID provided assistance to Nepal to develop and test a prototype of an integrated health care delivery system utilizing multipurpose house visitors with paramedical level training. Extensive field work was carried out in two districts. In 1975 the Government of Nepal, WHO and U.S. health experts conducted a joint assessment of the experience in the two pilot districts and concluded that the concept and methodology of integrating Nepal's independent health services was valid.

The pilot activity (Project 0227) demonstrated that modestly educated multipurpose health workers, trained in the basics of preventive and curative medicine, can effectively deal with the majority of Nepal's health problems; but it was also shown that failure to institutionalize good management and supervision, even in the pilot areas, soon resulted in a breakdown of the delivery system.

In FY 1976 project activities shifted from pilot to implementation of a National program to establish Nepalese capability to organize and manage an effective Basic Health Service.

FY 1978 Program: $685,000 is requested to finance advisory assistance and training to develop and consolidate management and control systems and to assist in developing in-country training programs for paramedical workers.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Advisors (86 pm)	607
Training (57 pm)	78
Total	685

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	340	-	340
Estimated Fiscal Year 1977	225	300	
Estimated through September 30, 1977	565	300	265
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	685	675	1,925

PRINCIPAL CONTRACTORS OR AGENCIES

Management Sciences for Health, Inc.

Country: NEPAL

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Radio Education Pilot	Education and Human Resources Development	FY 78 604		
NUMBER 367-0123 GRANT [X] LOAN [ ]	PRIOR REFERENCE FY 1977 Asia Programs, p.87	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1981	ESTIMATED COMPLETION DATE OF PROJECT FY1982

Purpose: To test the feasibility of utilizing educational radio for the training of primary school teachers.

Major Outputs:	FY 77	FY 78
Personnel trained abroad	-	8
Weekly radio programs packages developed	-	180
Instructional materials and teacher work books	-	100
Technical and economic assessment (1980)	-	-

Host Country and Other Donors:

Host Country	25% of all project costs
UNICEF	500 radios
British Council	Radio education expert

Progress to Date: Final design questions on the pilot test program were resolved in November 1976. The four-year program will be undertaken in four phases: initial 18 months for staff training, organization, production and lesson validation; 12 months for test operation reaching about 100 primary school teachers with built-in research and evaluation elements; 12 months for pilot program extending to 1,000 teachers; and six months for further expansion to an additional 2,000 teachers. Technical studies are now being made on various short and medium-wave transmitter and receiver alternatives to define equipment requirements. By the end of the project, complete development, production, dissemination, evaluation and teacher certification mechanism will be in place, and an estimated 30 percent of untrained primary school teachers will have received training and certification.

FY 1978 Program: $604,000 is requested to finance U.S. contract technicians, training and equipment and supplies.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
U.S. Advisors (57 pm)	399
Training (49 pm)	65
Equipment, supplies	120
Observational travel	20
Total	604

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	-	-	-
Estimated Fiscal Year 1977	607	350	
Estimated through September 30, 1977	607	350	257
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	604	1,214	2,425

PRINCIPAL CONTRACTORS OR AGENCIES

To be selected

Country: NEPAL

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Education Skills Training	Education and Human Resources Development	FY 78 557		
NUMBER 367-0124	PRIOR REFERENCE	INITIAL OBLIGATION FY 1976	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1981
GRANT ☒ LOAN ☐	FY 77 Asia Programs, p.89			

Purpose: To provide supplemental training in techncial disciplines and upgrade the skills of Nepal's limited technical manpower pool.

Major Outputs:

	FY 77	FY 78
	(Cumulative as of end of FY)	
Education officials trained in country	15	30
Participants trained in the United States	6	13
Research projects in education initiated	-	6

Host Country and Other Donors

Host Country 29% of total project costs, approximately $205,000

Progress to Date: Four Government entities involved in education planning and policy (National Planning Commission, National Education Committee, Ministry of Education, and Institute of Education in Tribhuvan National University) have jointly selected 27 staff persons for training in U.S. institutions at the Master's degree level: five in education economics, three in education planning, five in testing and evaluation, four in educational research, and three in education innovation and technology. The University of Connecticut was selected as contractor for the project in October 1976 and will field a consultant team in February 1977 to discuss with the Government specific plans for U.S. training in these skills, assess needs for annual specialized training programs in Nepal for other education staff personnel, and identify types and numbers of short-term U.S. educators needed to counsel Nepalese education planners as they seek to initiate improvements to current education programs.

FY 1978 Program: $557,000 is requested to finance the University of Connecticut contract to select and counsel Nepalese educators for training in U.S. institutions, and to furnish U.S. educators to conduct annual training courses in Nepal.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Advisory services (8 pm)	53
Training in U.S. long-term (336 pm)	447
Observational Travel	57
Total	557

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	64	1	63
Estimated Fiscal Year 1977	87	57	
Estimated through September 30, 1977	151	58	93
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	557	-	708

PRINCIPAL CONTRACTORS OR AGENCIES

University of Connecticut

Country: NEPAL

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Manpower Development and Training	Education and Human Resources Development	FY 78 170		
NUMBER 367-0224 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p.88	INITIAL OBLIGATION FY 1973	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979

Purpose: To upgrade the managerial skills of middle-level Nepalese officials serving in important development administration positions.

Major Outputs:

	FY 76	FY 77	FY 78
	(Cumulative as of end of FY)		
Personnel trained abroad	50	75	100
Personnel trained in-country	-	-	20
Annual training plans prepared	3	4	5

Host Country and Other Donors:

Host Country — Personnel, salaries of participants, and portion of international travel costs

Progress to Date: Fifty Nepalese participants have received selected training ranging from two to 24 months at the Master's degree level or below: 28 from Government ministries, 19 from public sector corporations, two from Tribhuvan National University and one from the private sector. Representative course studies have been: agricultural credit, financial management, project analysis and design, manpower planning and development, public administration, population statistics, tax administration, audit principles, statistical analysis, and data processing. Training has been conducted at U.S. and third-country institutions and facilities such as: Universities of Connecticut, Pittsburgh, Michigan, California and Syracuse; U.S. Department of Labor, Bureau of the Census, and Internal Revenue Service; University of the Philippines and Asian Institute of Management; and at cooperating government training facilities in Korea, Malaysia, Thailand, Singapore and the Philippines.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
U.S. or third country participant training (124 pm)	170

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	311	223	88
Estimated Fiscal Year 1977	150	161	
Estimated through September 30, 1977	461	384	77
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	170	-	631

PRINCIPAL CONTRACTORS OR AGENCIES

To be selected

Country: NEPAL

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Seed Production and Storage	Food and Nutrition	FY 78 5,610		
NUMBER 367-0118 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1983

Goal: To increase small farmer agricultural productivity by making seed and other agricultural inputs available at reasonable prices.

Purpose: To assist the Ministry of Food, Agriculture and Irrigation to develop a mixed public and private sector labor-intensive system for producing, testing, processing and distributing major food crop seed and imported fertilizer to small farmers.

Background: Good certified seed is the most valuable input to the small Nepalese farmer, followed by fertilizer, pesticides, tools and farm implements. Lacking a functioning seed industry, farmers currently expand their seed stock over several crop years on an individual farm basis. To correct this condition, the Government intends to build a seed industry to get new and improved seed varieties (developed under the Integrated Cereals Project) out to farmers faster and more effeciently. Fertilizer and other imported inputs must also be moved to users more effectively at reasonable cost. This project will help create a new group of skilled farmers and entrepreneurs--seed producers and distributors--and build a rural network of base and satellite seed processing plants and seed and other input storage warehouses capable of handling at full capacity up to 5,200 tons of seed, 14,000 tons of fertilizer, 100 tons of pesticides and several thousand hand tools and implements.

Major Outputs:	FY 78	All Years
Seed producing groups - public/private	2/2	5/35
Seed processing facilities	8	40
Seed storage facilities	9	36
Trained staff (pm)	-	436

Host Country and Other Donors:

Host Country	28.3% of total project costs
West Germany	Training in use of facilities and in Area Development Organization
Food and Agriculture Organization	Training in operation and maintenance of seed processing facilities
United Nations Development Program	Technical aid for model seed legislation

FY 1978 Program: $5,610,000 is requested to finance a contract to develop work plans and a detailed training and construction program and to incorporate into the project several seed processing and storage facilities already under construction.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Consultant services (100 pm)	705
Participant training (595 pm)	821
Commodities	1,045
Construction	3,039
Total	5,610

Country: NEPAL

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Trail Suspension Bridges	Food and Nutrition	FY 78 3,000		
NUMBER 367-0119 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: To integrate isolated rural economies and people into the economic and political life of Nepal.

Purpose: To facilitate transport of agricultural inputs (improved seeds, fertilizers and implements) to farmers in subsistance farming mountain areas, and of agricultural produce from farms to markets.

Background: Nepal's transport system consists of a few miles of railway and ropeways, a modest civil aviation system, 1,600 miles of roads and a 5,000 mile complex of food and pack animal trails. A 1969 study estimated that over two million Nepalese spent more than two months each year on the mountain trails moving produce to markets and supplies to mountain communities. The nature and efficiency of trails is heavily dependent on bridges spanning thousands of rivers and water courses in the rugged terrain. Most bridges are of native materials (bamboo, woven ropes) particularly susceptible to damage and destruction during the annual three months of monsoon rains. Reliable and improved access to mountain areas is needed to reduce transport time and costs in human and monetary terms and to facilitate expansion of development activities into areas where 60 percent of the people live at subsistence levels. The Government's bridge and trail improvement programs have been slowed by lack of foreign exchange needed for import of basic materials and by limited staff capabilities. Swiss engineers are currently assisting the Ministry of Transportation to expand and increase staff skills in design and construction of bridges and trails.

Major Outputs:	FY 78	All Years
Trail Rehabilitation (km)	-	40 plus
Bridge Construction (km)	-	3,100

Host Country and Other Donors:

Host Country	25% of all production costs (in local currency)
UNDP	Bridge feasibility study by World Bank - $650,000
Switzerland	Engineers

FY 1978 Program: $3,000,000 is requested to finance offshore bulk procurement of materials to meet the needs of the bridge fabrication program. A consultant team will commence work on a technical study of the trails network to identify specific locations where critical rehabilitation work is needed.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Trail rehabilitation and construction of trail approaches to bridges	690
Bridge construction materials	2,100
Consultants (30 pm)	210
Total	3,000

Nepal

(U.S. Fiscal Years – Millions of Dollars)

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS 1973	1974	1975	1976	TQ	TOTAL 1946-1976†	REPAYMENTS AND INTEREST 1946-1976†	TOTAL LESS REPAYMENTS AND INTEREST
I. ECONOMIC ASSISTANCE – TOTAL	16.6	5.1	4.1	4.2	0.9			
Loans	7.0	-	-	-	-			
Grants	9.6	5.1	4.1	4.2	0.9			
a. A.I.D. and Predecessor Agencies	10.8	2.8	2.5	2.8	0.7			
Loans	7.0	-	-	-	-			
Grants	3.8	2.8	2.5	2.8	0.7			
(Security Supporting Assistance)	(-)	(-)	(-)	(-)	(-)			
b. Food for Peace (PL 480)	4.8	1.3	0.6	0.8	-	Not available at time of printing		
Loans	-	-	-	-	-			
Grants	4.8	1.3	0.6	0.8	-			
Title I - Total Sales Agreements	-	-	-	-	-			
Repayable in U.S. Dollars - Loans	-	-	-	-	-			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	4.8	1.3	0.6	0.8 a/	-			
Emerg. Relief, Econ. Develop. & World Food Program	4.8	1.3	0.6	0.8	-			
Voluntary Relief Agencies	-	-	-	-	-			
c. Other Economic Assistance	1.0	1.0	1.0	0.6	0.2			
Loans	-	-	-	-	-			
Grants	1.0	1.0	1.0	0.6	0.2			
Peace Corps	1.0	1.0	1.0	0.6	0.2			
Other	-	-	-	-	-			
II. MILITARY ASSISTANCE – TOTAL	*	*	*	*	*			
Credits or Loans	-	-	-	-	-			
Grants	*	*	*	*	*			
a. MAP Grants	*	*	*	*	*			
b. Credit Sales under FMS	-	-	-	-	-			
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-			
d. Transfers from Excess Stocks	-	-	-	-	-			
e. Other Grants	-	-	-	-	-			
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	16.6	5.1	4.1	4.2	0.9			
Loans	7.0	-	-	-	-			
Grants	9.6	5.1	4.1	4.2	0.9			
Other U.S. Government Loans and Grants	-	-	-	-	-			
a. Export-Import Bank Loans	-	-	-	-	-			
b. All Other Loans	-	-	-	-	NA			

*Less than $50,000. TQ - Transition Quarter † - As of September 30, 1976. P-Preliminary. NA- Not Available

a/Includes the transition quarter.

b/Economic agreement signed, but information on the amount of aid extended (if any) is not available.

(Millions of Dollars) TABLE VI

ECONOMIC PROGRAMS OF OTHER DONORS

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1975	FY 1976	TQ	FY 1946-76†
TOTAL	17.2	54.7	16.8	182.3
IFC	3.2	-	-	3.2
IDA	6.0	34.0	12.0	78.7
ADB	-	16.8	4.8	62.3
UNDP	2.9	3.9	*	27.5
Other UN	5.1	-	-	10.6

B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS

Donor	CY 1974	CY 1975	CY 1969-75
1. D.A.C. COUNTRIES (Excluding U.S.)			
TOTAL	14.8	22.0	81.9
U.K.	7.4	5.1	32.8
Germany	2.6	10.3	24.8
Japan	1.5	2.8	7.3
Switzerland	1.2	2.1	5.5
Australia	0.3	0.5	3.9
Canada	0.1	0.1	3.2
Other	1.7	1.1	4.4
2. O.P.E.C. COUNTRIES (COMMITMENTS)			
TOTAL	-	0.3	
Kuwait	-	0.3	

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1975	CY 1976 P	CY 1954-76
TOTAL	80	b/	199
USSR	-	b/	20
China	80	-	179

Nepal

GENERAL ECONOMIC AND SOCIAL DATA

TABLE VII

POPULATION			
Total (mid-1976; millions)			12.9
Annual Growth Rate (percent)			2.3%
Urbanization	1960	1975	
Percent in Urban Areas	3%	5%	
Labor Force in Agriculture (percent)			94%

HEALTH	
Life Expectancy (years)	44
Infant Deaths per 1,000 Live Births	152
People per Doctor	36,120

EDUCATION			
Primary and Secondary Students	1960	1973	
a. Number (in thousands)	188	626	
b. As Percent 5-19 Age Group	6%	15%	
Literacy Rate (percent)			14%

PER CAPITA GROSS NATIONAL PRODUCT	
1974 (dollars)[1]	100
Average 1965-74 Annual Growth Rate (percent)[2]	0.0%

AGRICULTURAL PRODUCTION—Average 1971-75 Annual Growth Rate	
Total Production (percent)	1.9%
Per Capita Production (percent)	-0.8%

INTERNATIONAL COMMODITY TRADE ($ millions)	1974	1975
Exports (f.o.b.)	n.a.	99
Imports (c.i.f.)	n.a.	-171
Trade Balance	n.a.	-73

Main Exports: Rice and jute.

OFFICIAL INTERNATIONAL RESERVES	1974	1975	1976
(Gross Holdings; End of Period; $ millions)	132	110	123(Sept)

CENTRAL GOVERNMENT FINANCES ($ millions)[3] (FY Ending July 15)	1974	1975 E
Total Expenditures	114	140
Defense Expenditures		
a. As % of Total Expenditures	6.7%	6.6%
b. As % of GNP	0.6%	0.6%
Domestic Revenues	72	95

FY 1975 U.S. ECONOMIC ASSISTANCE	
a. As % of Country Central Government Expenditures	3%
b. As % of Country Imports of Goods & Services	*

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT as % of Goods and Non-Factor Services (1974)	n.a.

NOTE: Where year is not stated, data are latest information available.

[1] Estimate in IBRD 1976 Annual Report. Reflects a new computation based on GNP in average 1973-75 domestic prices converted to U.S. dollars at average 1973-75 exchange rates and adjusted by the ratio of 1974 U.S. prices to average 1973-75 U.S. prices.

[2] Estimate in the IBRD 1976 World Atlas.

[3] Converted to U.S. dollars at 1975 exchange rate. Data are in current prices and reflect the impact of inflation.

E - Estimate. * - Less than half of one percent.

n.a. - Not available.

Pakistan

KEY DATA

Population *(millions - mid-1976)*	72.4
Annual Growth Rate *(percent)*	3.0
Population in Urban Areas *(Percent - 1975)*	27
Labor Force in Agriculture *(Percent)*	57
Per Capita GNP *(dollars - 1974)*	130*
Life Expectancy *(years)*	53
People Per Doctor	3,920
Literacy Rate *(percent)*	25 Est.
Students as % of 5 - 19 Age Group *(Primary and Secondary)*	27

* - Estimate in IBRD 1976 Annual Report.

PAKISTAN

Table of Contents

		Page
Development Assistance Program Summary		90
Table II	- Summary of Active and Proposed Projects	98
Table III	- Summary of Loan Authorizations Estimated FY 1977 - Proposed FY 1978	99
Table IV	- Continuing Activity	100
	Agriculture Research	100
	Dryland Agricultural Development I	101
	Rural Roads	102
	On-Farm Water Management II	103
	Village Food Processing	104
	Expanded Population Planning	105
	Population Research and Development	106
	Malaria Control	107
	Rural Clean Water Supply - Phase I	108
	Basic Health Services	109
	Development Communications Center	110
Table V	- New Activity	111
	Rural Electrification	111
	Rural Clean Water Supply - Phase II	112
	Economic Planning and Policy Analysis	113
	Development Training	114
Table VI	- Summary of Total Foreign Assistance	115
Table VII	- Summary of Economic and Social Data	116

PAKISTAN

The principal U.S. interest in Pakistan is to maintain stability in the subcontinent. This interest reflects Pakistan's geographic location in relation to China, Russia, and the Indian Ocean. A.I.D.'s interests are both developmental and humanitarian.

Socio-Economic Setting

Pakistan's population is estimated at about 73 million people scattered throughout 43 thousand villages:

- -- Population is growing at three percent a year.
- -- 73% of the population is rural.
- -- Life expectancy at birth is 53 years.
- -- Over 30 million people live three or more miles from serviceable all weather roads.
- -- Per capita GNP is $130.

Factors that indicate a weak economy are:

- -- $1.2 billion trade deficit;
- -- debt service of 25% of total exports;
- -- agricultural exports have declined and imports have increased markedly.

Food and Population

Pakistan has committed itself to increased food production within the immediate future by:

- -- establishing a target of self-sufficiency in wheat by 1980;
- -- planning to double fertilizer production from 500 thousand nutrient tons in 1976 to one million tons in 1980;
- -- intensifying its agriculture production sector with irrigation;
- -- planning to increase edible oil production by 150,000 mt per year by 1980.

PROGRAM SUMMARY
(In thousands of dollars)

FISCAL YEAR	Total	Food and Nutrition	Population Planning and Health		Education and Human Resources Development	Selected Development Actitivies	Other Programs
1976							
Loans	50,000	47,500	-		-	2,500	-
Grants	9,000	1,100	7,600		300	-	-
Total	59,000	48,600	7,600		300	2,500	-
Transition Quarter							
Loans	25,000	25,000	-		-	-	-
Grants	194	194	-		-	-	-
Total	25,194	25,194	-		-	-	-
1977							
Loans	69,200	43,700	18,500		7,000	-	-
Grants	7,531	2,235	4,678		618	-	-
Total	76,731	45,935	23,178		7,618	-	-
			Population Planning	Health			
1978							
Loans	89,000	49,000	-	40,000	-	-	-
Grants	9,208	1,840	5,218	-	2,150	-	-
Total	98,208	50,840	5,218	40,000	2,150	-	-

Pakistan has developed a program in food storage and distribution and plans to provide more adequate storage facilities for the expected continuing increase in wheat:

- -- A food marketing and storage project is currently in the design stage.

PAKISTAN

Vegetable oil is an important staple in the Pakistani diet. Current vegetable oil production does not meet the growing demand:

-- Current demand exceeds availability by approximately 250 thousand mt.

-- The Government is now undertaking a vegetable oil and processing strategy that will:

** result in increased production to obtain self-sufficiency;

** double oil seed extraction rates to worldwide industry standards.

As a result of adoption of an improved agricultural price and input supply policy endorsed and supported by A.I.D.:

-- Pakistan's consumption of fertilizer in 1976 increased by approximately 150,000 nutrient tons over the previous year.

-- Production of grain has continued to expand with an estimated increase in wheat production of one million mt in 1976 over 1975.

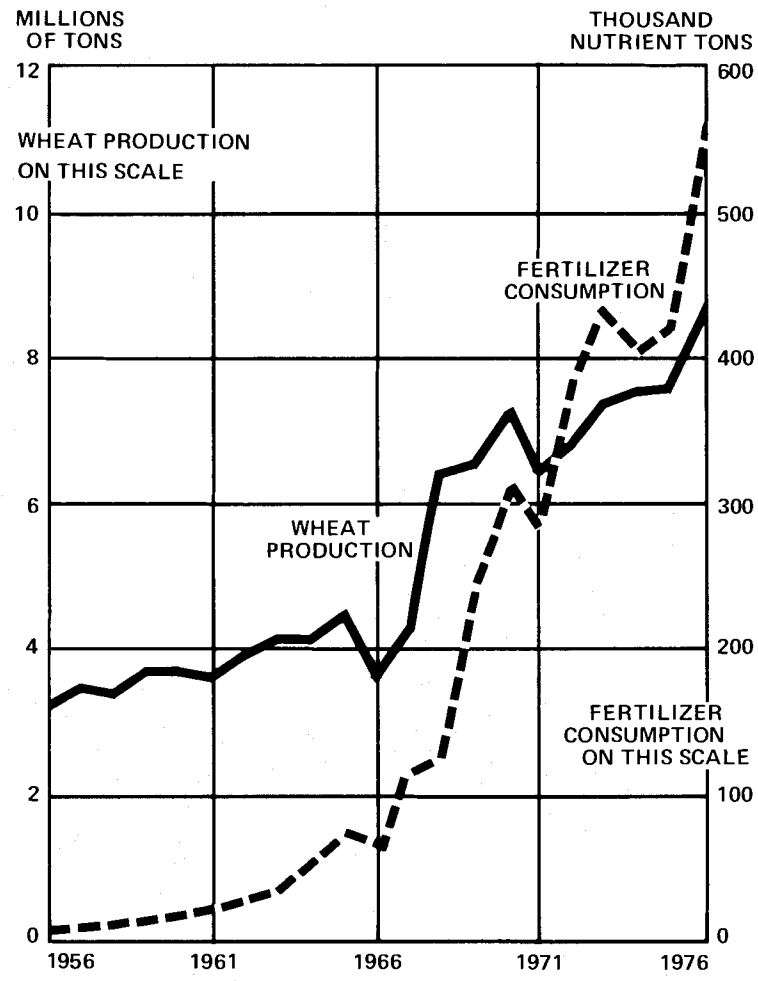
-- Current projections are for minimum grain imports in 1977 compared to previous years.

Indications are that food grain production targets are likely to be met. Although vegetable oil production targets will be harder to meet, self-sufficiency in oil is attainable within the next ten years.

While food production increases are encouraging, there has been far less progress made in reducing population growth:

-- Despite considerable expenditures for its population program, Pakistan's annual population growth rate is three percent.

WHEAT PRODUCTION AND FERTILIZER PRODUCTION IN PAKISTAN, 1956-1976



-- The country's population will, at the current growth rate, double by the year 2000, thereby offsetting the gains made in increasing food production.

Effective measures are needed to deal with the problem of inadequate progress in the population program. (See Population Planning section for a detailed discussion of the corrective measures being undertaken.)

Objectives of U.S. Assistance

U.S. assistance objectives are to support Pakistan programs in pursuit of U.S. interests in Pakistan by:

-- increasing food production;

-- reducing its population growth rate;

-- encouraging greater and more equitable participation in both the processes and benefits of development by the poor and less advantaged Pakistanis.

FY 1978 Program

The A.I.D. development assistance in FY 1978 will continue to support Pakistan's efforts to shift its focus toward people-oriented programs, with priority attention to the rural areas in order to achieve:

-- a decline in the crude birth rate;

-- increased agriculture productivity for small farmers;

-- increased participation of villagers in the social and economic process and its benefits.

Food and Nutrition

The lack of adequate amounts of nutritious foods remains a serious problem in Pakistan; the Government, therefore, has established goals to ameliorate its problem. It plans to:

-- increase wheat production to 12 million mt per annum by 1980;

-- improve nutrition standards of all its people through the increased availability of nutritious foods.

Some actions taken by the Government to achieve food production and nutrition objectives include:

-- lowering fertilizer prices resulting in a 30% increase in fertilizer use in 1976 over that of 1975;

-- removing licensing restrictions on fertilizer distributors;

-- conducting a national nutritional survey to determine nutritional deficiencies as the basis for action programs.

On-going projects that have contributed to meeting Pakistan's food production and nutrition objectives are:

-- a project designed to purchase 17,000 mt of improved wheat seed and approximately 200,000 mt of fertilizer;

-- a grant that enabled the Government to demonstrate to the small farmers in Pakistan that wheat production on their rainfed farms can be doubled and tripled.

Fertilizer consumption and wheat production increased to near-record levels in 1976.

PAKISTAN

A.I.D. is requesting $50.8 million in loans and grants to assist Pakistan in its food and nutrition programs in FY 1978. Proposed projects for FY 1978 to continue improvements in the food and nutrition sector include:

-- assisting in the expansion of Pakistan's rural electrification system over a five-year period;

-- village level food processing to increase the quality and quantity of food at lower costs to rural villagers;

-- rural roads and on-farm water development which are aimed at increasing agriculture productivity and increased welfare for farm families;

-- upgrading institutions involved in rural development training, research, and planning.

Pakistan is seeking ways to reach the poor directly with better nutrition. A.I.D. financed several activities in FY 1977 including a nutrition study for the Government and a flour fortification activity designed to enrich an important food staple of the Pakistani poor.

Population Planning

The population growth rate and inadequate health services are important deterrents to development in Pakistan. Government objectives include:

-- a reduction in the population growth rate;

-- improved health services to the majority of the population, most of whom live in rural areas.

Faced with an annual population growth rate of three percent, Pakistan is attempting to reduce this growth rate through:

-- trained field workers who motivate couples to practice family planning;

-- the availability of contraceptives to all villages;

-- the availability of voluntary surgical contraception services as required by Pakistanis.

The Government is also looking carefully at ways to encourage fertility reduction through other methods beyond family planning such as:

-- reduction of infant and child mortality;

-- expansion of female education and job opportunities;

-- the possible use of direct incentive and disincentive schemes.

A recent survey in Pakistan shows that the population program objectives are not being met despite the fact that 88% of the fertile population is aware of family planning. It also revealed that:

-- about 49% want no additional children;

-- about 29% have had contact with a family planning worker;

-- only six percent are using any family planning methods.

These survey results tend to confirm reported weaknesses in the program. They also reveal the probability that:

-- the population problem is not given national priority;

-- the program suffers from ineffective leadership;

-- it lacks effective management.

Action is being taken by the Government of Pakistan and A.I.D. to correct these weaknesses. Actions include:

-- suspension of contraceptive shipments pending introduction of strengthened management procedures;

-- reorganized and retrained population workers;

-- elevation of program leadership to the secretariat level;

-- inducements to the private sector to take a more active role in family planning activities.

Considering these recent changes in the Pakistani attitude on family planning, A.I.D. will continue to support the population program in FY 1978 with a grant of $4,718,000 for contraceptives, training and subsidies for surgical contraception procedures. It will also provide $500,000 for research and impact analysis studies.

Health

Pakistan is committed to improving the health of the rural population. It has established certain targets aimed at many of its poor:

-- improved health services to four million people by 1980 and 28 million people by 1985;

-- reduce the annual malaria incidence rate from its present 26.31% to half of one percent.

One of the serious health problems in Pakistan is malaria. A.I.D. is proposing $7,500,000 to assist Pakistan mount an effective program to reduce the incidence of malaria. Pakistan itself is providing $25 million of its own foreign exchange to purchase insecticides and anti-malaria drugs.

The target to reduce the malaria incidence rate to half of one percent involves a five-year effort to bring malaria under control with a large scale program of:

-- spraying the interior of rural homes with residual insecticides;

-- continuous surveillance of the population susceptible to malaria;

-- treatment of cases detected;

-- research and health education.

Improper handling and careless procedures with toxic insecticides have caused some illness and some deaths among the spraymen. Steps have been taken to correct these problems, including:

-- retraining malaria spraymen and workers in safety methods in handling insecticides:

-- tighter procurement specifications;

-- improved publicity campaign on the necessity for spraying.

In an effort to help Pakistan expand its basic health services program, A.I.D. is proposing $7,500,000 for Pakistan's basic health services and $25 million for clean water activities for rural areas:

-- The basic health services loan is designed to expand Pakistan's rural health services system.

-- Two activities are proposed to support the expansion of clean water supplies to rural areas with both hand pumps and mechanical systems.

Education and Human Resources Development

Over the past five years, educational spending averaged only five percent of total Pakistan Government expenditures. However, Pakistan is now reorienting its education objectives. Its goals include:

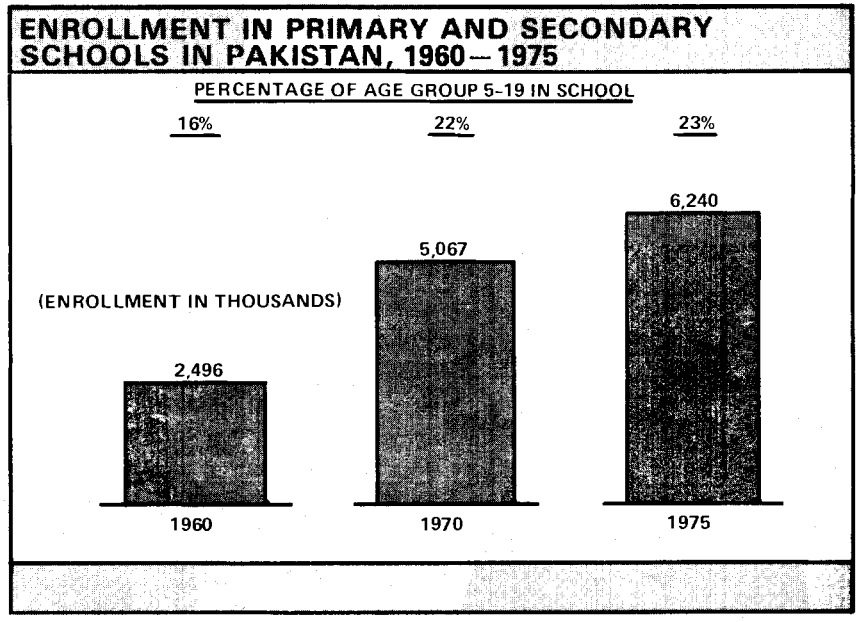
-- increased spending for education of at least nine and one-half percent of the total budget over the next five years;

PAKISTAN

-- 92% of boys and 54% of girls in primary school by 1979-80;

-- increasing the present 25% literacy rate to enable more people to take part in the development process.

In support of these objectives, A.I.D. provided a loan of $10 million in FY 1977 to assist Pakistan improve its primary education.



In FY 1978, A.I.D. is proposing $2,150,000 to upgrade skills of Government officials in areas of development programs, communications and economic planning and policy.

ADDITIONAL PROGRAM DATA

Category	FY 1976 (Actual)	FY 1977 (Estimated)	FY 1978 (Proposed)
A.I.D. Personnel[a]			
Direct Hire[b]	37	43	50
PASA[c]	8	12	4
Contract	18	12	17
Total	63	67	71
Participants[d]			
Noncontract	49	63	99
Contract	–	36	36
Total	49	99	135

[a] *U.S. nationals on duty at the end of the fiscal year.*
[b] *FY 1977 and FY 1978 levels authorized as of Nov. 30, 1976.*
[c] *Participating agency technicians.*
[d] *Programmed during the fiscal year.*

P.L. 480 Programs

Title I

In recent years, Pakistan has not been able to produce enough wheat and vegetable oil to meet its requirements. This has been a major consideration in providing Pakistan with these commodities under P.L. 480, Title I.

-- A total of $104 million was provided in FY 1976 for these commodities and an estimated $63.7 million is planned for FY 1977.

-- Continued increases in domestic wheat production should show a corresponding reduction in the requirement for P.L. 480 wheat.

P.L. 480 PROGRAMS SUMMARY
(In 000MT/$000)

Program	FY 1976* (Actual)		FY 1977 (Estimated)		FY 1978 (Projected)	
	MT	$	MT	$	MT	$
Title I						
Wheat	534	79,870	200	23,600	125	14,700
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	58	24,377	70	40,100	84	48,300
Non-food	–	–	–	–	–	–
Title I Total		104,247		63,700		63,000
Title II						
Voluntary Agencies		998		240		458
World Food Programs		711		3,484		2,330
Gov't.-to-Gov't.		6,423		–		–
Title II Total		8,132		3,724		2,788
Total P.L. 480		112,379		67,424		65,788

*Includes Transition Quarter.

The P.L. 480 Title I request for FY 1978 is $63 million for 125 thousand mt of wheat and 84 thousand tons of vegetable oil.

A.I.D.'s program in Pakistan has demonstrated the effectiveness of the fully integrated programming of Title I resources along with development assistance.

-- This linkage has been important in realizing the measures that the Pakistan Government has taken with regard to more liberal fertilizer distribution, better balanced agricultural input and commodity prices, and more effective use of water resources.

-- The growing deficit in vegetable oil is causing the Government to increase its search for an adequate vegetable oilseed strategy.

** When developed, this oilseed strategy could be linked to a core program of Title I commodities.

The Government and A.I.D. are now considering a currency proposal:

-- Currencies offset would be used to encourage and assist a private sector foodgrain storage program.

Title II

The P.L. 480 Title II request for FY 1978 is $2.7 million:

-- $458 thousand of this request is for programs administered by U.S. voluntary agencies.

-- $2.3 million is for the U.S. share of World Food Program projects in Pakistan.

As Pakistan is an excess currency country, it maintains a $1.0 million Section 204 discretionary fund to assist in carrying out self-help projects designed to alleviate the causes of the need for Title II imports.

PAKISTAN

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 1976* (Actual)	FY 1977 (Estimated)	FY 1978 (Estimated)
A.I.D.**			
Loans	75,000	69,200	89,000
Grants	9,194	7,531	9,208
Total A.I.D.	84,194	76,731	98,208
P.L. 480***			
Title I	104,247	63,700	63,000
Title II	8,132	3,724	2,788
Total P.L. 480	112,379	67,424	65,788
Total A.I.D. and P.L. 480	196,573	144,155	163,996

**Includes Transition Quarter.*
***A.I.D. levels represent actual and estimated expenditures.*
****P.L. 480 levels represent actual and estimated value of shipments.*

COUNTRY: PAKISTAN

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

TABLE II

Project Title	*	Project Number	FY of Initial Obligation/Date of Loan Authorization	Grant: Through 9/30/76 Obligations	Grant: Through 9/30/76 Expenditures	Grant: Estimated FY77 Obligations	Grant: Estimated FY77 Expenditures	Grant: Proposed FY78 Obligations	Grant: Proposed FY78 Expenditures	Grant: Future Year Obligations	Loan**: Through 9/30/76 Amount Authorized	Loan**: Through 9/30/76 Amount Disbursed	Loan**: Through 9/30/76 Principal Repayments	Loan**: Through 9/30/76 Interest Collected	Loan**: Estimated FY 77 Authorization	Loan**: Estimated FY 77 Expenditures	Loan**: Proposed FY 78 Authorization	Loan**: Proposed FY 78 Expenditures
Food and Nutrition																		
Agriculture Research	*	391-0296	1969	1,633	1,159	282	550	300	350	481	7,600	-	-	-	-	1,500	-	2,000
Nutrition Planning & Research		391-0394	1975	276	160	-	116	-	-	-								
Water Management		391-0401	1975	559	523	583	500	-	119	-								
Dryland Agricultural Development I	*	391-0403	1975	523	122	100	400	240	341	-								
Fortification of Flour		391-0404	1977	-	-	370	70	-	300	1,635								
Rural Electrification	*	391-0408	1978	-	-	-	-	1,000	400	-	-	-	-	-	-	-	24,000	1,200
Rural Roads	*	391-0409	1977								-	-	-	-	8,700	2,000	10,000	10,000
Integrated Rural Development Research & Training		391-0412	1977	-	-	810	300	-	300	-								
On-Farm Water Management Phase II	*	391-0413	1976								7,500	-	-	-	-	400	15,000	3,600
Village Food Processing	*	391-0417	1976	175	-	90	175	300	300	-								
Improved Crop Estimating		391-0418	TQ	110	-	-	75	-	35	-								
Agricultural Inputs		391-0419	1976								65,000	35,728	-	-	35,000	50,000	-	14,272
Fauji Agrico Fertilizer Project		391-0429	1975								40,000	-	-	-	-	10,000	-	20,000
Population Planning																		
Population Planning		391-0384	1973	588	465	100	50	-	50	-								
Expanded Population Planning	*	391-0393	1973	22,377	17,631	2,778	2,315	4,718	5,200	-								
Population Research and Development	*	391-0411	1977	-	-	300	200	500	400	-								
Health																		
Malaria Control	*	391-0163	1975								20,000	7,822	-	-	7,500	10,000	7,500	10,000
Rural Clean Water Supply I	*	391-0406	1977								-	-	-	-	5,000	1,000	10,000	5,000
Basic Health Services	*	391-0415	1977	-	-	1,500	500	-	500	-	-	-	-	-	6,000	1,000	7,500	3,000
Rural Clean Water Supply II	*	391-0425	1978								-	-	-	-	-	-	15,000	2,000
Education and Human Resources Development																		
Government Administrative Staff Improvement	**	391-0299	1969	1,134	969	400	250	-	315	-								
Institutional Grants	*	391-0366	1974	240	97	-	143	-	-	-								
Development Communications Center	*	391-0407	1977	-	-	218	200	400	200	228								
Economic Planning/Policy Analysis	*	391-0421	1978	-	-	-	-	750	300	5,967								
Development Training	*	391-0426	1978	-	-	-	-	1,000	400	584								
Primary Education		391-0410	1977	-	-	-	-	-	-	-	-	-	-	-	7,000	2,000	-	4,000
Selected Development Activities																		
Consulting Services		391-0174	1968								1,749	1,677	-	679	-	72	-	-
Technical Services		391-0414	1976								2,500	-	-	-	-	400	-	600
Total.....				27,615	21,126	7,531	5,844	9,208	9,510	8,895	144,349	45,227	-	679	69,200	78,372	89,000	75,672

*Detailed project narrative—See Table IV or V.

**Loan terms: repayment period varies from 20-40 years, 10 years grace; interest 2% during grace, 3% amortization; repayable in U.S. dollars. Loans repayable in less than 40 years are noted.

SUMMARY OF LOAN AUTHORIZATIONS
Estimated FY 1977 – Proposed FY 1978

COUNTRY: PAKISTAN (In thousands of dollars) TABLE III

FISCAL YEAR	TITLE	AMOUNT
1977	Rural Roads (FY 1977, Asia Programs, p. 112)	8,700
1977	Agricultural Inputs (FY 1977, Asia Programs, p. 111)*	35,000
1977	Basic Health Services (FY 1977, Asia Programs, p. 113)	6,000
1977	Malaria Control*	7,500
	The purpose is to reduce the incidence of malaria to a level where the disease is a minor factor (Five cases per 10,000) in Pakistan's overall health situation. The loan finances insecticide, hand sprayers and spare parts.	
1977	Rural Clean Water Supply I (formerly Rural Potable Water Supply, FY 1977, Asia Programs, p. 114)	5,000
1977	Primary Education	7,000
1978	Rural Electrification	24,000
1978	Rural Clean Water Supply I (This is the second loan of a two-year loan program)	10,000
1978	Rural Clean Water Supply II	15,000
1978	Rural Roads	10,000
1978	Basic Health Services	7,500
1978	Malaria Control	7,500
1978	On-Farm Water Management II	15,000

* Notification to be transmitted.

Country: PAKISTAN

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Agriculture Research	Food and Nutrition	FY 78 300		
NUMBER 391-0296 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p. 97	INITIAL OBLIGATION FY 1969	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Purpose: To establish a Government of Pakistan program to create a viable, continuing agricultural research system closely linked to international research institutes and drawing upon foreign expertise as needed.

Major Outputs:

	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		
Trained participants returned	1	2	2
National Research center completed			x
Research programs approved	4	15	25

Host Country and Other Donors:

Host Country	Equivalent of $2,700,000 for local costs and $520,000 in foreign exchange
World Bank	$20,000,000 for a seed development program
International Maize and Urban Improvement Center (CIMMYT)	Personnel and associated travel costs
International Rice Research Institute (IRRI)	Personnel and associated travel costs
Ford Foundation	$270,000 to support CIMMYT, IRRI and the Pakistan Agricultural Research Center (PARC)

Progress to Date: Successful efforts thus far in agricultural research have resulted in the implementation of three projects: Water Management, Dryland Agriculture Development, and Village Level Food Processing. Detailed, multi-year research and extension programs have been defined for wheat, corn, sorghum, millet, forage crops, and oilseeds. Each program includes resources for widespread testing of the new technology in the farmer's fields, in cooperation with the extension services. Under the revitalized Agricultural Research Council, a 1,500-acre National Agriculture Research Center is being staffed and constructed to assist in coordinating agriculture research throughout the country. Technicians from the U.S. Department of Agriculture serve as resident technical advisors in this program.

FY 1978 Program: $300,000 is requested to finance the services of four USDA specialists: oilseed specialist, experiment station advisor, agronomist, and a plant breeder.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Advisors (48 pm)	300

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	1,633	1,159	474
Estimated Fiscal Year 1977	282	550	
Estimated through September 30, 1977	1,915	1,709	206
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	300	481	2,696

PRINCIPAL CONTRACTORS OR AGENCIES

U.S. Department of Agriculture

Country: PAKISTAN

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Dryland Agricultural Development - Phase I	Food and Nutrition	FY 78 240		
NUMBER 391-0403 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p. 99	INITIAL OBLIGATION FY 1975	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1978

Purpose: To identify, evaluate, and demonstrate to approximately 30,000 farmers methods of improving crop varieties and water conservation practices in conjunction with the use of fertilizer.

Major Outputs:

	FY 77	FY 78
	(Cumulative as of end of FY)	
Socio-economic-motivational studies of small dryland farmers completed	2	2
Adaptive and verification trials conducted	210	300
On-farm demonstrations	13,000	15,500
Trained personnel	100	200
Plans for future development	4	4

Host Country and Other Donors:

Host Country	Personnel (7,000 pm) and equivalent of $800,000 for farm inputs, $750,000 for credit
International Maize and Wheat Improvement Center	Maize fertilizer trials
International Rice Research Institute	Small machinery project
World Bank	Seed project

Progress to Date: Through agriculture research and demonstrations on farmer's fields, it has been determined that wheat production in the rainfed areas of Pakistan can be doubled or tripled with improved cultural practices and appropriate technology. This project follows up on the successful research and demonstrations carried out since 1973. In FY 1976 some 9,589 on-farm demonstrations and 110 research trials were conducted, reinforcing the possible production potential in the rainfed areas where some of Pakistan's poorest farmers live. Prior to the assignment of a U.S. contract team in FY 1976, the Government of Pakistan, through its extension service, was responsible for the basic ground work of this project through a local currency grant.

FY 1978 Program: $240,000 is requested to finance technical assistance and required support commodities through the contract with Experience, Inc., as well as to continue training programs.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Advisors, long-term (36 pm) short-term (6 pm)	219
Commodities	11
Training (short-term)	10
Total	240

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	523	122	401
Estimated Fiscal Year 1977	100	400	
Estimated through September 30, 1977	623	522	101
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	240	–	863

PRINCIPAL CONTRACTORS OR AGENCIES

Experience, Inc.

Country: PAKISTAN

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Rural Roads	Food and Nutrition	FY 78 10,000		
NUMBER 391-0409 GRANT ☐ LOAN ☒	PRIOR REFERENCE FY 1977 Asia Programs, p. 112	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Purpose: To establish adequate communication linkages for rural people to markets, health and education facilities in districts participating in the project.

Major Outputs:

	FY 77	FY 78
	(Cumulative as of end of FY)	
Rural roads constructed and maintained (miles)	50	250
District maintenance capability improved (number of districts)	2	7

Host Country and Other Donors:

Government of Pakistan	Equivalent of $6,500,000 in FY 1978 for labor and equipment
World Food Program	Assistance for surfacing of dirt roads

World Bank assistance for a major highway program

Progress to Date: An A.I.D.-sponsored consultant has just completed an economic and engineering analysis for the final project design. In addition, feasibility studies are being completed which will identify, in consultation with the central and provincial governments, the seven districts in which construction activities will take place. The districts chosen will be those in which, on the basis of these studies, it is anticipated the rural residents will benefit most from improved access to agricultural inputs, markets, and social services. The project cost has been reduced from an original estimate of $30,000,000 covering 15 districts to $18,000,000 covering seven districts. Initial construction will begin in the first two districts in late FY 1977.

FY 1978 Program: $10,000,000 is requested to finance the cost of design and construction of rural roads, in five additional districts serving a rural population of approximately two million.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Partial reimbursement for costs of design and construction of 600 miles of rural roads over life of project	10,000	18,000

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	–	–	–
Estimated Fiscal Year 1977	–	–	
Estimated through September 30, 1977	–	–	–
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	–	–	–

PRINCIPAL CONTRACTORS OR AGENCIES

Country: PAKISTAN

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
On-Farm Water Management (Phase II)	Food and Nutrition	FY 78 15,000		
NUMBER 391-0413	PRIOR REFERENCE	INITIAL OBLIGATION FY 1976	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1982
GRANT ☐ LOAN ☒	FY 1977 Asia Programs, p.109			

Purpose: To establish public and private sector capability to plan and deliver on-farm water management services (improvement of irrigation watercourses, precise leveling of farmland, and improvement of crop and water management practices) targeted to small and medium size farmers.

Major Outputs:

	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		
Trained personnel	-	389	579
Number of acres precision-leveled	6,500	8,639	46,844
Number of farms improved	1,115	1,770	9,410
Watercourses improved (units)	-	15	150
Demonstration areas set up	-	26	51
Contractors selected	-	36	86
Equipment pools established	-	42	69

Host Country and Other Donors

Host Country — Not less than 25% of cost directly associated with project

Host Country and Other Donors:

World Bank
Asian Development Bank — Assistance for the large-scale irrigation infrastructure, and a salinity control and reclamation program

Progress to Date: Under an initial grant project, demonstration areas were established in three provinces. An information management and data feedback system is being instituted to develop case studies and cost-benefit sensitivity analyses. Demonstration data are being tabulated and analyzed for use in project training and to determine the effect of precision land leveling on farmer incomes. Phase II construction activities under the initial FY 1976 loan will begin in early calendar year 1977.

FY 1978 Program: $15,000,000 is requested to finance the construction of agricultural structures on a Fixed Amount Reimbursement basis. This project is undertaken in conjunction with a $7,500,000 prior-year loan effort.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Land Leveling	10,000	12,500
Watercourse lining	5,000	10,000
	15,000	22,500

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	-	-	-
Estimated Fiscal Year 1977	-	-	
Estimated through September 30, 1977	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	-	-	-

PRINCIPAL CONTRACTORS OR AGENCIES

U.S. Soil Conservation Service

Country: PAKISTAN

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Village Food Processing	Food and Nutrition	FY 78 300		
NUMBER 391-0417 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p. 101	INITIAL OBLIGATION FY 1976	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979

Purpose: To identify, develop, and test feasible methods to improve small-scale sugarcane, oilseed, and rice bran processing and to demonstrate the commercial feasibility of the improved technology.

Major Outputs:

	FY 77	FY 78
	(Cumulative as of end of FY)	
Socio-economic feasibility study	1	1
World search for appropriate technology	x	x
Commercially produced equipment sold and in operation (units)	-	308

Host Country and Other Donors:

Host country — The equivalent of $214,000 will be available for credit ($40,000) and for costs of management and extension services ($174,000)

Progress to Date: The project agreement was signed in June 1976. Contractor selection procedures have been completed and contract negotiations are underway. Project implementation will begin in FY 1977 on an initial phase to establish social, economic, and engineering criteria and to identify appropriate small-scale processing technology. The appropriate Technology Development Organization, a unit established in 1974 within the Planning Commission, has the responsibility to coordinate, guide, monitor and evaluate project activities.

FY 1978 Program: $300,000 is requested to finance a contract providing technical assistance for the subsequent phase of prototype equipment development and industrial extension counselling activities.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Advisors (29 pm)	183
Prototype equipment	97
Market study	20
Total	300

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	175	-	175
Estimated Fiscal Year 1977	90	165	
Estimated through September 30, 1977	265	165	100
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	300	-	565

PRINCIPAL CONTRACTORS OR AGENCIES

Denver Research Institute

Country: PAKISTAN

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Expanded Population Planning Project	Population Planning	FY 78 4,718		
NUMBER 391-0393 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p. 104	INITIAL OBLIGATION FY 1973	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979

Purpose: To expand the Government of Pakistan's population planning program.

Major Outputs:	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		
Commercial Outlets Established	34,000	40,000	50,000
Clinics in Operation	890	950	1,200
Contraceptives Dispensed			
Pills (Cycles in millions)	10.2	15.5	22.3
Condoms (Gross in millions)	1.8	2.8	4.3
Voluntary Surgical Contraceptions Performed	30,000	66,900	138,000

Host Country and Other Donors: ($000)

Host Country	8,500, July 1976-June 1977
UNFPA	9,000, FY 1977-FY 1979
Federal Republic of Germany	1,200, FY 1977
United Kingdom	230, FY 1977
Norway	2,600, FY 1977 and FY 1978

Progress to Date: Despite massive inputs of contraceptives, funds and technical assistance, only 5.0% of currently married non-pregnant women are either sterilized or using a contraceptive method. The population growth rate remains 3.0%. In the Pakistan Fertility Survey in mid-1975, only 29% of respondents ever married reported having had a contact with a family planning worker--suggesting that field workers have not met the requirement to visit every couple four times per year. Organizational and administrative problems have constrained the program from reaching the 49% of fertile women who state they do not want another child. To overcome these problems, the Pakistan Government, with A.I.D.'s assistance, is reorganizing the Population Planning Council Secretariat and field motivational program, elevating program leaders to the secretarial level, encouraging commercial marketing and advertising of contraceptives and assigning highest priority to voluntary surgical contraception. Further, Pakistan has decided to address serious management problems by centralizing authority for the program at the national level. The conclusions and recommendations of a comprehensive evaluation, completed in December 1976, will suggest additional ways to overcome program obstacles.

FY 1978 Program: $4,718,000 is requested to finance oral contraceptives, assistance for voluntary surgical contraception and other program support. New program strategies based on the 1976 evaluation are now being developed.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Oral contraceptives	1,600
Ocean freight for condoms funded in prior years	48
Participants, short-term, (15) long-term (2)	70
Information, Education and Communication Support	500
Voluntary Surgical Contraception Services	2,500
Total	4,718

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	22,377	17,631	4,746
Estimated Fiscal Year 1977	2,778	2,315	
Estimated through September 30, 1977	25,155	19,946	5,209
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	4,718	–	29,873

PRINCIPAL CONTRACTORS OR AGENCIES

Country: PAKISTAN

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Population Research and Development	Population Planning	FY 78 500		
NUMBER 391-0411*	PRIOR REFERENCE	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1980
GRANT ☒ LOAN ☐	FY 1977 Asia Programs, p. 106			

Purpose: To support field studies of the impact of development activities on population growth; and to undertake small-scale operations research and pilot projects to provide information to enable Pakistan to allocate family planning resources in a more effective manner.

Major Outputs:

	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		
Research studies underway	-	3	13
Pilot projects begun	-	1	3
Seminars and workshops held	-	3	13

Host Country and Other Donors:

Host Country	$750,000 in local currency for research, local staff salaries, rental and other incidental costs for life of the project
Ford Foundation and Population Council	Estimated equivalent of $25,000 per annum to support half-time technical advisor in country

Progress to Date: The Demographic Policy Research Center of the Population Planning Division and the Social Planning Section of the Planning Commission have been designated as implementing agencies for this project. The Government of Pakistan plans to award the first sub-grant in the spring of 1977 to Pakistani education and research institutions and indigenous experts.

FY 1978 Program: $500,000 is requested to finance sub-grants for research and seminars related to population growth and family planning motivation.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Sub-grants for research and seminars	450
Other cost (commodities, travel, consultants)	50
Total	500

*Listed in FY 1977 Congressional Presentation as number 391-408.

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	-	-	-
Estimated Fiscal Year 1977	300	200	
Estimated through September 30, 1977	300	200	100
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	500	-	800

PRINCIPAL CONTRACTORS OR AGENCIES

To be selected

Country: PAKISTAN

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Malaria Control	Health	FY 78 7,500		
NUMBER 391-0163 GRANT ☐ LOAN ☒	PRIOR REFERENCE FY 1977 Asia Programs, p. 108, 109	INITIAL OBLIGATION FY 1975	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1978

Purpose: To reduce the incidence of malaria in Pakistan to a level of five cases per 10,000 people.

Major Outputs:	FY 76	FY 77	FY 78
Structures sprayed (000 per year)	8,200	8,200	5,750
Population protected by spraying (000 per year)	47,560	47,560	33,350
Insecticides imported (metric tons)	7,249	8,500	5,000

Host Country and Other Donors:

Host Country	Equivalent of $40,000,000 for project support costs and hiring of local workers
World Health Organization (WHO)	Equivalent of $1,250,000

Progress to Date: The Government of Pakistan has established a Federal Directorate of Malaria Control. On the provincial level, organizations responsible for implementing the program are fully operational. The first spraying season in 1976 provided coverage in 85% of the high incidence areas and substantially reduced mosquito densities in those areas. A four-member WHO team is supplying the Government of Pakistan with technical advice. In 1976, a problem with malathion toxide temporarily halted spraying operations; precautionary measures are now being instituted.

FY 1978 Program: $7,500,000 is requested to finance insecticides and other commodities related to the malaria program.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Commodities: insecticides, hand sprayers, and spare parts	7,500	35,000

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	–	–	–
Estimated Fiscal Year 1977	–	–	
Estimated through September 30, 1977	–	–	–
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	–	–	–

PRINCIPAL CONTRACTORS OR AGENCIES

Country: PAKISTAN

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Rural Clean Water Supply - Phase I (Hand Pumps)	Health	FY 78 10,000		
NUMBER 391-0406 GRANT ☐ LOAN ☒	PRIOR REFERENCE FY 1977 Asia Programs, p. 114	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Purpose: To establish clean water hand pump systems and the capability to maintain these systems in rural areas. While mechanical water treatment and distribution systems are preferred in densely populated rural communities, these are not feasible in many rural areas; therefore, it is necessary to install hand pumps to ensure an availability of potable water.

Major Outputs:	FY 77	FY 78
Handpumps installed and maintained	20,000	40,000
Population served	1,500,000	3,000,000

Host Country and Other Donors:

Host Country	Initially-Payment of all project costs as they occur with reimbursement by A.I.D. of about 75% of these costs after certification of agreed expenditures. Ultimately-Net contribution will be the equivalent of $5,000,000 at the end of the project.
UNICEF and United Nations Development Program	Supply and distribution of hand pumps in areas affected by the 1973 floods, valued at the equivalent of $1,500,000.

Progress to Date: The Government of Pakistan recognizes the severity of the problem of polluted water for household use and has declared as an objective of the Fifth Five-Year Plan that the population served by water supply in rural areas be increased from 17% in 1977 to 34% in 1982. In FY 1977, $5,000,000 will be made available to initiate the fabrication and installation of hand pumps. FY 1978 funding will continue this effort.

FY 1978 Program: $10,000,000 is requested to finance foreign exchange requirements and some of the local costs in the fabrication and installation of hand pumps in rural areas.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Partial reimbursement to the Government of Pakistan for the foreign exchange costs of hand pump manufacturing and a portion of the local costs of installation	10,000	15,000

*Listed in FY 1977 Congressional Presentation as "Rural Potable Water Supply."

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	-	-	-
Estimated Fiscal Year 1977	-	-	
Estimated through September 30, 1977	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	-	-	-

PRINCIPAL CONTRACTORS OR AGENCIES

Country: PAKISTAN

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Basic Health Services	Health	FY 78 7,500		
NUMBER 391-0415 GRANT ☐ LOAN ☒	PRIOR REFERENCE FY 1977 Asia Programs, p. 113	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979

Purpose: To establish a functioning, integrated rural health system and the capability within the national and regional health offices to train, deploy and logistically support an auxiliary health force for its rural health program.

Major Outputs	FY 77 (Cumulative as of end of FY)	FY 78
Mid-level health workers trained	-	270
Health worker instructors trained	36	72
Community health workers trained (1,350 by FY 1979)	-	-
Curriculum developed	x	x
Rural Health Centers and Sub-units established (each to serve up to 100,000 population)	-	12

Host Country and Other Donors:

Host Country	$9,795,00 in rupees for life of project
World Health Organization	$480,000 in rupees for life of project

Progress to Date: A project plan has been developed, and project authorization is expected in the Second Quarter of FY 1977 for a FY 1977 loan of $6,000,000 and a grant of $1,500,000.

FY 1978 Program: $7,500,000 is requested to finance consultant services, training, and constructing and equipping rural health facilities.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Grant		1,500
Consultants long-term (13 py) short-term (40 pm)		
Loan	7,500	13,500
Reimbursement for general project costs (construction, training, and equipment and supplies)		
Total	7,500	15,000

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	-	-	-
Estimated Fiscal Year 1977	1,500	1,000	
Estimated through September 30, 1977	1,500	1,000	500
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	-	-	1,500

PRINCIPAL CONTRACTORS OR AGENCIES

MEDEX Consortium of University of Hawaii, University of Washington and University of Utah

Country: PAKISTAN

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Development Communications Center	Education and Human Resources Development	FY 78 400		
NUMBER 391-0407 GRANT ☑ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p. 116	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Purpose: To improve and expand the use of mass media in the support of development programs in rural areas.

Major Outputs:

	FY 77	FY 78
	(Cumulative as of end of FY)	
Federal media education centers	1	1
Regional media education centers operational	-	4
Development message campaigns	-	3
Staff trained	3	7

Host Country and Other Donors:

Host Country $920,000 in local currency for salaries and allowances ($280,000), campaign costs ($360,000), and other costs ($280,000)

Progress to Date: This project was designed to respond to the need of the rural population for information on food and nutrition, health, family planning, and general basic education which could not be provided by conventional extension means. The high level of village radio ownership will permit transmission of relevant information and establishment of a feedback mechanism to evaluate project effectiveness and assess the need to alter media package design to changing rural situations. After review of design studies financed by A.I.D. and determination by the Government of Pakistan of staff available for training, the previous estimate was lowered of both the number of media education centers and funding level required.

FY 1978 Program: $400,000 is requested to finance consultants, training and equipment.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Advisors, long-term (three py) and short-term consultants	257
Training, long-term (4)	72
Portable communication equipment	71
Total	400

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	-	-	-
Estimated Fiscal Year 1977	218	200	
Estimated through September 30, 1977	218	200	18
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	400	228	846

PRINCIPAL CONTRACTORS OR AGENCIES

To be selected

Country: PAKISTAN

NEW ACTIVITY

Table V

TITLE Rural Electrification	FUNDS Food and Nutrition	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 25,000 (1,000 Grant, 24,000 Loan)		
NUMBER 391-0408 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1982

Goal: To enhance the quality of life and productive capability of the rural poor in Pakistan.

Purpose: Wider, more equitable, reliable and productive distribution of electricity in rural areas.

Background: The Government of Pakistan has in the past concentrated its electric distribution efforts in urban, industrial and major agricultural areas. At present only an estimated 14% of Pakistan's 43,000 villages have any form of electric power. The Government of Pakistan in its draft Five-Year Plan (1976 to 1981) has assigned a high priority to rural electric power distribution calling for an additional 5,000 villages and 50,000 tube wells to be electrified during the plan period. This represents nearly a three fold increase over connections during the Fourth Five-Year Plan period. The benefits to be derived from this effort include lower costs for new agricultural and rural industry investments resulting in more extensive irrigation, improved food processing, and increased employment opportunities from the growth of rural business.

Major Outputs	FY 78	All Years
	(Cumulative as of end of FY)	
Primary service areas organized	6	22
Villages served	198	2,200
Domestic connections	13,860	154,000
Industrial and tube well connections	990	11,000

Host Country and Other Donors:

Government of Pakistan $40,300,000 rupee equivalent

While other donors are not directly involved in rural distribution, they are deeply involved in assisting Pakistan with increasing its generating and transmission capability.

FY 1978 Program: $25,000,000 is requested to assist the Government of Pakistan to establish the required local and national institutions (possibly using a cooperative mechanism) and to finance a portion of the costs of completed rural electric connections.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Grant	1,000	1,000
Consultants (10 py)	820	820
Training (250 pm)	120	120
Supplies	60	60
Loan	24,000	54,000
Construction (services and commodities)		
Total	25,000	55,000

Country: PAKISTAN

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Rural Clean Water Supply - II (Village water systems)	Health	FY 78 15,000		
NUMBER 391-0425 GRANT ☐ LOAN ☒		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: To improve health status of the rural population.

Purpose: To establish mechanical clean water systems and the capability to maintain these systems in rural communities in Pakistan.

Background: In a recent series of World Health Organization (WHO) studies, it is reported that 87% of the rural population of Pakistan lack reasonable access to safe water. The unsanitary conditions which result are a major source of infectious disease, constituting at least 25% of the total disease picture. The Government of Pakistan recognizes the severity of this problem and has declared as an objective of the Fifth Five-Year Plan that the population served by water supply in rural areas be increased from 17% in 1977 to 34% in 1982. This project complements Rural Clean Water Supply - Phase I (Hand Pumps) project (no. 0406).

Major Outputs:

	FY 78	All Years
	(Cumulative as of end of FY)	
Small village water systems	10	45
Water works operator training centers	-	3
Population served	50,000	225,000

Host Country and Other Donors:

Host country	Initially-Payment of all project costs as they occur with reimbursement by A.I.D. of about 75% of these costs after certification of agreed expenditures. Ultimately-Net contribution will be the equivalent of $5,200,000
World Bank WHO	Sector studies on water supply and sewerage

FY 1978 Program: $15,000,000 is requested to finance the costs of construction of mechanical clean water systems and the training necessary to ensure that they are maintained.

A.I.D.-financed Inputs

	FY 78
Reimbursement to the Government of Pakistan of about 75% of the costs of construction and training for small water treatment and distribution systems	15,000

Country: PAKISTAN

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Economic Planning and Policy Analysis	Education and Human Resources Development	FY 78 750		
NUMBER 391-0421 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1982	ESTIMATED COMPLETION DATE OF PROJECT FY 1983

Goal: To increase the use of economic analysis to determine effective development program options.

Purpose: To strengthen the capacity of the Government of Pakistan in the economic analysis of alternative policies, programs, and projects in areas of development needs.

Background: In response to the redirection of economic policies and needs of Pakistan's complex agrarian economic system, Government officials are creating increased demands for socio-economic analysis. At the same time, the number of people trained and available to prepare this analysis is inadequate, resulting in decision makers not having adequate information available to them prior to making policy decisions. The shortage of professionally trained people is the result of a continuation of factors: Pakistan's training institutions are not capable of supplying the number of professionals needed, a poor data base contributes to inadequate quantity and quality of analysis and many professionals were lost when Pakistan split in 1971. This project plans to develop a core manpower base within the Government to carry out economic policy analysis and it plans to upgrade key training institutions to provide a continuous flow of trained economists in order to maintain a permanent analytical capacity.

Major Outputs:	FY 78	All Years
Personnel trained	-	125
Master's degree programs in Pakistan universities (30 students per program)	-	3
University and Government libraries upgraded	-	5
Ph.D. programs in Pakistan universities	-	3

Host Country and Other Donors:

Host Country $2,490,000 in rupees for technical assistance, salaries and transportation

FY 1978 Program: $750,000 is requested to finance consultants, training, equipment and supplies.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Consultants, long-term and short-term in FY 1978 (47 pm)	265	3,413
Training, long-term in FY 1978 (396 pm)	343	2,417
Exchange program for Pakistani faculty	38	150
Equipment and supplies	104	737
Total	750	6,717

Country: PAKISTAN

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Development Training	Education and Human Resources Development	FY 78 1,000		
NUMBER 391-0426 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: To increase the availability of trained Pakistani manpower in priority development areas.

Purpose: To upgrade the technical and managerial expertise of Pakistanis who are directly involved in the development and implementation of the Government of Pakistan's priority social and economic development programs.

Background: This project will provide training for Pakistanis in the United States, Pakistan, and in third countries in skills which are directly related to their priority economic and social development needs. Training programs will focus on food and nutrition, health and population, public administration, and education and human resource development. Participants will be selected from the various ministries and departments concerned with priority development areas: Agriculture, Health, Population, and Education. The training should provide Government officials an opportunity to learn modern managerial, technical, and planning skills to better design, implement, and evaluate development programs.

Major Outputs:	FY 78	All Years
	(Cumulative as of end of FY)	
Trained Government of Pakistan personnel:		
Long-term academic	20	60
Non-degree special subjects	20	60

Host Country and Other Donors: ($000 equivalent)

	FY 78	FY 79	FY 80
Host Country			
International travel	90	180	270
Salaries	85	170	259

Most other donors operating in Pakistan provide a limited number of training scholarships to government personnel in areas related to the donor interest.

FY 1978 Program: $1,000,000 is requested to finance training for approximately 20 long-term and 20 short-term participants.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Participant training, long-term (20 per year)	800	1,266
Participant training, short-term (20 per year)	200	318
Total	1,000	1,584

Pakistan

(U.S. Fiscal Years – Millions of Dollars)

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS 1973	1974	1975	1976	TQ	TOTAL 1946-1976†	REPAYMENTS AND INTEREST 1946-1976†	TOTAL LESS REPAYMENTS AND INTEREST
I. ECONOMIC ASSISTANCE – TOTAL	177.9	101.8	180.9	209.3	57.9			
Loans	163.2	83.0	139.5	192.0	56.5			
Grants	14.7	18.8	41.4	17.3	1.4			
a. A.I.D. and Predecessor Agencies	96.4	58.4	96.0	106.3	31.3			
Loans	88.6	50.6	60.0	97.2	29.9			
Grants	7.8	7.8	36.0	9.1	1.4			
(Security Supporting Assistance)	(-)	(-)	(-)	(-)	(-)			
b. Food for Peace (PL 480)	81.5	42.5	84.9	102.9	26.6	Not available at time of printing		
Loans	74.6	32.4	79.5	94.8	26.6			
Grants	6.9	10.1	5.4	8.1	-			
Title I - Total Sales Agreements	74.6	32.4	79.5	94.8	26.6			
Repayable in U.S. Dollars - Loans	74.6	32.4	79.5	94.0	26.6			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	6.9	10.1	5.4	8.1 a/	-			
Emerg. Relief, Econ. Develop. & World Food Program	5.9	9.5	5.3	7.1	-			
Voluntary Relief Agencies	1.0	0.6	0.1	1.0	-			
c. Other Economic Assistance	-	0.9	*	0.1	-			
Loans	-	-	-	-	-			
Grants	-	0.9	*	0.1	-			
Peace Corps	-	-	-	-	-			
Other	-	0.9	*	0.1	-			
II. MILITARY ASSISTANCE – TOTAL	0.3	0.2	0.3	0.3	0.1			
Credits or Loans	-	-	-	-	-			
Grants	0.3	0.2	0.3	0.3	0.1			
a. MAP Grants	0.3	0.2	0.3	0.3	0.1			
b. Credit Sales under FMS	-	-	-	-	-			
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-			
d. Transfers from Excess Stocks	-	-	-	-	-			
e. Other Grants	-	-	-	-	-			
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	178.2	102.0	181.2	209.6	58.0			
Loans	163.2	83.0	139.5	192.0	56.5			
Grants	15.0	19.0	41.7	17.6	1.5			
Other U.S. Government Loans and Grants	36.1	33.7	-	37.5	6.7			
a. Export-Import Bank Loans	28.2	0.2	-	13.4	6.7			
b. All Other Loans	7.9	33.5	-	24.1	NA			

(Millions of Dollars) TABLE VI

ECONOMIC PROGRAMS OF OTHER DONORS

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1975	FY 1976	TQ	FY 1946-76†
TOTAL	218.9	319.1	39.0	1,928.1
IBRD	60.0	50.4	25.0	747.3
IFC	*	2.2	-	22.8
IDA	82.0	107.7	14.0	670.3
ADB	70.5	144.0	-	363.3
UNDP	2.3	4.6	-	68.6
Other UN	4.1	10.2	-	55.8

B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS

Donor	CY 1974	CY 1975	CY 1969-75
1. O.A.C. COUNTRIES (Excluding U.S.)			
TOTAL	218.6	308.5	1,369.4
Germany	90.0	99.8	413.9
Japan	29.6	43.6	249.5
Canada	31.4	64.6	231.3
U.K.	20.3	14.6	148.7
Italy	*	16.5	87.2
France	8.8	18.1	56.5
Netherlands	15.5	17.0	47.5
Other	23.0	34.3	134.8
2. O.P.E.C. COUNTRIES (COMMITMENTS)			
TOTAL	747.1	141.9	
Iran	587.1	1.0	
Kuwait	-	5.0	
Libya	50.0	16.9	
Qatar	10.0	1.0	
Saudi Arabia	-	110.0	
UAE	100.0	8.0	

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1975	CY 1976 P	CY 1954-76
TOTAL	-	10	1,141
USSR	-	-	652
Eastern Europe	-	10	84
China	-	-	405

*Less than $50,000. TQ - Transition Quarter † - As of September 30, 1976. P-Preliminary. UAE-United Arab Emirates. Note: A.I.D. includes capitalized interest on prior year loans. NA-Not Available.
a/ Includes the transition quarter.

Pakistan

GENERAL ECONOMIC AND SOCIAL DATA

TABLE VII

POPULATION			
Total (mid-1976; millions)			72.4
Annual Growth Rate (percent)			3.0%
Urbanization	1960	1975	
Percent in Urban Areas	20%	27%	
Labor Force in Agriculture (percent)			57%
HEALTH			
Life Expectancy (years)			53
Infant Deaths per 1,000 Live Births			124
People per Doctor			3,920
EDUCATION			
Primary and Secondary Students	1960	1973	
a. Number (in thousands)	2,680	6,424	
b. As Percent 5-19 Age Group	17%	27%	
Literacy Rate (percent)			25%
PER CAPITA GROSS NATIONAL PRODUCT			
1974 (dollars)[1]			130
Average 1965-74 Annual Growth Rate (percent)[2]			2.5%
AGRICULTURAL PRODUCTION—Average 1971-76 Annual Growth Rate			
Total Production (percent)			0.6%
Per Capita Production (percent)			-2.2%

INTERNATIONAL COMMODITY TRADE ($ millions)	1974	1975
Exports (f.o.b.)	1,095	1,049
Imports (c.i.f.)	-1,732	-2,151
Trade Balance	-637	-1,102

Main Exports: Textiles and cotton, cereals.

OFFICIAL INTERNATIONAL RESERVES	1974	1975	1976
(Gross Holdings; End of Period; $ millions)	461	406	577(Nov)

CENTRAL GOVERNMENT FINANCES ($ millions)[3] (FY Beginning July 1)	1974[E]	1975[E]
Total Expenditures	1,574	2,469
Defense Expenditures		
a. As % of Total Expenditures	31.7%	28.2%
b. As % of GNP	5.7%	6.2%
Domestic Revenues	1,191	1,477

FY 1975 U.S. ECONOMIC ASSISTANCE	
a. As % of Country Central Government Expenditures	7%
b. As % of Country Imports of Goods & Services	6%
SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT as % of Goods and Non-Factor Services (1974)	n.a.

NOTE: Where year is not stated, data are latest information available.

[1] Estimate in IBRD 1976 Annual Report. Reflects a new computation based on GNP in average 1973-75 domestic prices converted to U.S. dollars at average 1973-75 exchange rates and adjusted by the ratio of 1974 U.S. prices to average 1973-75 U.S. prices.

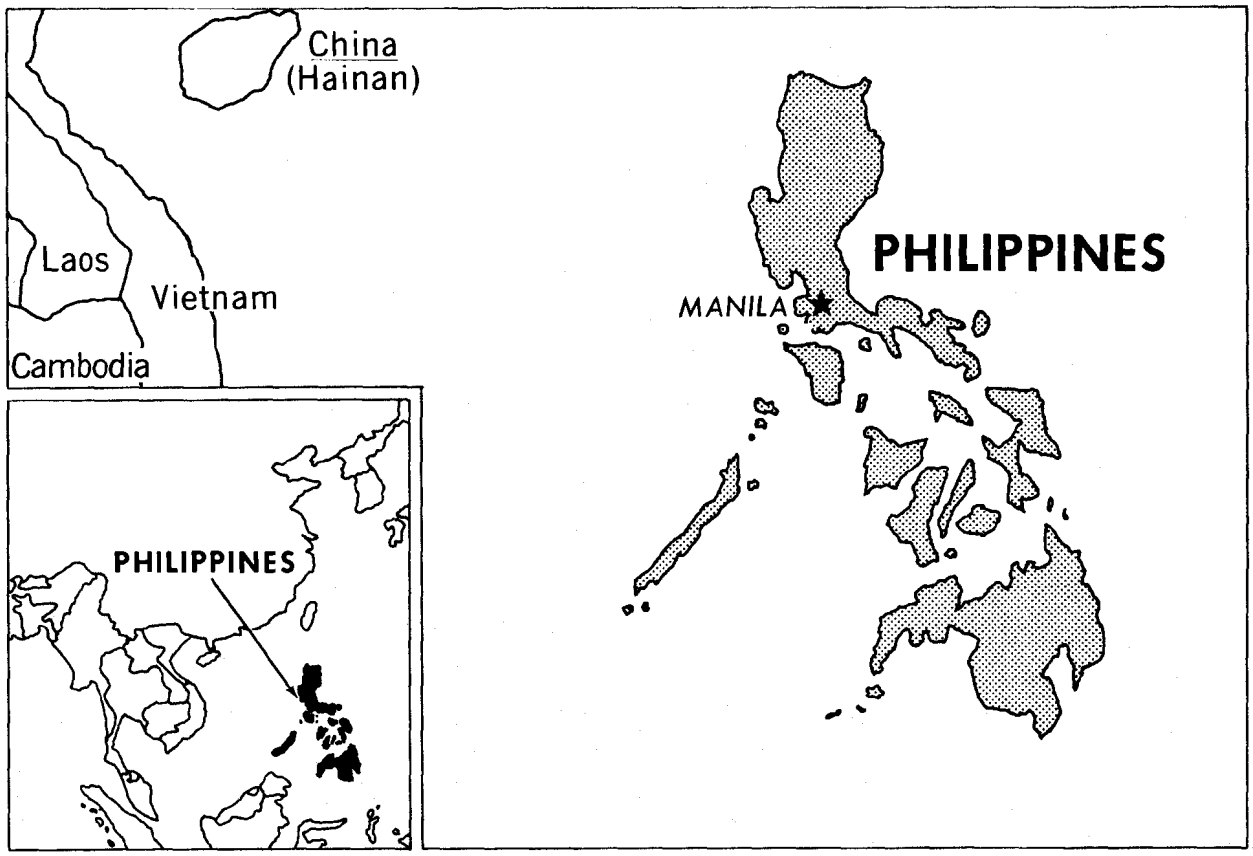
[2] Estimate in the IBRD 1976 World Atlas.

[3] Converted to U.S. dollars at 1975 exchange rate. Data are in current prices and reflect the impact of inflation.

E - Estimate.

n.a. - Not available.

Philippines



KEY DATA

Population *(millions - mid-1976)*	44.7
Annual Growth Rate *(percent)*	2.9
Population in Urban Areas *(Percent - 1975)*	36
Labor Force in Agriculture *(Percent)*	55
Per Capita GNP *(dollars - 1974)*	330*
Life Expectancy *(years)*	58
People Per Doctor	2,680
Literacy Rate *(percent)*	85
Students as % of 5 - 19 Age Group *(Primary and Secondary)*	65

* - Estimate in IBRD 1976 Annual Report.

PHILIPPINES

Table of Content

		Page
Development Assistance Program Summary		118
Table II	- Summary of Active and Proposed Projects	126
Table III	- Summary of Loan Authorizations Estimated FY 1977 - Proposed FY 1978	128
Table IV	- Continuing Activity	130
	Food and Nutrition	130
	Local Development	131
	Agrarian Reform	132
	Aquaculture Research and Extension	133
	Small Scale Irrigation II	134
	Population Planning II	135
Table V	- New Activity	136
	Bicol Integrated Rural Development	136
	Rural Service Centers	137
	Bicol Integrated Area Development III	138
	Fisheries Education Development	139
	Rural Roads II	140
	Cooperative Marketing	141
	Agricultural Research II	142
	Barangay Water	143
	Panay Unified Services for Health	144
	Bayanihan Cooperative Barrio Schools	145
	Participant Training II	146
	Economic and Social Impact Analysis and Women in Development	147
	Real Property Tax Administration	148
Table VI	- Summary of Total Foreign Assistance	149
Table VII	- Summary of Economic and Social Data	150

PHILIPPINES

Reflecting a long history of close association, U.S. interests in the Philippines are humanitarian, strategic and economic. A viable, independent Philippine state which remains favorably disposed toward the United States is essential to those interests.

Socio-Economic Setting

Within a framework of economic cooperation with the United States and other donors, the Philippines has made significant strides toward achievement of a self-sustaining rate of growth. The Philippines has much of the skilled manpower and some of the material resources to carry out its development programs, but the burden of population growth and limited ability to mobilize new domestic and foreign capital must be overcome. If these problems are not solved, the inequity of income distribution, lack of access to basic necessities and oppression of poverty will continue. Efforts to correct these problems have been seriously hampered since 1973 by the worldwide economic slump and externally imposed inflation which has resettled from higher fuel import costs. But the resilience of the Philippine economy under sound management can be seen by its creditable performance during the same period:

-- Real GNP grew at annual rates of 6.0% in 1974 and 5.9% in 1975.

-- Inflation, which hit a high of 30% in 1974, was reduced to 8.0% in 1975 and an estimated 7.0% in 1976.

-- Rice production increased by over 10% in crop year 1976.

-- Although the trade deficit approached one billion dollars in 1975, the overall balance of payments position remained at a manageable level.

Despite recent progress, serious problems remain:

-- Its population growth rate is 2.9%.

-- The Philippines has inadequate agricultural marketing, storage and distribution systems which are a constraint in increasing agricultural production.

-- Moderate to severe malnutrition affects approximately 35% of children six months to 14 years of age (eight million children). Overall the average Filipino receives 550 fewer calories per day than the UN recommended daily allowance of 2,200 calories.

-- The Philippines is heavily dependent on volatile international commodity markets for the foreign

PROGRAM SUMMARY
(In thousands of dollars)

FISCAL YEAR	Total	Food and Nutrition	Population Planning and Health		Education and Human Resources Development	Selected Development Activities	Other Programs
1976							
Loans	47,000	37,000	10,000		-	-	-
Grants	7,300	3,400	3,800		100	-	-
Total	54,300	40,400	13,800		100	-	-
Transition Quarter							
Loans	-	-	-		-	-	-
Grants	6,430	630	800		-	5,000	-
Total	6,430	630	800		-	5,000	-
1977							
Loans	30,800	17,500	13,300		-	-	-
Grants	13,476	10,135	3,241		100	-	-
Total	44,276	27,635	16,541		100	-	-
			Population Planning	Health			
1978							
Loans	51,190	31,000	3,690	9,000	3,500	4,000	-
Grants	11,781	3,781	4,000	1,000	500	2,500	-
Total	62,971	34,781	7,690	10,000	4,000	6,500	-

exchange earnings it must have to support current economic activity and to provide necessary capital goods for future growth.

-- The rates of unemployment and underemployment are high in both rural and urban areas.

-- Typhoons strike the Philippines on the average of more than twenty each year, causing extensive damage, particularly in the major Luzon rice growing areas.

-- Earthquakes and their side effects cause damage and suffering which divert domestic resources into relief efforts.

Food and Population

Two major goals of the Philippines are the attainment of self-sufficiency in food production and a reduction of the annual population growth rate from 2.9% to 2.0% in the next decade. Foodgrain imports have been required in all but three of the past 75 years. Year after year frequent typhoons and flooding have taken their toll in harvested grain and growing crops still in the fields. There is little to be done with the weather, but much can be done to reduce losses in post-harvest handling and marketing.

Government investment in agriculture has increased from $76 million in 1972 to $340 million in 1975, mostly in production. The Philippines has enjoyed two good harvest years and may well have a third one this year due primarily to good weather, extension of new technology and increased irrigated land. As a result, food imports are at a minimum.

To meet the increase in domestic demand of a growing population, the Government's Four-Year Plan (1974 to 1977) projects an ambitious production target, with annual increases of 7.0% for rice; 1.8% for corn; 5.8% for fish and 7.3% for meat.

Such production increases will substantially alleviate the large and growing nutritional and employment gaps which require the Philippines to feed an average of 1.5 million more people and find work for 600,000 to 700,000 new job-seekers each year.

To address the problem of post-harvest inefficiencies, the Philippine Government is committed to improvement of the marketing system. While weather is the most critical and independent variable, the next weakest link in increasing food available to the consumer is post-harvest handling, both on-farm and in the marketing system. During this process perhaps as much as half of the rice harvest is lost to pests and spoilage.

The Philippine Government is:

-- committed to improving its agricultural policy to provide greater incentives for efficiency and competition in the marketing system;

-- pledged to reduce malnutrition, with particular emphasis on the eight million undernourished children six months to 14 years of age.

In order to reduce the current malnutrition problem, the Government is conducting wide-ranging nutrition and feeding education programs for pre-school children, pregnant and nursing mothers, and school children. To better identify malnutrition pockets, the Government is conducting a nationwide program to weigh, measure the height and record the age of all school-age children in order to maintain a continuing watch on areas where malnutrition is prevalent.

In its food and nutrition strategy, the Philippine Government has placed principal reliance on outreach efforts. Information and technology are extended through:

-- agricultural extension services;

-- nutrition education in the schools and through the media.

National plans provide incentives to produce and participate in a marketing system which moves commodities from the farmer to the consumer. The Government also provides commodity and budget assistance to feeding programs.

Recent increases in petroleum prices have had an adverse impact on all areas of the economy, including food availabilities. Since little new land is available for agricultural production, the answer to the food and population problem must, on the production side, be found in more efficient utilization of lands now under cultivation. The complexity of this problem is manifest in several ways:

-- Increased production must be achieved without displacing the small farmer who is the major producer of rice and corn, the staple foodgrains, and represents a major economic and social factor.

-- Increases may be attained through the use of irrigation (which requires relatively long lead times), high-yielding seed varieties, fertilizers and pesticides (all requiring new and often improved management skills on the part of the farmer and increased demands on limited extension resources), and the improvement of transportation and marketing facilities.

-- In order to achieve the objectives the Government must ensure that these measures be accompanied by a vigorous population program.

Objectives of U.S. Assistance

The objective of U.S. assistance is to help the Philippines achieve a greater level of material well-being and a more efficient and equitable distribution of income and other benefits from increased production. Accordingly, A.I.D. programs support Philippine Government efforts to assist small producers and to improve the quality of life for the poor majority. Such efforts seek to:

-- achieve self-sufficiency in food production, especially through improved distribution and marketing;

-- improve rural income and employment;

-- reduce rapid population growth and extend nutrition, health and education programs to the poor.

FY 1978 Program

The present Philippine Four-Year Plan (1974 to 1977) is aimed at self-sufficiency in basic foods, specifically rice and corn. This target was met in the 1975 to 1976 harvest year largely because of expanded irrigation facilities, use of high-yielding varieties and unusually good weather conditions. However, certain inherent weaknesses remain:

-- The processing and distribution systems are inadequate to handle peak year surpluses.

-- Incentives for increased production and delivery to consumers need to be improved.

-- Double and triple cropping need to be expanded with the use of the electric pump for irrigation and by use of new seed varieties.

U.S. economic assistance to the Philippines in FY 1978 will be directed toward solution of these problems. A key project in this effort, Integrated Agricultural Production and Marketing, was approved in FY 1977 for three years. The project is a central element of U.S. assistance activities during FY 1978, underlying the emphasis on post harvest agricultural constraints.

PHILIPPINES

Food and Nutrition

As a consequence of the imbalance between agricultural production and population growth described above, nutritional standards in the Philippines are among the lowest of any country in the world:

-- One-third of the 45 million Filipinos are malnourished or receiving diets considerably below standard.

-- Food production, while increasing, is barely keeping pace with population growth and then only enough to maintain the current inadequate diet.

-- The daily per capita intake of protein, vitamins, calcium and calories is estimated to be 30% below normal.

-- Current nutrition programs are estimated to be reaching only about 1.6 million of the 8.0 million children six months to 14 years of age, the group that suffers the greatest malnutrition problem.

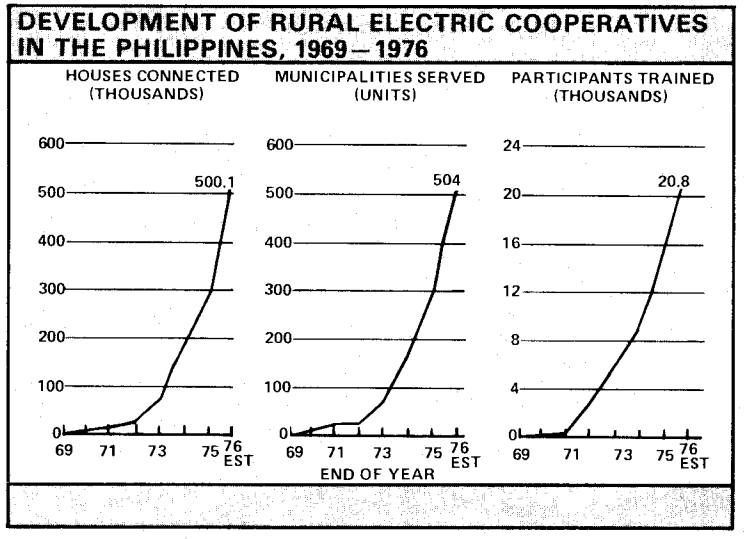
Under its recent Plan, the Government is aiming for self-sufficiency in foodgrain production. To this end, it has achieved the following results:

-- a five-fold increase in investment in agriculture from $76 million in 1972 to $340 million in 1975. This has led to the expansion of its rural road network, agricultural credit systems for small farmers, increased irrigation for rice production and a modern program of agricultural research and extension services;

-- The National Nutrition Council is addressing malnutrition among school and pre-school children and is identifying current and long range national food requirements and developing policies which might reduce reliance on external food sources. Such measures include production and distribution centers for vegetable seeds and other planting materials which will contribute to the correction of dietary imbalance and deficits among the rural poor.

A.I.D. is supporting the Government's Development Plan goals in programs that focus on the rural poor and their ability to increase agriculture production and family income. Included are several major efforts over the past several years:

-- Rural Electrification has already reached almost three million people and new connections are proceeding at a rate of 20,000 homes per month. Electric power facilities have increased irrigation and the growth of small industries in rural areas of underemployment.



-- The Agrarian Reform project has provided land for almost 80,000 small farmers and has extended to them the agricultural support services required to make them economically viable.

-- Administrative capability has been strengthened in 28 provinces served by the Local Development project. Market roads, bridges and other infrastructure are being provided to serve rural areas.

-- A.I.D. has also provided assistance in agricultural research, production and marketing and basic nutrition for school and pre-school children.

-- In the Bicol River Basin, an area of significant but yet untapped agricultural potential, activities under all of the above projects cut across sectoral lines to develop a geographic region.

In FY 1978, A.I.D. is proposing a total of $34.8 million in Food and Nutrition activities principally in the following areas:

-- infant and children feeding programs in which grant funds and P.L. 480 inputs are combined to reduce malnutrition;

-- local development to strengthen central and provincial government planning units;

-- Bicol integrated rural development to begin planning and project design efforts in rural development in the Bicol area;

-- rural roads to connect farm areas with market centers;

-- cooperative marketing to strengthen the market and distribution infrastructure for agriculture products;

-- agriculture research to integrate the country's central research institutes with a number of field stations.

Population Planning

In 1900 the population of the Philippines was five million. Today the figure is 45 million and by the year 2000 it will pass 80 million. The anticipated growth will take place despite all efforts to the contrary. The Philippine Government recognizes its problem and is committed to finding a solution:

-- Over the past five years, it has reversed its earlier pronatalist policy.

-- It has established a goal of reducing population growth from the current annual rate of 2.9% to 2.0% by 1985.

-- It has invited and is accepting assistance for family planning programs from the United States, the IBRD and numerous private agencies.

A.I.D. is requesting $7,690,000 to assist the Philippines family planning programs:

-- Family planning is expanding nationally in scope, making family planning services available in every neighborhood in the country.

** Over 3,000 outreach workers will extend supply points in more than 50,000 neighborhoods under this revitalized program.

Health

The development of safe, reliable, low-cost water supplies for the poor majority is an important objective of the Philippine Government:

-- Gastrointestinal diseases, which cause an estimated 7.0% of all deaths in the Philippines, are closely associated with unsafe water supplies and unsanitary water disposal.

-- Government efforts in health tend to focus on curative rather than preventive measures, thus resulting in a concentration of 65% of medical personnel in the larger cities.

-- A.I.D. is assisting an integrated health services project that includes sanitation, nutrition, family planning outreach, and the development of safe water supplies in the rural villages:

** This breaks sharply with programs that center around fixed health facilities, and depend upon traditionally trained medical doctors nurses.

** The project will largely be implemented through locally selected paramedical personnel who will continue to reside in the villages they serve.

A.I.D. is proposing $10.0 million for cooperative water systems in communities under 5,000 population and for improving health infrastructure in four provinces.

Education and Human Resources Development

By international standards, the Philippines is currently a well-educated country. Whether the measure is the ratio of total expenditures to GNP or the proportion of the relevant age groups enrolled in secondary and higher education, the Philippines ranks just below the United States and above most of the countries of Western Europe and Asia:

-- It has a national literacy rate of 85%.

-- The proportion of the active population aged 10 to 65 with at least five years of primary education is 54%, with some college education 4.0%, and with a college degree, 4.0%.

Despite these apparent high levels of enrollment, the educational system is plagued with a high rate of dropouts at all levels, particularly at the primary level where only 56 of every 100 pupils that begin school reach the sixth grade. The result of this high dropout rate is a large group of youth insufficiently prepared either for employment or a meaningful role in society. U.S. efforts to assist Philippine education in recent years were limited to training programs for project-related participants and the construction of typhoon-proof elementary schools to replace those destroyed by the major typhoon in 1972.

The Philippines also has to deal with the problem of those who are not currently reached by its formal education school system. It is addressing the problem with non-formal education programs:

-- There are an estimated 4.3 million out-of-school youth with low potential for subsequent contribution to national development.

-- An additional 10% of the entire national population prematurely competing in the job market represents a significant economic liability.

A.I.D. is proposing $4.0 million to assist the Philippines in its efforts to establish a Fisheries Education program and in the area of curriculum development for its local school program. The funds will also continue financing specified training in areas outside the direct purview of other projects for general participant training.

Selected Development Activities

The Philippine Government has identified certain other high priority development problems. Although outside of A.I.D. major program emphasis, they are important to the overall development effort.

A.I.D. is proposing $4.0 million to assist local governments install and maintain an effective real property tax system:

— The proposed project is expected to improve the amount collected by 50% within a three-year period, double it within a five-to-six year period, and triple it within ten years of installation of the system.

ADDITIONAL PROGRAM DATA

Category	FY 1976 (Actual)	FY 1977 (Estimated)	FY 1978 (Proposed)
A.I.D. Personnel[a]			
Direct Hire[b]	75	64	53
PASA[c]	5	1	2
Contract	36	21	35
Total	116	86	90
Participants[d]			
Noncontract	119	160	180
Contract	6	16	24
Total	125	176	204

[a] *U.S. nationals on duty at the end of the fiscal year.*
[b] *FY 1977 and FY 1978 levels authorized as of Nov. 30, 1976.*
[c] *Participating agency technicians.*
[d] *Programmed during the fiscal year.*

A.I.D. is also proposing $2,500,000 to finance an economic analysis effort to assist the Filipinos in mobilizing local institutions to carry out programs of research and evaluation of economic development processes, including the impact of A.I.D.-financed projects on the rural poor and on the role of women.

P.L. 480 Programs

P.L. 480 PROGRAMS SUMMARY
(In 000MT/$000)

Program	FY 1976* (Actual)		FY 1977 (Estimated)		FY 1978 (Projected)	
	MT	$	MT	$	MT	$
Title I						
Wheat	–	–	–	–	–	–
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	3	11,900	32	19,200
Title I Total		–		11,900		19,200
Title II						
Voluntary Agencies		21,238		16,970		14,820
World Food Programs		122		784		783
Gov't.-to-Gov't.		–		–		–
Title II Total		21,360		17,754		15,603
Total P.L. 480		21,360		29,654		34,803

**Includes Transition Quarter.*

Title I

For FY 1978, 32,000 bales of cotton are programmed for the Philippines under P.L. 480, Title I, at a value of $19.2 million:

-- The underlying rationale for the Title I program is the continuing need for concessional aid to support the Philippine development effort in view of the heavy pressure on its balance of payments. The provision of quick-disbursing P.L. 480, Title I, commodity assistance on concessional loan terms will help considerably to alleviate the country's adverse balance of payments situation.

-- Government of the Philippines efforts to increase food production and deliveries are described above under "Food and Nutrition."

Title II

In FY 1978 the Title II program for the Philippines will consist of $14.8 million in voluntary agency commodity grants and $783,000 as the U.S. commodity contribution to World Food Program projects in the Philippines:

-- In 1970, the A.I.D. field mission, cooperating with CARE and Catholic Relief Services (CRS) as sponsoring private voluntary agencies and the Philippine Government, began directing P.L. 480, Title II, commodities to school and pre-school feeding programs in selected areas. This nutritional targeting of Food for Peace assistance stimulated the Government of the Philippines to develop a national nutrition policy and a National Nutrition Program, now internationally recognized as models for developing countries. Title II assistance continues to be an important part of this nutrition effort.

-- In addition to the regular Title II program in the Philippines, a non-fat dry milk Section 206 grant was approved for the Philippines in FY 1976. The local currency generations from this grant provide a non-inflationary means of financing part of the local currency costs of joint A.I.D. and Philippine Government activities in priority development areas, particularly those emphasized in the Philippine Government's Four-Year Development Plan and the new A.I.D. legislation: nutrition, agriculture, and rural development.

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1976* (Actual)	FY 1977 (Estimated)	FY 1978 (Estimated)
A.I.D.**			
Loans	47,000	30,800	51,190
Grants	13,730	13,476	11,781
Total A.I.D.	60,730	44,276	62,971
P.L. 480***			
Title I	-	11,900	19,200
Title II	21,360	17,754	15,603
Total P.L. 480	21,360	29,654	34,803
Total A.I.D. and P.L. 480	82,090	73,930	97,774

*Includes Transition Quarter.
**A.I.D. levels represent actual and estimated expenditures.
***P.L. 480 levels represent actual and estimated value of shipments.

COUNTRY: PHILIPPINES

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

TABLE II

Project Title	*	Project Number	FY of Initial Obligation/Date of Loan Authorization	Grant: Through 9/30/76 Obligations	Grant: Through 9/30/76 Expenditures	Grant: Estimated FY77 Obligations	Grant: Estimated FY77 Expenditures	Grant: Proposed FY78 Obligations	Grant: Proposed FY78 Expenditures	Grant: Future Year Obligations	Loan**: Through 9/30/76 Amount Authorized	Loan**: Through 9/30/76 Amount Disbursed	Loan**: Through 9/30/76 Principal Repayments	Loan**: Through 9/30/76 Interest Collected	Loan**: Estimated FY 77 Authorization	Loan**: Estimated FY 77 Expenditures	Loan**: Proposed FY 78 Authorization	Loan**: Proposed FY 78 Expenditures
Food and Nutrition																		
Food and Nutrition	*	492-0252	1974	1,231	786	380	445	564	500	-	-	-	-	-	-	-	-	-
Local Development	*	492-0256	1974	3,830	3,479	1,147	1,300	940	1,025	-	-	-	-	-	-	-	-	-
Agrarian Reform	*	492-0257	1974	1,630	1,081	386	475	366	425	-	-	-	-	-	-	-	-	-
Small Farmers Income and Production		492-0259	1975	1,097	705	-	392	-	-	-	-	-	-	-	-	-	-	-
Bicol River Basin Development		492--260	1974	1,290	1,036	868	832	-	290	-	-	-	-	-	-	-	-	-
Aquaculture Research and Extension	*	492-0266	1975	539	348	129	190	156	200	-	-	-	-	-	-	-	-	-
Bicol Integrated Rural Development	*	492-0303	1978	-	-	-	-	900	430	1,990	-	-	-	-	-	-	-	-
Rural Services Centers	*	492-0304	1978	-	-	-	-	490	231	1,207	-	-	-	-	-	-	-	-
Rural Electrification		492-0248	1972	2,487	2,351	100	136	-	-	-	77,399	43,263	-	747	-	14,982	-	11,417
Small Scale Irrigation II	*	492-0274	6/75	341	222	295	205	365	320	-	6,500	34	-	-	-	2,913	-	3,553
Integrated Agricultural Production and Marketing		492-0302	1977	-	-	6,830	1,286	-	2,481	2,170	-	-	-	-	3,000	921	-	1,527
Rural Roads		492-0272	12/74	-	-	-	-	-	-	-	15,000	-	-	-	-	3,281	-	8,504
Libmanan/Cabusao Integrated Area Development (Bicol I)		492-0275	6/75	-	-	-	-	-	-	-	3,500	-	-	-	-	1,181	-	2,319
Agricultural Research I		492-0280	10/75	-	-	-	-	-	-	-	5,000	-	-	-	-	1,821	-	2,007
Bicol Secondary and Feeder Roads		492-0281	12/75	-	-	-	-	-	-	-	10,000	-	-	-	-	2,024	-	3,142
Consulting Services III		492-0282	12/75	-	-	-	-	-	-	-	2,000	-	-	-	-	532	-	1,376
Agricultural Research II	*	492-0286	1978	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000	618
Consulting Services IV		492-0287	1977	-	-	-	-	-	-	-	-	-	-	-	2,500	200	-	1,500
Pest Control		492-0288	1977	-	-	-	-	-	-	-	-	-	-	-	5,000	836	-	-
Bicol Integrated Area Development III	*	492-0289	1978	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000	1,446
Rural Roads II	*	492-0297	1978	-	-	-	-	-	-	-	-	-	-	-	-	-	12,000	2,118
Cooperative Marketing	*	492-0300	1978	-	-	-	-	-	-	-	-	-	-	-	-	-	6,000	1,742
Small Scale Irrigation II		492-0301	1977	-	-	-	-	-	-	-	-	-	-	-	4,000	381	-	2,182
Bicol Integrated Area Development II		492-0310	1977	-	-	-	-	-	-	-	-	-	-	-	3,000	612	-	1,388
Population Planning																		
Population Planning		492-0220	1967	32,706	28,114	-	4,592	-	-	-	-	-	-	-	-	-	-	-
Population Planning II	*	492-0277	1977	-	-	2,991	2,000	4,000	3,117	13,100	-	-	-	-	3,300	1,475	3,690	2,263
Health																		
Provincial Waterworks		492-0263	4/74	555	492	250	304	-	9	-	15,000	1,995	-	10	-	4,852	-	5,924
Barangay Water	*	492-0291	1978	-	-	-	-	100	72	-	-	-	-	-	-	-	3,000	921
Panay Unified Services for Health	*	492-0312	1978	-	-	-	-	900	150	-	-	-	-	-	-	-	6,000	1,518
Local Water Development		492-0309	6/76	-	-	-	-	-	-	-	10,000	-	-	-	10,000	1,872	-	3,564

*Detailed project narrative—See Table IV or V.
**Loan terms: repayment period varies from 20-40 years, 10 years grace; interest 2% during grace, 3% amortization; repayable in U.S. dollars. Loans repayable in less than 40 years are noted.

COUNTRY: PHILIPPINES

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

Continuation Sheet

Project Title	*	Project Number	FY of Initial Obligation/Date of Loan Authorization	Grant: Through 9/30/76 Obligations	Grant: Through 9/30/76 Expenditures	Grant: Estimated FY77 Obligations	Grant: Estimated FY77 Expenditures	Grant: Proposed FY78 Obligations	Grant: Proposed FY78 Expenditures	Grant: Future Year Obligations	Loan**: Through 9/30/76 Amount Authorized	Loan**: Through 9/30/76 Amount Disbursed	Loan**: Through 9/30/76 Principal Repayments	Loan**: Through 9/30/76 Interest Collected	Loan**: Estimated FY 77 Authorization	Loan**: Estimated FY 77 Expenditures	Loan**: Proposed FY 78 Authorization	Loan**: Proposed FY 78 Expenditures
Education and Human Resources Development																		
General Participant Training		492-0237	1968	408	367	100	141	-	-	-	-	-	-	-	-	-	-	-
Bayanihan Barrio Schools	*	492-0293	1978	-	-	-	-	400	257	885	-	-	-	-	-	-	-	-
Participant Training II	*	492-0308	1978	-	-	-	-	100	77	200	-	-	-	-	-	-	-	-
Fisheries Education Development	*	492-0296	1978	-	-	-	-	-	-	-	-	-	-	-	-	-	3,500	2,035
Selected Development Activities																		
Economic and Social Impact Analysis/ Women in Development	*	492-0295	1978	-	-	-	-	2,500	1,013	-	-	-	-	-	-	-	-	-
Tiwi Geothermal		492-0262	6/73	-	-	-	-	-	-	-	3,073	2,259	-	44	-	749	-	65
Real Property Tax Administration	*	492-0298	1978	-	-	-	-	-	-	-	-	-	-	-	-	-	4,000	781
Total.....				46,114	38,981	13,476	12,298	11,781	10,597	19,552	147,472	47,551		801	29,800	38,632	51,190	61,910

*Detailed project narrative—See Table IV or V.
**Loan terms: repayment period varies from 20-40 years, 10 years grace; interest 2% during grace, 3% amortization; repayable in U.S. dollars. Loans repayable in less than 40 years are noted.

SUMMARY OF LOAN AUTHORIZATIONS
Estimated FY 1977 – Proposed FY 1978
(In thousands of dollars)

COUNTRY: PHILIPPINES

TABLE III

FISCAL YEAR	TITLE	AMOUNT
1977	Integrated Agricultural Production and Marketing* The purpose is to increase small farmer productivity and improve efficiency of the marketing system for selected agricultural products in the specified impact areas; strengthen the capability to develop rational policies for food systems; establish institutional capacity to develop integrated packages of production/processing/marketing technology; and systematically extend new technological packages to small farmers and small rural entrepreneurs. The loan finances Ph.D. training of marketing experts; library and computer equipment; and commodities for a food and feed processing center.	3,000
1977	Small Scale Irrigation II* The purpose is to increase production, income and employment in project areas through the provision of irrigation facilities to small-scale farmers. The loan finances contract engineering design services, commodities, and part of local costs of irrigation systems.	4,000
1977	Bicol Integrated Area Development II (FY 1977, Asia Programs, p. 140)	3,000
1977	Population Planning (FY 1977, Asia Programs, p. 141)	3,300
1977	Local Water Development II (FY 1977, Asia Programs, p. 142)	10,000
1977	Pest Control* The purpose is to help establish plant protection/pest control research and development system which will respond to the needs of small farmers. The loan finances 110 person-months of long-term and 27 person-month of short-term advisors; for Filipino staff, Ph.D. training in U.S. for 24 (840 person-months) and master's degree training in the Philippines for 50 (1,700 person-months), and attendance at selected conferences for up to 20; and field and laboratory equipment for seven pest control centers.	5,000
1977	Consulting Services IV The purpose is to finance consulting services directly related to priority development projects, primarily in the rural areas of the Philippines. The loan will emphasize improvement of the indigenous capability to perform feasibility studies.	2,500

SUMMARY OF LOAN AUTHORIZATIONS
Estimated FY 1977 – Proposed FY 1978

COUNTRY: PHILIPPINES (In thousands of dollars) TABLE III

FISCAL YEAR	TITLE	AMOUNT
1978	Agricultural Research II	10,000
1978	Bicol Integrated Area Development III (Rinconada)	3,000
1978	Rural Roads II	12,000
1978	Cooperative Marketing	6,000
1978	Population Planning	3,690
1978	Barangay Water	3,000
1978	Panay Unified Services for Health	6,000
1978	Fisheries Education Development	3,500
1978	Real Property Tax Administration	4,000

Country: PHILIPPINES

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Food and Nutrition	Food and Nutrition	FY 78 564		
NUMBER 492-0252 GRANT ■ LOAN □	PRIOR REFERENCE FY 1977 Asia Programs, p. 129	INITIAL OBLIGATION FY 1974	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979

Purpose: To reduce malnutrition among infants and children through supplementary feeding programs, mass education programs, and improved dietary habits among the rural poor.

Major Outputs:

	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		
Infants, pre-school, pregnant lactating mothers reached with food ($000)	580	640	777
School children receiving food supplements ($000)	1,100	3,378	3,875
Nutrition Councils organized			
Provincial	all	x	x
Municipalities	-	all	x
Barangays (percent of total) (next lower unit of government)	36	55	80

Host Country and Other Donors: ($000)

	FY 77	FY 78
Host Country	7,397	8,380
Other Donors		
UNICEF	1,085	1,110
World Food Program	-	4,695
Australia, W. Germany	500	-
Philippine Private Agencies	613	669
Total Other Donors	2,198	6,474

Progress to Date: Over four million school and pre-school children have been reached by the National Child Weighing Program (Operation TIMBANG) which A.I.D. has supported. Surveys completed indicate significant weight gain in school children as a result of nutribun feeding. Pre-school malnutrition in impact areas has also decreased at least 15% since 1975. In addition, a new national program to improve nutrition education in schools has been launched. Malnutrition prevention education now routinely given by 140 rural extension workers is to be expanded to 170 in 1977 and 1,100 in 1978.

FY 1978 Program: $564,000 is requested to finance training, commodities and technical services (university contracts). Approximately $15,000,000 of P.L. 480 Title II fortified foods for distribution by U.S. voluntary agencies will be provided in FY 1978.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Technical Services	
VPI (48 pm)	260
Texas A&M (24 pm)	120
Commodities	
weighing scales, food grinders, excess property, laboratory equipment	29
Participant training, short-term (7)	35
Project management (24 pm)	120
Total	564

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	1,231	786	445
Estimated Fiscal Year 1977	380	445	
Estimated through September 30, 1977	1,611	1,231	380
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	564	-	2,175

PRINCIPAL CONTRACTORS OR AGENCIES

Virginia Polytechnic Institute (VPI)
Texas A&M University

Country: PHILIPPINES

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Local Development	Food and Nutrition	FY 78 940		
NUMBER 492-0256 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p. 127	INITIAL OBLIGATION FY 1974	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979

Purpose: To strengthen provincial government capability to provide services and administer development programs for the rural poor by improving planning, coordination, and management of finances, construction and maintenance; and strengthening the national government's capability to carry on sustained assistance to local governments.

Major Outputs:

	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		
Province development plans completed	20	24	27
Staff Trained	-	X	X
Tax mapping and assessment completed (municipalities)	23	142	226
Real property tax collection increased (municipalities)	-	84	140

Host Country and Other Donors:

Host Country $16,920,000 in pesos

Progress to Date: This project supports the Provincial Development Assistance Program (PDAP), which the Government of the Philippines is conducting in 28 of the 77 Philippine provinces. Since 1974, more than 17,000 provincial government officials and employees have received in-country training in planning, management and other development-related subjects under the PDAP, which is presently managed by the Department of Local Government and Community Development (DLGCD). Comprehensive development plans have been completed for 20 provinces, and tax mapping and assessment will be completed by September 1977 for 142 municipalities. With rehabilitated excess U.S. heavy equipment, nearly 700 kilometers of rural roads and 6,000 meters of bridges have been built or rebuilt, and other infrastructure improvements made. Through the Rural Service Centers project, the improved methods of administration and management will now be tested in market towns.

FY 1978 Program: $940,000 is requested to finance the completion of this project. Much of the FY 1978 Local Development project activity will be devoted to current program evaluation, completion of U.S. internships for PDAP managers in city management, in-country training for local officials in PDAP offices, and planning of application of PDAP techniques to all provinces. At the same time, there will be continuing activity to upgrade DLGCD's capacity to give effective program direction.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Technicians (110 pm)	570
Participants in the United States (6) in-country (14) short-term (20)	250
Cartographic and photographic materials, and office equipment	120
Total	940

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	3,830	3,479	351
Estimated Fiscal Year 1977	1,147	1,300	
Estimated through September 30, 1977	4,977	4,779	198
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	940	-	5,917

PRINCIPAL CONTRACTORS OR AGENCIES

International City Managers Association
Personal Services Contracts

Country: PHILIPPINES

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Agrarian Reform	Food and Nutrition	FY 78 366		
NUMBER 492-0257 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p. 125	INITIAL OBLIGATION FY 1974	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1978

Purpose: To improve the efficiency and effectiveness of the land tenure reform programs.

Major Outputs:	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		
Land transfer (estates larger than seven hectares in size):			
Tenants	72,000	89,000	104,000
Hectares	142,000	171,000	196,000
Landlord compensation paid:			
Landlords	400	600	900
Hectares	15,600	23,000	36,000

Host Country and Other Donors:

Host Country $410,120 in pesos for landlord compensation ($350,000), and personnel and operations costs ($60,120)

Progress to Date: Project emphasis is on four key provinces (Nueva Ecija, Camarines Sur, Leyte and Iloilo) containing 20% of tenanted Philippine rice and corn land. Progress has been made in accelerating the rate and improving the quality of implementation processes such as sketching tenanted land, photographic production capability, recording relevant data, management systems and documentation relating to ownership transfer. In October 1976, coverage of the land transfer program was expanded to include certain tenanted rice and corn land on estates seven hectares and less in size, which is expected to increase the countrywide program by approximately 15%. Land reform implementors are being intensively trained in these revised procedures and policies.

In addition, testing of improved production supply and marketing delivery systems for land reform beneficiaries through farmer associations will begin. Four comprehensive agrarian research studies have already been completed and made available to implementing agencies.

FY 1978 Program: $366,000 is requested to finance activities to increase the rate and quantity of land reform implementation and to study the development of support systems to assist land reform beneficiaries to become economically viable.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Advisors (30 pm)	170
Participants (10 long-term)	95
Commodities (office and photo-lab equipment)	101
Total	366

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	1,630	1,081	549
Estimated Fiscal Year 1977	386	475	
Estimated through September 30, 1977	2,016	1,556	460
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	366	-	2,382

PRINCIPAL CONTRACTORS OR AGENCIES

United States Department of Agriculture
University of Wisconsin

Country: PHILIPPINES

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Aquaculture Research and Extension	Food and Nutrition	FY 78 156		
NUMBER 492-0266 GRANT ☒ LOAN ☐	PRIOR REFERENCE 1977 Asia Program, p. 126	INITIAL OBLIGATION FY 1975	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979

Purpose: To increase aquaculture fisheries production and rice and fish culture, while simultaneously reducing production costs.

Major Outputs:

	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		
Research center	-	2	2
Trained Aquaculture extension workers	283	583	983
Extension services extended to additional provinces	-	4	10
Aquaculture production packages developed	3	6	11
Participants trained	11	18	18

Host Country and Other Donors:

Host Country $4,218,000 in pesos for life of project.

Progress to Date: The freshwater research station at Central Luzon State University is pioneering in two areas of research: (1) increasing the yield of usable fish protein from fish ponds, and (2) producing fish in combination with rice culture. Utilizing resistant rice varieties plus the monosex technique for tilapia, annual yields of 125 kg of fish per hectare of rice paddy have been demonstrated on an experimental scale and the methodology is now ready for field trials.

Technology for increasing milkfish production from the present level of 570 kg per hectare per year to approximately 2,000 kg per hectare is being developed at the brackish water research station in Iloilo. Field trials are under way preparatory to extending the technology to the fish producer level.

FY 1978 Program: $156,000 is requested to finance advisory services to improve aquaculture technologies, continue development of aquaculture extension services by upgrading skills of extension workers, development of extension literature, and recruitment and training of new personnel to expand the program into additional provinces.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Advisory Services (34 pm)	115
Training, long-term (2)	20
Laboratory supplies, field supplies and equipment	21
Total	156

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	539	348	191
Estimated Fiscal Year 1977	129	190	
Estimated through September 30, 1977	668	538	130
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	156	-	824

PRINCIPAL CONTRACTORS OR AGENCIES

Auburn University

Country: PHILIPPINES

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Small Scale Irrigation II	Food and Nutrition	FY 78 365		
NUMBER 492-0274 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Program, p. 132	INITIAL OBLIGATION FY 1976	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979

Purpose: To increase small-farmer income and improve rural employment opportunities. The major project thrust is the organization of small-farmer Irrigation Service Associations (ISA) to construct or rehabilitate small-scale irrigation systems. This grant provides technical assistance in support of the on-going small-scale irrigation program of the Government of the Philippines conducted by the Farm Systems Development Corporation.

Major Outputs:

	9/30/76	FY 77	FY 78
	(Cumulative at end of each year)		
Participants trained	6	37	56
ISAs in operation	206	308	405

Host Country and Other Donors: ($000)

Host Country	All Years
Personnel	2,400
Commodities	7,100
Farmer Training Administrative and Operational Costs	2,100
Total	11,600

Progress to Date: This activity provides participant training and technical services in support of two loans for small scale irrigation - $6,500,000 authorized in FY 1975, and $5,000,000 authorized in FY 1977. The Farm Systems Development Corporation which is responsible for implementation of the program was created in 1974 and has greatly strengthened its institutional capability as a result of this activity. Six participants have completed training and returned to senior positions in engineering, finance and planning. Technical advisory services will have facilitated rapid development of approximately 400 small farmer Irrigation Service Associations.

FY 1978 Program: $365,000 is requested to finance training, advisory and consultant services for on-farm water management and for irrigation structures and equipment and for the procurement of demonstration irrigation and farm support commodities.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Advisors (48 pm)	260
Training, short-term (19)	50
Commodities	55
Total	365

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	341	222	119
Estimated Fiscal Year 1977	295	205	
Estimated through September 30, 1977	636	427	209
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	365	-	1,001

PRINCIPAL CONTRACTORS OR AGENCIES

To be selected

Country: PHILIPPINES

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Population Planning II	Population Planning	FY 78 7,690 (4,000 Grant, 3,690 Loan)		
NUMBER 492-0277 GRANT ☒ LOAN ☒	PRIOR REFERENCE FY 1977 Asia Programs, p. 133	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Purpose: To assist the Government of the Philippines in reducing the Philippine population growth rate by one tenth of one percent per year during the life of the project.

Major Outputs:

	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		
Outreach workers trained	570	3,100	3,100
Local supply points created	9,031	29,265	35,000
Active contraceptive users	1,100,000	1,400,000	1,700,000
Contraceptives dispensed			
Pills (cycles)	7,200,000	9,000,000	11,000,000
Condoms (gross)	148,220	185,250	225,388
Voluntary surgical contraceptions performed	83,000	150,000	246,000

Host Country and Other Donors:

Host Country	$12,649,000 in pesos in FY 1977; $9,589,000 in FY 1978
UNFPA, FPIA, Ford Foundation, Population Council	$1,000,000 in both FY 1977 and FY 1978

Progress to Date: The Population Commission of the Philippines has embarked on an extensive overhaul and reprogramming of the entire population program. The keystone of the program is the National Family Planning Outreach project which replaces the 2,300 presently part-time and town-based family planning motivators with full-time staff recruited from outlying rural areas where they will actually work. For the first time, the outreach workers will be given adequate operating and travel funds and each will establish and manage an average of 10 village or neighborhood supply points where free pills and condoms will be distributed in rural and poor urban neighborhoods. The following six other related activities have been integrated with the outreach project: Voluntary Surgical Contraception; Information, Education and Communications; Contraceptive Logistics; Demographic Measurement; Training and Motivation of Local Officials; and Operational Research.

FY 1978 Program: $7,690,000 is requested to finance expansion of family planning services to rural areas not previously reached, as well as contraceptives, training, demographic studies, information and education activities and voluntary contraception services.

A.I.D.-financed Inputs ($ Thousands)	FY 78
Grant	4,000
Outreach Services	2,050
Logistics Systems Development	180
Voluntary Surgical Contraception Services	1,087
Training and Motivation of Local Officials	70
Demographic Measurements	383
Operational Research Studies	55
Information, Education and Communication Activities	175
Loan	3,690
Outreach Contraceptives	
Total	7,690

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	-	-	-
Estimated Fiscal Year 1977	2,991	2,000	
Estimated through September 30, 1977	2,991	2,000	991
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	4,000	13,100	20,091

PRINCIPAL CONTRACTORS OR AGENCIES

Population Services International
University of Philippines Population Institute
Population Council

Country: PHILIPPINES

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Bicol Integrated Rural Development	Food and Nutrition	FY 78 900		
NUMBER 492-0303 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1981	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: To raise the socio-economic level of the poor majority in the Bicol River area.

Purpose: To identify subprojects in the Bicol River Basin requiring major financing from external donors and domestic sources and to begin implementation of eight or more integrated development projects in the Bicol area by 1981.

Background: This project is a logical and necessary follow-on to the Bicol River Basin Development Project. The current project is aimed at accelerating the rate of development in the river basin by providing assistance to the Government of the Philippines in packaging feasible integrated area and sectoral development projects for other donors as well as for Philippine Government financing. A Presidential Decree in April 1976 established the Bicol area as the target for a priority integrated rural development program. A revised Bicol comprehensive development strategy has been developed and operational plans are being prepared. A comprehensive water resources pre-feasibility study has been completed, identifying several major projects. Feasibility studies are in the planning stage for four major integrated area development projects; and there are informal expressions of interest from other donors. Socio-economic surveys and analyses are being conducted to facilitate the planning process, to measure progress, and to evaluate the impact of these project on the poor of the Bicol area.

Major Outputs:

	FY 78	FY 79	FY 80	FY 81
	(Cumulative as of end of FY)			
Development projects ready for donor financing	4	7	9	10
Pre-feasibility studies for private sector investment	3	6	9	12
Participants trained (18 M.S., 13 non-degree)	8	15	24	31

Host Country and Other Donors:

Host Country	$5,742,000 in pesos

FY 1978 Program: $900,000 is requested to finance a central planning and management team and technical consultants to assist in the planning and design of major integrated development projects and assessments of feasibility studies. A.I.D. contract advisory services will include water resources, regional planning, environmental engineering, agribusiness, and socio-economic survey and analysis. Degree and non-degree training for eight participants in planning and water resource management in the United States and third countries will be provided.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Advisors (Direct Hire)(36 pm)	180	660
Contracts	490	1,650
Training	50	150
Commodities	180	430
Total	900	2,890

Country: PHILIPPINES

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Rural Service Centers	Food and Nutrition	FY 78 490		
NUMBER 492-0304 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1981	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: To improve the condition of life of rural people.

Purpose: To create an administrative capacity in selected market towns to serve the social needs of the most disadvantaged citizens within their service areas.

Background: At present, the capacity of the market town to service the needs of its population, especially poorer settlers from the rural economy, is at best limited. The creation and implanting of an administrative mechanism, a "rural services center," with a capacity to serve the social needs of the populations of these market towns, or intermediate cities, will begin to overcome this limitation. The project is designed to create this mechanism and begin implementation in 15 rural market towns. The administrative organization to implement the project will be modeled on that of the Provincial Development Assistance Project (PDAP), which emphasizes management techniques and development training, and will be coordinated with the Department of Local Government and Community Development.

A concurrent thrust of the project is to develop a process by which small-scale development projects in the 15 participating market towns can be developed and decided upon jointly by town administrators and the rural people who will be beneficiaries of the projects. The participating market towns will be assisted in improving their administrative capabilities in this regard through short-term training in PDAP offices, and improvement of equipment pools and maintenance facilities. The latter are an integral part of the administrative capacity of these provincial governments to perform necessary public works for their communities.

Major Outputs:

	FY 78	FY 79	FY 80	FY 81
	(Cumulative as of end of FY)			
Excess property equipment packages rehabilitated and distributed	-	-	15	15
City Maintenance facilities established	-	5	10	15
Market town staffs trained	5	10	15	-
Market towns completing development projects	-	5	10	15

Host Country and Other Donors:

Host Country $2,323,000 in pesos for excess property maintenance facility and staff costs

FY 1978 Program: $490,000 is requested to develop an effective administrative staff in the first five Rural Services Centers. Work will also begin on the development of projects jointly decided upon and the establishment of an effective equipment pool.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Management improvement, U.S. technicians (84 pm)	335	1,301
Infrastructure development	32	152
Equipment acquisition and rehabilitation, road maintenance equipment	123	244
Total	490	1,697

Country: PHILIPPINES

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Bicol Integrated Area Development III (Rinconada)	Food and Nutrition	FY 78 3,000		
NUMBER 492-0289 GRANT ☐ LOAN ☒		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Goal: To increase income, employment and quality of life for the poor in the Rinconada project area while increasing agricultural and fishery production and productivity.

Purpose: To design and develop operational flood control systems and irrigation storage and distribution systems within the Rinconada project area and affected downstream areas by 1983.

Background: As a major component of the Bicol River Basin Development Program, this project proposes to finance the Rinconada Integrated Area Development scheme for flood protection, irrigation, drainage, fishery production and agricultural support services, which will benefit the 256,000 people who live in the mid-floodplain of the basin and 600,000 who live downstream. This project is one of several discrete projects planned for the river basin, but is considered to be the key project in the basin that will make additional development projects feasible and attractive to other donors. The feasibility study of the proposal will be financed under the Consulting Services Loan III. This is a two-tranche project with the first tranche of $3,000,000 in FY 1978 devoted to the design phase. The second tranche, which will be funded in FY 1979, is aimed at construction activity.

Major Outputs:

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
	(Cumulative as of end of FY)					
Design	x	x	x	x	x	
Regulation lake structures (%)	x	20	50	75	95	100
Diversion channel (%)	x	20	50	75	90	100
Irrigation facilities (%)	x	20	50	80	90	100
Roads constructed and improved (kilometers)	x	x	59	89	104	118
Watershed structures (%)	x	10	40	70	90	100

Host Country and Other Donors:

Host Country: $18,869,000 in pesos for agricultural support services and watershed protection

FY 1978 Program: $3,000,000 is requested to finance part of the costs of designing water control works.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Design	3,000	3,000
Regulation of lakes		7,353
Lake Bato Diversion construction		9,244
Road construction		3,403
Total	3,000	23,000

Country: PHILIPPINES

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Fisheries Education Development	Education and Human Resources Development	FY 78 3,500		
NUMBER 492-0296 GRANT ☐ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY 1982

Goal: To reduce malnutrition through increased fish production.

Purpose: To improve and expand fisheries education, research, and extension.

Background: The President of the Philippines has directed government agencies to participate in the implementation of an integrated fisheries development plan. A master plan for development of fisheries education and training programs is being devised by the Department of Education and Culture with the assistance of the University of the Philippines. This project is part of the master plan, and specifically provides for faculty improvement. A subsequent tranche of $6,500,000 in loan funding may be provided for this project for additional advisory services, faculty development and for laboratory and library materials.

The improvement of fisheries education is required to train and qualify persons headed for a major expansion of fish protein production in the Philippines. Fish is the single most important source of animal protein in the diet of low income Filipinos. As a contribution to increased fish production, this project supports Filipino efforts at food self-sufficiency, especially as it improves the quality of diet of low income Filipinos.

Major Outputs:	FY 79	FY 80	FY 81	All Years
	(Cumulative as of end of FY)			
Participants				
Aquaculture				
M.S. graduates	7	14	22	24
Ph.D. graduates	-	8	20	34
Short-term post graduates	9	15	20	27
Other short-term	3	9	14	20
Improved curricula	x	x	x	x

Host Country and Other Donors:

Host Country $10,330,000 in pesos

FY 1978 Program: $3,500,000 is requested to finance personnel from a U.S. university as visiting professors at the University College of Fisheries while Philippine professors leave for training in the United States. The American staff will also advise on basic research projects.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Advisors (240 pm)	1,400	3,300
Materials	-	3,500
Faculty development (all years) long-term (58) short-term (47)	2,100	3,200
Total	3,500	10,000

Country: PHILIPPINES

NEW ACTIVITY

Table V

TITLE Rural Roads II	FUNDS Food and Nutrition	PROPOSED OBLIGATION (In thousands of dollars) FY 78 12,000		
NUMBER 492-0297 GRANT ☐ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: To improve the quality of rural life.

Purpose: To make lower cost transportation available to the rural poor and provide greater access to the rural services centers for marketing, social services, educational institutions and recreational facilities.

Background: This project is an expansion of the successful on-going Rural Roads I project, which was designed to continue assisting the Government of the Philippines in the effort to provide all-weather roads in agricultural areas by institutionalizing the capability of the Provincial Engineer's Office and other related Provincial Government offices to budget, plan, design and construct rural roads and bridges. Only those provinces which are part of the Provincial Development Assistance Program (PDAP) that have successfully participated in the PDAP/USAID flood rehabilitation program and/or other infrastructure programs are potentially eligible to participate in Rural Roads II. Current estimates indicate that over 10 million rural poor people living in the 27 participating provinces will be direct beneficiaries of roads and bridges constructed under these two projects.

Major Outputs:	FY 78	FY 79	FY 80	FY 81
	(Cumulative as of end of FY)			
Roads completed (kilometers)	-	99	308	642
Bridges completed (linear meters)	-	960	2,935	6,068

Host Country and Other Donors:

Host Country	$17,800
World Bank	Rural road projects in two PDAP provinces; feasibility studies for potential rural road projects in non-PDAP provinces
Asian Development Bank	Participation in rural road program under consideration

FY 1978 Program: $12,000,000 is requested to finance the construction of roads and bridges.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Partial reimbursement for:		
Road construction costs	7,000	14,000
Bridge construction costs	5,000	10,000
Total	12,000	24,000

Country: PHILIPPINES

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Cooperative Marketing	Food and Nutrition	FY 78 6,000		
NUMBER 492-0300 GRANT ☐ LOAN ☒		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Goal: To increase productivity, and improve the distribution of income and the quality of life of the small farmer.

Purpose: To establish in 11 provinces viable, vertically integrated small-farmer cooperative systems, encompassing marketing, finance and production.

Background: There are an estimated two million rice and corn farmers in the Philippines, including one million who farm 2.5 hectares or less of land. Whether owners, amortizing owners or leaseholders, they are the single largest group of poor farmers and so constitute the target group of a new integrated marketing strategy. The objective is to convert them into independent, but cooperating farmers with access to credit, improved technology and profitable markets, and to improve input and market channels.

The Government of the Philippines has begun a new cooperative program based on village-level farmer associations known as Samahang Nayon. Over 18,500 of these associations representing 850,000 farmer members are federating to form larger multi-municipal and provincial-based organizations known as Area Marketing Cooperatives (AMC) which promise to be more responsive to the small farmer's needs than the previous, large-scale cooperative organizations. This project will help 15 of the AMCs to serve their farmer members, which include the target group described above.

Loans will be extended through existing Cooperative Rural Banks to AMCs targeted for support under the project. In addition to improving the production and marketing of farm produce, the AMCs and Samahang Nayons will themselves serve as a ready market for locally produced farm machinery such as threshers, dryers and irrigation pumps.

Major Outputs:	FY 78	FY 79	FY 80
	(Cumulative as of end of FY)		
Marketing Cooperatives receiving loans	5	10	15
Training of Cooperative Staff	5	x	x

Host Country and Other Donors:

Host Country $23,093,000 in pesos

FY 1978 Program: $6,000,000 is requested to finance two long-term advisors plus short-term consultants to assist the initial five AMCs and five Cooperative Rural Banks in areas of cooperative management development training and studies relating to cooperative marketing development. Loan funds will be extended to Cooperative Rural Banks.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Advisory assistance (108 pm)	398
Participant training, short-term (75)	273
Commodities	79
Cooperative loans	5,250
Total	6,000

Country: PHILIPPINES

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Agricultural Research II	Food and Nutrition	FY 78 10,000		
NUMBER 492-0286 GRANT ☐ LOAN ☒		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1982

Goal: To increase income of small farmers and to achieve self-sufficiency in key agricultural commodities produced by small farmers.

Purpose: To increase national and regional agricultural research capabilities and activities on key food commodities produced by small farmers.

Background: This project is the second phase of loan assistance to help the Philippine Council for Agricultural and Resource Research (PCARR) develop a research capability to provide improved technological packages relevant to small farmers living in different ecological zones, e.g., those living in the major river valleys, the upland areas, or on smaller islands of the Philippine archipelago.

The first loan for $5,000,000 to assist in upgrading of personnel and facilities at four regional research centers devoted to research on basic food and feed crops was signed December 23, 1975. PCARR has satisfied the conditions precedent for that loan and implementation plans are progressing well.

This project will assist in upgrading personnel and facilities at five additional regional centers and provide limited assistance to the National Research Center at Los Banos.

Major Outputs:	FY 78	FY 79	FY 80	FY 81	FY 82
	(Cumulative as of end of FY)				
Research staff trained long-term		49	128	225	309
Research staff trained short-term	12	33	55	78	95
Research centers completed and equipped		2	4	6	6

Host Country and Other Donors:

Host Country $9,300,000 in pesos

FY 1978 Program: $10,000,000 is requested to finance the construction and equipping of six research centers and for training. Training is to begin for 49 Master's degree , 28 Ph.D. degree and 12 short-term research personnel. The fixed amount reimbursement method will be used for a portion (60%) of the infrastructure costs.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Advisors (190 pm)	300
Training	1,830
Construction of six research centers	4,463
Equipment for research centers	3,407
Total	10,000

Country: PHILIPPINES

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Barangay Water	Health	FY 78 3,100 (100 Grant, 3,000 Loan)		
NUMBER 492-0291 GRANT ☒ LOAN ☒		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Goal: To improve the general health of the rural people in Barangay water system areas.

Purpose: To provide safe, reliable, low-cost water to residents of selected small rural communities (under 5,000 population) by establishing the capability of selected local governments to identify, plan, organize and maintain functional cooperative water systems; to construct water systems used by the people of these areas.

Background: Waterborne diseases are a major health problem in the rural areas of the Philippines because community water systems are either non-existent, woefully inadequate or considered unsafe for human consumption. This project is designed to develop the Provincial Governments' staff capability to plan, design, organize and install functional cooperative water systems in the rural barangays (village) that will help to eliminate the problem. The Department of Local Government and Community Development intends to approve the Provincial Governments' selection of 320 barangays for installation of water systems in FY 1978 and conduct Water Resources Development training for 140 people involved in planning, designing and implementing the project. This project also is consonant with the Government's objectives of strengthening the capacity of local government bodies in order to upgrade the quality of life of the rural poor.

Major Outputs:	FY 78	FY 79	FY 80
	(Cumulative as of end of FY)		
Provincial staff trained to plan water resources development	140	175	175
Staff trained in cooperatives organization and management	105	140	175
Workshop participants	1,105	140	175
Annual Conference participants	105	140	175
Profiles for Five-Year Water Resources Development submitted	15	20	25

Major Outputs: (cont'd)	FY 78	FY 79	FY 80
	(Cumulative as of end of FY)		
Barangays selected	320	480	480
Barangay water associations organized	120	320	480
Barangay water associations officially "federated"	120	320	480
Water systems constructed	120	240	480

Host Country and Other Donors:

Host Country	$2,150,000 in pesos
Local water associations	Full operational costs and amortization of 25% to 50% of capital costs

FY 1978 Program: $3,100,000 is requested to finance water systems in fifteen provinces that are participating in the Local Development Project. The same criteria for selection of projects, and the same Fixed Amount Reimbursement Plan as utilized in the Rural Roads loan will be used in implementing this project.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Grant		
Waterworks management advisory services (24 pm)	100	184
Loan		
Water system construction	3,000	3,000
Total	3,100	3,184

Country: PHILIPPINES

NEW ACTIVITY

Table V

TITLE Panay Unified Services for Health (PUSH)	FUNDS Health	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 6,900 (900 Grant, 6,000 Loan)		
NUMBER 492-0312 GRANT ☒ LOAN ☒		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Goal: To improve the health of rural residents of the Philippines.

Purpose: To strengthen the institutional health system to deliver services to the barangay (village) level. The achievement of the purpose will be measured by the following indicators:

- Infant Mortality Rate reduced from 68 per 1,000 to 34 per 1,000,
- Malnutrition (1st, 2nd, and 3rd degree) in children to six years of age reduced from 83% to 40% with 3rd degree less than 2.0%,
- Tuberculous morbidity reduced from 368 per 100,000 to 184 per 100,000,
- Pneumonia morbidity reduced from 224 per 100,000 to 112 per 100,000,
- Gastro-enteritis morbidity reduced from 520 per 100,000 to 260 per 100,000,
- Influenza morbidity reduced from 712 per 100,000 to 356 per 100,000,
- Bronchitis morbidity reduced from 852 per 100,000 to 426 per 100,000.

Background: Panay Island is made up of four provinces, all of which were recipients of A.I.D. Provincial Development Assistance funds under the Local Development Project. A strong provincially based planning component is located in all of the provinces and the infrastructure is ready for additional program development. The provinces all have identified health services in general, and water and sanitation in particular, as a major priority for development and have pledged support of the PUSH project. All four provinces participated in the project design, and agreed to re-structure their health systems to accommodate the PUSH program personnel.

Major Outputs:

- The health services infrastructure will be revised to accommodate the 1,800 Barangay Health Workers deployed in the poorest barangays on the island of Panay.
- Family planning services and information will be made available in all of the barangays served.
- Barangay Health Workers will make nutrition information available in rural barangays and will identify and treat malnourished children.
- 132,000 sanitary toilet facilities will be constructed over a three-year period.
- 30,900 water supplies will be improved.
- Four regional laboratories will be supplied.
- 318 local health centers will be stocked with drugs.

Host Country and Other Donors:

Host Country $4,344,000 in pesos

FY 1978 Program: $6,900,000 is requested to support the local costs of the PUSH project and to provide imported commodities required for the activity.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Grant	900
Imported Commodities	
Loan	6,000
Partial reimbursement of local operation costs	
Total	6,900

Country: PHILIPPINES

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Bayanihan Barrio Schools	Education and Human Resources Development	FY 78 400		
NUMBER 492-0293 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: To improve the quality of rural life.

Purpose: To educate villagers in 300 barrios (the smallest Filipino political subdivision) in six provinces to assume greater responsibility in local development efforts.

Background. Five million young persons between the ages of seven and twenty are outside the traditional education system. If they are to become more fully employed and are to participate actively in the development of their country they must have access to non-formal or continuing educational programs. This project will seek to reach them with programs specifically designed for their own communities. For the age group seven to thirteen years, a modified in-school program, drawing upon community resources, is provided. For the 14 to 17 year age group, out-of-school programs are proposed. The group of younger children will follow non-formal education programs that re-emphasize the fundamentals of reading, writing, arithmetic, language (both the national language and English), health, family planning, food and nutrition, work attitudes, citizenship and native culture. The older group will pursue non-formal education programs that also foster the bayanihan spirit. Subjects similar to those planned for the younger group and training in cottage industry handicrafts will be offered as well.

Major Outputs:

	FY 78	FY 79	FY 80
	(Cumulative as of end of FY)		
Youth seven to 13 years of age reached through modified in-school education program	18,000	36,000	54,000
Youth 14 to 20 years of age reached through modified out-of-school education program	7,000	14,000	22,000
Out-of-school adults reached	2,000	3,000	6,000

Host Country and Other Donors:

Host Country $3,106,000 in pesos for personnel and facility costs

FY 1978 Program: $400,000 is requested to finance consultant services, education materials and support costs.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Contract personnel support	184	595
Preparation of education materials	75	240
Project monitoring and management	81	265
Logistical support	60	185
Total	400	1,285

Country: PHILIPPINES

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Participant Training II	Education and Human Resources Development	FY 78 100		
NUMBER 493-0308 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: To strengthen Philippine Government management and technical manpower resources for economic development.

Purpose: To supplement development efforts of the Philippine Government in fields of training not directly related to A.I.D. project areas of concentration.

Background: This project succeeds the General Participant Training Project (492-0237) under which over 400 months of training were provided in about 72 fields, including development administration, communications, transportation, development economics, computer technology, printing operations, environmental aspects of sanitation, international tax administration, remote sensing training, manpower development and public administration. This approach to training has proven valuable in providing Filipinos with access to more complex areas of knowledge necessary to assure that there remains a Philippine capability to deal with technical or managerial problems beyond the point of formal U.S. involvement.

Major Outputs:	FY 78	FY 79	FY 80
	(Cumulative as of end of FY)		
Trainees	25	50	75

Host Country and Other Donors:

Host country $67,000,000 in pesos through FY 1980 for international travel and salaries

FY 1978 Program: $100,000 is requested to finance long-term and short-term training requirements.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Participants per year Long-term and short-term (25)	100	300

Country: PHILIPPINES

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Economic and Social Impact Analysis and Women in Development	Selected Development Activities	FY 78 2,500		
NUMBER 492-0295		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY1981
GRANT ☒ LOAN ☐				

Goal: To help improve the well-being of the Philippine people.

Purpose: To help improve measurement of economic progress, social change, and the impact of development projects including effects on women in development.

Background: Since 1970 the Philippine Government has made special efforts to develop better measures of economic and social progress. In some areas a variety of good measures have already been developed, but are not being effectively applied. In others, the indicators which have been developed are either too narrow in scope or too aggregative to be genuinely useful. In still other areas appropriate measures are not now available and need to be developed. This project represents a response to the need for more effective means of measuring the contributions of development projects particularly as they affect the rural population and women. Current documentation on the activities of women, for example, is essential if the planners are to design effective programs to facilitate the active participation of women in the development process. The project is designed to strengthen the work of the Philippine Government and at the same time to expand and improve data available to A.I.D. and other development agencies. The project will help assess the existing system, design improvements in indicators and data collection such as expanded and new surveys, and assist in the utilization of indicators and results of analyses. The project is to be directed by a Philippine institution, selected jointly with A.I.D., under the leadership of a recognized Philippine authority on measurement of economic and social progress.

Major Outputs:

	FY 78	FY 79	FY 80
	(Cumulative as of end of FY)		
	Number of Impact Areas:		
Baseline data	3	7	8
Progress indicators	3	7	8
Impact measures	3	7	8

Host Country and Other Donors:

Host Country $1,500,000 in pesos

FY 1978 Program: $2,500,000 is requested for technical assistance to the Philippine Government to undertake assessment of their information system, develop new and improved economic and social indicators, and help introduce improvements and analyze results. The FY 1978 program includes support for the total life of the project. It is proposed to contract with an overall coordinating institution of the Philippines which in turn will sub-contract with appropriate Philippine and U.S. instituions to perform specific assessments, surveys and analyses.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Advisory Services	600
Analysis of system, indicator selection, survey design, and testing	1,050
Utilization and Analysis of results	850
Total	2,500

Country: PHILIPPINES

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Real Property Tax Administration	Selected Development Activities	FY 78 4,000		
NUMBER 492-0298 GRANT ☐ LOAN ☒		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: To increase development activities in provincial cities.

Purpose: To generate additional revenue in 575 municipalities (about one-third of the total) and in all city districts (except metropolitan Manila and the city of Cebu).

Background: The real property tax is the single most important source of local revenue for local governments and has a direct bearing on the amount of money that local governments have available to provide administrative and social services and implement development projects and programs for their constituents, especially the rural poor. Most local governments have not physically assessed real property since World War II, and the property that has been assessed has been underdeclared by as much as two-thirds of its proper value.

Where local units have implemented real property taxation improvement, assessed values have increased an average of 85%. These real property taxation improvements have been instituted only in provinces participating in the Provincial Development Program. This proposed project would assist the Philippine Government to institutionalize these procedures and make them uniform throughout the country.

Major Outputs:	FY 78	FY 79	FY 80	FY 81
	(Cumulative as of end of FY)			
Local staff trained	1,633	3,185	3,185	3,185
Local government units participating	-	198	495	816
Increased local government collections	-	2,912	10,212	22,374

Host Country and Other Donors:

Host Country $6,000,000 in pesos

FY 1978 Program: $4,000,000 is requested to assist the Department of Finance and the Department of Local Government and Community Development to begin tax mapping and assessment in 198 municipalities and/or districts, and provide aerial photographs and commodities for tax collection operations.

A.I.D.-financed Inputs:
($ Thousands)

	FY 78	All Years
Tax operations:		
Training Advisory Services	106	318
Mapping	2,097	3,175
Assessment	649	1,709
Records	325	3,354
Collection	823	1,282
Total	4,000	9,838

Philippines

(U.S. Fiscal Years – Millions of Dollars)

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS 1973	1974	1975	1976	TQ	TOTAL 1946-1976†	REPAYMENTS AND INTEREST 1946-1976†	TOTAL LESS REPAYMENTS AND INTEREST
I. ECONOMIC ASSISTANCE – TOTAL	124.0	63.6	68.5	77.4	7.7			
Loans	46.9	37.4	45.0	47.0	-			
Grants	77.1	26.2	23.5	30.4	7.7			
a. A.I.D. and Predecessor Agencies	85.7	44.5	55.3	54.3	7.2			
Loans	26.2	34.0	45.0	47.0	-			
Grants	59.5	10.5	10.3	7.3	7.2			
(Security Supporting Assistance)	(49.3)	(0.5)	(0.3)	(-)	(-)			
b. Food for Peace (PL 480)	36.5	16.0	10.8	21.4	-	Not available at time of printing		
Loans	20.7	3.4	-	-	-			
Grants	15.8	12.6	10.8	21.4	-			
Title I - Total Sales Agreements	20.7	3.4	-	-	-			
Repayable in U.S. Dollars - Loans	20.7	3.4	-	-	-			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	15.8	12.6	10.8	21.4 a/	-			
Emerg. Relief, Econ. Develop. & World Food Program	8.9	4.4	0.5	0.1	-			
Voluntary Relief Agencies	6.9	8.2	10.3	21.2	-			
c. Other Economic Assistance	1.8	3.1	2.4	1.7	0.5			
Loans	-	-	-	-	-			
Grants	1.8	3.1	2.4	1.7	0.5			
Peace Corps	1.8	2.7	2.1	1.6	0.5			
Other	-	0.4	0.3	0.1	*			
II. MILITARY ASSISTANCE – TOTAL	50.4	27.0	36.3	24.0	21.6			
Credits or Loans	-	8.6	14.0	-	17.4			
Grants	50.4	18.4	22.3	24.0	4.2			
a. MAP Grants	17.7	16.0	21.0	19.4	4.2			
b. Credit Sales under FMS	-	8.6	14.0	-	17.4			
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-			
d. Transfers from Excess Stocks	15.6	2.4	1.3	4.6	-			
e. Other Grants	17.1	-	-	-	-			
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	174.4	90.6	104.8	101.4	29.3			
Loans	46.9	46.0	59.0	47.0	17.4			
Grants	127.5	44.6	45.8	54.4	11.9			
Other U.S. Government Loans and Grants	74.6	19.2	24.9	329.0	0.6			
a. Export-Import Bank Loans	23.5	9.5	9.9	295.8	0.6			
b. All Other Loans	51.1	9.7	15.0	33.2	NA			

(Millions of Dollars)

TABLE VI

ECONOMIC PROGRAMS OF OTHER DONORS

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1975	FY 1976	TQ	FY 1946-76†
TOTAL	314.0	406.4	23.5	1,509.2
IBRD	208.0	244.7	23.5	910.0
IFC	7.0	2.8	-	78.6
IDA	-	-	-	32.2
ADB	94.3	155.2	-	433.3
UNDP	2.5	3.7	-	38.7
Other	2.2	-	-	16.4

B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS

Donor	CY 1974	CY 1975	CY 1969-75
1. O.A.C. COUNTRIES (Excluding U.S.)			
TOTAL	92.3	98.8	561.4
Japan	74.2	72.1	489.4
Germany	4.8	9.1	25.7
Australia	5.5	8.1	18.1
Denmark	3.2	1.7	7.9
New Zealand	0.9	4.6	6.0
Netherlands	1.5	2.0	5.9
Other	2.2	1.2	8.4
2. O.P.E.C. COUNTRIES (COMMITMENTS)			
TOTAL	*	-	
Kuwait	*	-	

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1975	CY 1976 P	CY 1954-76
TOTAL	31	5	36
Eastern Europe	31	5	36

*Less than $50,000. TQ - Transition Quarter †- As of September 30, 1976. P-Preliminary. Note: A.I.D. includes capitalized interest on prior year loans. NA-Not Available.

a/Includes the transition quarter.

Philippines

GENERAL ECONOMIC AND SOCIAL DATA

TABLE VII

POPULATION

Total (mid-1976; millions)			44.7
Annual Growth Rate (percent)			2.9%
Urbanization	1960	1975	
Percent in Urban Areas	30%	36%	
Labor Force in Agriculture (percent)			55%

HEALTH

Life Expectancy (years)	58
Infant Deaths per 1,000 Live Births	59
People per Doctor	2,680

EDUCATION

	1960	1972	
Primary and Secondary Students			
a. Number (in thousands)	4,857	9,413	
b. As Percent 5-19 Age Group	47%	65%	
Literacy Rate (percent)			85%

PER CAPITA GROSS NATIONAL PRODUCT

1974 (dollars)[1]	330
Average 1965-74 Annual Growth Rate (percent)[2]	2.7%

AGRICULTURAL PRODUCTION—Average 1971-76 Annual Growth Rate

Total Production (percent)	4.5%
Per Capita Production (percent)	1.6%

INTERNATIONAL COMMODITY TRADE ($ millions)

	1974	1975
Exports (f.o.b.)	2,671	2,275
Imports (c.i.f.)	-3,468	-3,774
Trade Balance	-797	-1,499

Main Exports: Sugar, coconut products, copper and wood.

OFFICIAL INTERNATIONAL RESERVES

	1974	1975	1976
(Gross Holdings; End of Period; $ millions)	1,504	1,360	1,611(Nov)

CENTRAL GOVERNMENT FINANCES ($ millions)[3]

(FY Ending June 30)

	1974[E]	1975[E]
Total Expenditures	2,005	2,453
Defense Expenditures		
a. As % of Total Expenditures	12.8%	14.9%
b. As % of GNP	1.8%	2.3%
Domestic Revenues	1,593	2,126

FY 1975 U.S. ECONOMIC ASSISTANCE

a. As % of Country Central Government Expenditures	3%
b. As % of Country Imports of Goods & Services	2%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT as % of Goods and Non-Factor Services (1974) 5.3%

NOTE: Where year is not stated, data are latest information available.

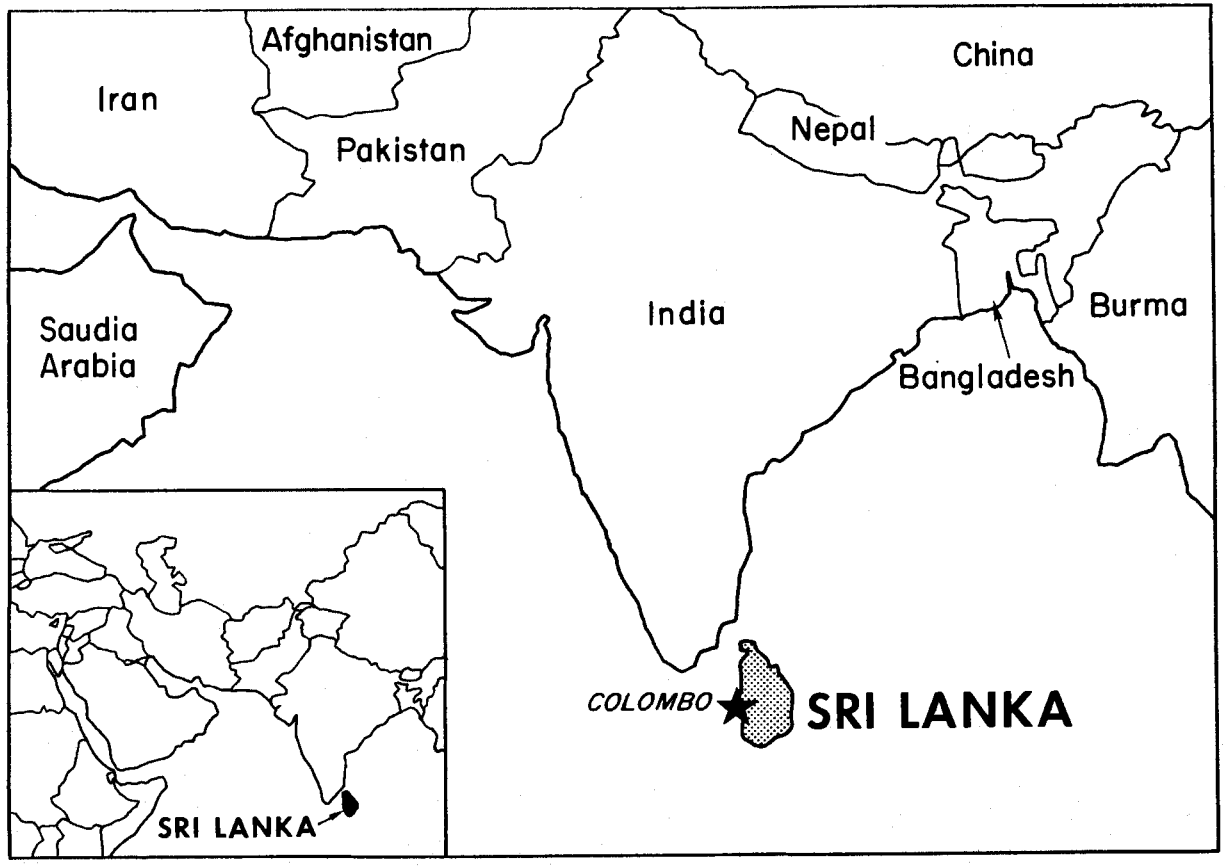
[1] Estimate in IBRD 1976 Annual Report. Reflects a new computation based on GNP in average 1973-75 domestic prices converted to U.S. dollars at average 1973-75 exchange rates and adjusted by the ratio of 1974 U.S. prices to average 1973-75 U.S. prices.

[2] Estimate in the IBRD 1976 World Atlas.

[3] Converted to U.S. dollars at 1975 exchange rate. Data are in current prices and reflect the impact of inflation.

E - Estimate.

Sri Lanka



KEY DATA

Population *(millions - mid-1976)*	14.0
Annual Growth Rate *(percent)*	2.0
Population in Urban Areas *(Percent - 1975)*	24
Labor Force in Agriculture *(Percent)*	41
Per Capita GNP *(dollars - 1974)*	130*
Life Expectancy *(years)*	66
People Per Doctor	3,970
Literacy Rate *(percent)*	84
Students as % of 5 - 19 Age Group *(Primary and Secondary)*	58

* - Estimate in IBRD 1976 Annual Report.

SRI LANKA

Table of Contents

		Page
Development Assistance Program Summary		152
Table II -	Summary of Active and Proposed Projects	158
Table III -	Summary of Loan Authorizations Estimated FY 1977 - Proposed FY 1978	159
Table IV -	Continuing Activity	160
	Malaria Control	160
Table V -	New Activity	161
	Agricultural Base Mapping	161
	Rambukkan Oya Area Development	162
Table VI -	Summary of Total Foreign Assistance	163
Table VII -	Summary of Economic and Social Data	164

SRI LANKA

The United States has an interest in Sri Lanka as a moderate non-aligned country with critical development needs. A.I.D.'s principal interest is development.

Socio-Economic Setting

Sri Lanka is committed to extensive programs to improve the welfare of its people but the budget and economic cost is high. Broad social equity is accompanied by economic weakness.

-- It has a literacy rate of about 84%, the highest among developing countries in Asia.

-- Forty percent of the population received 15% of the national income in 1973 (compared with 12% in 1963).

** The top 10% saw its share fall from 39% to 30%.

-- Its doctor to population ratio of one to 3,970 is relatively high by standards of developing nations.

-- Medical services are heavily subsidized by the government and are available to almost everybody.

-- Life expectancy is 66 years.

-- Women now constitute about 34% of the non-government labor force.

** Recent legislation increased the percent of government new-hires that must be women, from 10% to 25%.

Sri Lanka's economic performance continues to be sluggish and characterized by too much dependence on primary exports (tea, rubber and coconuts) and declining terms of trade.

-- Growth in overall output has failed to keep pace with population growth in a country where the average per capita income is only $130.

-- Capital formation is inadequate.

-- Gross National Product increased only marginally in 1975 from 3.4% to 3.6%.

PROGRAM SUMMARY
(In thousands of dollars)

FISCAL YEAR	Total	Food and Nutrition	Population Planning and Health		Education and Human Resources Development	Selected Development Activities	Other Programs
1976							
Loans	9,600	9,600	-		-	-	-
Grants	-	-	-		-	-	-
Total	9,600	9,600	-		-	-	-
Transition Quarter							
Loans	-	-	-		-	-	-
Grants	-	-	-		-	-	-
Total	-	-	-		-	-	-
1977							
Loans	11,000	6,000	5,000		-	-	-
Grants	-	-	-		-	-	-
Total	11,000	6,000	5,000		-	-	-
			Population Planning	Health			
1978							
Loans	14,500	7,500	-	7,000	-	-	-
Grants	-	-	-	-	-	-	-
Total	14,500	7,500	-	7,000	-	-	-

-- Agriculture, the largest sector, remains seriously affected by three years of drought.

-- Sri Lanka's terms of trade have steadily deteriorated since 1967.

SRI LANKA

-- While Sri Lanka has reduced its external trade deficit (from $186 million in 1975 to $100 million in 1976), it is still heavily dependent on imports of foreign capital.

-- Unemployment is estimated at 20% of the labor force and is concentrated very heavily among the educated youth.

Sri Lanka faces major health problems, particularly malaria:

-- There is a resurgence of malaria in Sri Lanka reaching epidemic proportion in 1976.

-- It has no domestic production of effective anti-malaria drugs and insecticides as yet.

-- The level of malaria incidence has jumped to a recorded 400,000 cases in 1975, or almost three percent of Sri Lanka's population. This is due to:

** resistance to DDT;

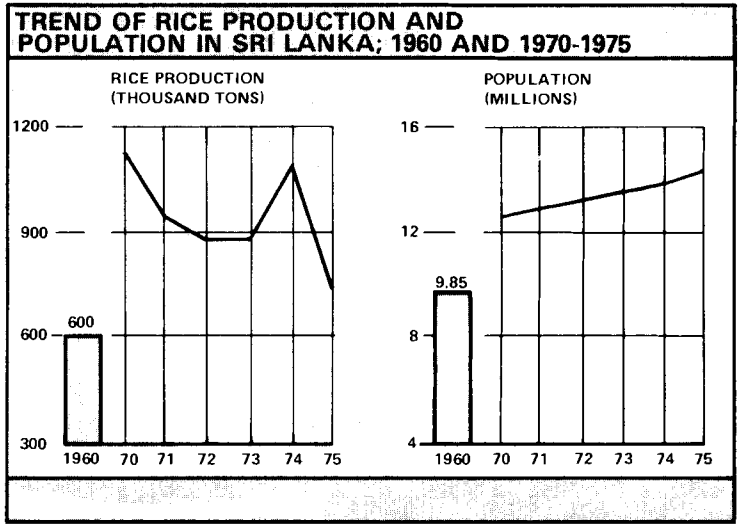
** relaxation of government control efforts;

** the withdrawal of foreign assistance.

-- The problem of malnutrition in pre school and school age children as well as lactating mothers is serious. About 9.0% of the population receives food supplements through CARE.

Food and Population

Sri Lanka does not traditionally produce sufficient food to feed its population. Three years of drought have aggravated this problem.



-- Paddy rice production fell by 28.6% in 1975, largely due to the drought, for a total output of 750,000 tons, the lowest in ten years.

-- The World Bank projects 1976 rice, wheat flour and wheat grain import requirements at 455,000, 410,000 and 128,000 MTs respectively at a cost of $211 million in foreign exchange.

-- Obstacles to greater food production are:

** limited irrigation;

** a lack of relevant research data in on-farm water management;

** problems utilizing the latest agricultural techniques in land reform areas.

The Government's objective is to achieve rice self-sufficiency of two million metric tons by 1984:

-- It is giving high priority to irrigation and land resettlement projects which benefit the rural poor.

-- Internal controls on the price of rice were removed to eliminate a disincentive for rice farmers.

-- Fertilizer subsidies were rationalized at 50% for all crops to eliminate a system which has heretofore distorted production incentives.

-- A Land Betterment Charge Act was passed in June 1976 and implementing regulations are being drafted which levy water user charges enforcing greater discipline in the use of water.

Although these measures are positive steps, much more remains to be done and it will be some time before Sri Lanka's basic strategy of self-sufficiency in food production can be made effective:

-- Greater attention must be given to:

** assuring incentive prices to farmers;

** obtaining greater amounts of foreign exchange for agricultural priorities;

** improving coordination among government institutions responsible for agricultural development.

-- Increased irrigation coverage will help only if farm water management improves and agricultural research can keep pace.

Substantial progress in reducing population growth has been made and must continue if Sri Lanka is to reach rice self-sufficiency:

-- The population growth fell from 2.8% in 1960 to 2.0% in 1975:

** This dramatic reduction has come in great part as a result of the increasing age of marriage and level of education of women countrywide.

Objectives of U.S. Assistance

The United States is responding to Sri Lanka's requests for bilateral foreign assistance for development and humanitarian reasons. The continuing strategy for assistance in FY 1978 is to support the government's efforts to:

-- achieve food self-sufficiency;

-- combat malaria;

-- provide nutritional supplements to 1,300,000 undernourished children and mothers.

FY 1978 Program

A.I.D. proposes development assistance to Sri Lanka in food and nutrition and in malaria control of $14.5 million for FY 1978.

Food and Nutrition

Achievement of rice self-sufficiency by 1984 is the Government's highest priority in the agriculture sector:

-- It plans to increase rice production to two million metric tons through development activities like the Mahaweli Ganga Basin Irrigation project.

-- It is addressing acute food distribution problems by allotting scarce foreign exchange to its grain storage and marketing sectors.

-- A.I.D. has three FY 1976 and 1977 development loans in final stages of negotiation which will contribute to increased food production and improved distribution:

** Rice Research,

** Rice Storage and Processing,

** Mahaweli Basin Development - Stage II; a multi-donor assisted project which will eventually double the amount of irrigable land in the country.

-- A.I.D. is proposing $7.5 million in FY 1978 for two development loans to strengthen Sri Lanka's agriculture planning and also focus on one of the country's poorest areas. These projects are:

** Agricultural Base Mapping to expand the capability of the Sri Lankan Survey Department and provide updated base maps of the country;

** Rambukkan Oya Area Development Project to assist over 12,000 poor people in an area of 6,000 acres to improve agricultural production.

Health

The Government of Sri Lanka is trying to combat the resurgence of malaria with multi-donor assistance including the United States:

-- Sri Lanka's budget funds are available and personnel are mobilized for a five-year campaign.

-- A.I.D. is planning to assist in FY 1977 with a development loan for the purchase of malathion and anti-malarial drugs. Adequate environmental safeguards will be assured.

-- A similar follow-on loan is planned for FY 1978.

A.I.D. is providing a total of $7.0 million for Health Sector loans to Sri Lanka in FY 1978.

ADDITIONAL PROGRAM DATA			
Category	FY 1976 (Actual)	FY 1977 (Estimated)	FY 1978 (Proposed)
A.I.D. Personnel[a]			
Direct Hire[b]	2	5	5
PASA[c]	–	–	–
Contract	–	4	4
Total	2	9	9
Participants[d]			
Noncontract	–	11	22
Contract	–	22	26
Total	–	33	48

[a] *U.S. nationals on duty at the end of the fiscal year.*
[b] *FY 1977 and FY 1978 levels authorized as of Nov. 30, 1976.*
[c] *Participating agency technicians.*
[d] *Programmed during the fiscal year.*

P.L. 480 Programs

Title I

Sri Lanka is now in its third year of drought. It is seeking to attain rice self-sufficiency by 1984 but will need to import at least 500,000 tons of wheat flour and grains per year for some time to come.

-- The U.S. provided at concessional terms 100,000 metric tons of wheat flour valued at $20 million to Sri Lanka in FY 1976 and is providing 200,000 metric tons of wheat flour, and a minimum of 20,000 tons of rice, in 1977 valued at some $40 million.

-- FY 1978 P.L. 480 requirements call for about 133,000 metric tons of wheat flour and as much as 20,000 tons of rice, totaling some $21 million.

-- P.L. 480, Title I, not only supplies needed commodities but is an instrument for generating local currencies to support Government of Sri Lanka self-help objectives in the field of agriculture as well as other economic development goals.

P.L. 480 PROGRAMS SUMMARY
(In 000MT/$000)

Program	FY 1976* (Actual)		FY 1977 (Estimated)		FY 1978 (Projected)	
	MT	$	MT	$	MT	$
Title I						
Wheat	106	21,072	267	35,000	133	15,700
Rice	–	–	50	12,600	20	5,300
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	–	–	–	–
Title I Total		21,072		47,600		21,000
Title II						
Voluntary Agencies		5,026		4,120		4,338
World Food Programs		436		805		801
Gov't.-to-Gov't.		–		–		–
Title II Total		5,462		4,925		5,139
Total P.L. 480		26,534		52,525		26,139

**Includes Transition Quarter.*

SRI LANKA

-- Major self-help objectives of the Government of Sri Lanka include increasing paddy rice production through:

** improved irrigation facilities;

** better on-farm water management practices;

** expanded agriculture extension coverage especially in land re-settlement areas.

Title II

With CARE as the intermediary Private Voluntary Organization, A.I.D. is supporting both maternal child health (MCH) and school feeding programs:

-- Some 390,000 recipients are receiving MCH assistance during FY 1977 in:

** health centers;

** tea and rubber estates;

** schools where especially high malnutrition is found;

** selected welfare institutions.

-- A total of $2.3 million is requested to continue this project during FY 1978 for 400,000 recipients.

-- Under the school feeding program 900,000 children are presently receiving daily food supplements and it is proposed to continue at the same recipient level in FY 1978 at a cost of $2.0 million.

$801,000 in FY 1978 is for the U.S. share of World Food Program Projects in Sri Lanka.

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1976* (Actual)	FY 1977 (Estimated)	FY 1978 (Estimated)
A.I.D.**			
Loans	9,600	11,000	14,500
Grants	-	-	-
Total A.I.D.	9,600	11,000	14,500
P.L. 480***			
Title I	21,072	47,600	21,000
Title II	5,462	4,925	5,139
Total P.L. 480	26,534	52,525	26,139
Total A.I.D. and P.L. 480	36,134	63,525	40,639

*Includes Transition Quarter.
**A.I.D. levels represent actual and estimated expenditures.
***P.L. 480 levels represent actual and estimated value of shipments.

COUNTRY: SRI LANKA

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

TABLE II

Project Title	*	Project Number	FY of Initial Obligation/Date of Loan Authorization	Grant: Through 9/30/76 Obligations	Grant: Through 9/30/76 Expenditures	Grant: Estimated FY77 Obligations	Grant: Estimated FY77 Expenditures	Grant: Proposed FY78 Obligations	Grant: Proposed FY78 Expenditures	Grant: Future Year Obligations	Loan**: Through 9/30/76 Amount Authorized	Loan**: Through 9/30/76 Amount Disbursed	Loan**: Through 9/30/76 Principal Repayments	Loan**: Through 9/30/76 Interest Collected	Loan**: Estimated FY 77 Authorization	Loan**: Estimated FY 77 Expenditures	Loan**: Proposed FY 78 Authorization	Loan**: Proposed FY 78 Expenditures
Food and Nutrition																		
Agricultural Inputs		383-0039	1975	-	-	-	-	-	-	-	8,000	6,533	-	-	-	800	-	-
Rice Research		383-0040	1976	-	-	-	-	-	-	-	4,200	-	-	-	-	1,224	-	944
Paddy Storage and Processing		383-0041	1976	-	-	-	-	-	-	-	5,400	-	-	-	-	1,452	-	1,600
Mahaweli Ganga Irrigation		383-0042	1977	-	-	-	-	-	-	-	-	-	-	-	6,000	3,000	-	3,000
Agricultural Base Mapping	*	383-0045	1978	-	-	-	-	-	-	-	-	-	-	-	-	-	3,500	100
Rambukkan Oya Area Development	*	383-0046	1978	-	-	-	-	-	-	-	-	-	-	-	-	-	4,000	20
Health																		
Malaria Control	*	383-0043	1977	-	-	-	-	-	-	-	-	-	-	-	5,000	3,000	7,000	4,000
Total.....				-	-	-	-	-	-	-	17,600	6,533	-	-	11,000	9,476	14,500	9,664

*Detailed project narrative—See Table IV or V.
**Loan terms: repayment period varies from 20-40 years, 10 years grace; interest 2% during grace, 3% amortization; repayable in U.S. dollars. Loans repayable in less than 40 years are noted.

SUMMARY OF LOAN AUTHORIZATIONS
Estimated FY 1977 – Proposed FY 1978
(In thousands of dollars)

COUNTRY: SRI LANKA

TABLE III

FISCAL YEAR	TITLE	AMOUNT
1977	Malaria Control (FY 1977, Asia Programs, p. 153)	5,000
1977	Mahaweli Ganga Irrigation*	6,000
	The purpose is to increase agricultural production on 106,000 acres in the Mahaweli Basin through a multi-donor-financed comprehensive development scheme which will include land-clearing, irrigation facilities, social infrastructure, and settlement of 15,000 families. The loan finances construction and maintenance equipment, part of local costs of civil works, 39 person months of technical services and 24 person months of short-term training.	
1978	Agricultural Base Mapping	3,500
1978	Rambukkan Oya Area Development	4,000
1978	Malaria Control	7,000
	* Notification to be transmitted.	

Country: SRI LANKA

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Malaria Control	Health	FY 78 7,000		
NUMBER 383-0043 GRANT ☐ LOAN ☒	PRIOR REFERENCE FY 1977 Asia Programs, p.153	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Purpose: To bring malaria under control on a sustained, institutionalized basis.

There is a resurgence of malaria in Sri Lanka of epidemic proportion compared to 1967 when the disease seemed contained through previous strict eradication and control programs. At the end of the project an effective malaria surveillance program will be in operation and the Antimalarial Campaign (AMC)organization integrated into the general health services. More immediately, certain targeted outputs will be realized by FY 1978.

Major Outputs: ($ Millions)

	FY 77	FY 78
	(Cumulative as of end of FY)	
Houses sprayed	1.0	2.0
Population protected by spraying*	6.0	12.0

*Antimalarial drugs will be available for remainder of population.

Host Country and Other Donors: ($000 equivalent)

Host Country	26,800
World Health Organization	500 for advisors, training and commodities
United Kingdom	4,300 for pesticides and vehicles
Netherlands	4,300 for commodities
France	1,100 for commodities

Progress to Date: Malaria control program design and environmental, social, and economic analyses have been completed. The existing AMC organization is being reorganized, and field workers and technicians are being trained and deployed. The Netherlands and the United Kingdom contributions to the program are being finalized; as a result A.I.D. assistance will possibly be reduced from the funding level in the FY 1977 Submission to Congress. It is expected that A.I.D.'s contribution of $12,000,000 to the five-year program will be in two tranches--$5,000,000 in FY 1977 and $7,000,000 in FY 1978. Spraying operations are expected to begin in the spring of 1977.

FY 1978 Programs; $7,000,000 is requested to finance insecticides, consultant services and training.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Commodities (insecticides and antimalarial drugs)	6,915	11,820
Advisors (10 pm)	70	150
Training, short-term (11 pm)	15	30
Total	7,000	12,000

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	-	-	-
Estimated Fiscal Year 1977	-	-	
Estimated through September 30, 1977	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	-	-	-

PRINCIPAL CONTRACTORS OR AGENCIES

Country: SRI LANKA

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Agricultural Base Mapping	Food and Nutrition	FY 78 3,500		
NUMBER 383-0045		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1983
GRANT ☐ LOAN ☒				

Goal: To increase domestic food production, expand employment opportunities and improve small farmers' standard of living.

Purpose: To meet the mapping requirements of rural development.

Background: A major policy objective of the Government of Sri Lanka is achievement of rice self-sufficiency. Agricultural development is also viewed as a principal means to expand employment opportunities and improve the income levels of the rural population. In order to plan for optimal agricultural development, up-to-date information on land-use patterns, forest cover, location of infrastructure and marketing centers is necessary. This project would enhance the Survey Department's capability to respond in a timely manner to development agency requests for basic purpose, large-scale maps.

Major Outputs:	FY 78	All Years
Air survey unit fully equipped as planned	50%	100%
Map Publication Unit fully equipped as planned	50%	100%
Agricultural base maps (square miles)	-	25,000

Host Country and Other Donors: ($000 equivalent)

	FY 78	All Years
Host Country	363	1,186

FY 1978 Program: $3,500,000 is requested to finance equipment, advisory services and training.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Advisors (18 pm)	150
Training (94 pm)	125
Commodities	3,225
Total	3,500

Country: SRI LANKA

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Rambukkan Oya Area Development	Food and Nutrition	FY 78 4,000		
NUMBER 383-0046 GRANT ☐ LOAN ☒		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1982

Goal: To increase domestic food production, expand employment opportunities and improve small farmers' standard of living.

Purpose: To increase agricultural production along the Rambukkan River.

Background: The Government of Sri Lanka has initiated a program of integrated development in the east and southeast region; in 1974 a program was begun for the restoration of small abandoned reservoirs for irrigated agriculture. The project will restore the Rambukkan Oya reservoir in southern Sri Lanka and provide water for irrigated agriculture on 6,000 acres and resettlement for 12,000 people through a system of integrated infrastructure.

Major Outputs:	FY 78	All Years
Reservoir rehabilitated	-	40,000 acres
Rural roads constructed	-	8 miles
New lands cultivated	-	6,000 acres
New settlers in project area	-	12,000 people

Host Country and Other Donors:

Host Country $5,300,000 equivalent for local costs

FY 78 Program: $4,000,000 is requested to finance equipment, preliminary land clearing, embankment work, training and consultant services.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Consultants (10 pm)	100
Training (108 pm)	150
Commodities	3,750
Total	4,000

Sri Lanka

(U.S. Fiscal Years – Millions of Dollars)

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS 1973	1974	1975	1976	TQ	TOTAL 1946-1976†	REPAYMENTS AND INTEREST 1946-1976†	TOTAL LESS REPAYMENTS AND INTEREST
I. ECONOMIC ASSISTANCE – TOTAL	11.4	8.5	38.5	37.1	-			
Loans	10.0	5.9	33.1	31.6	-			
Grants	1.4	2.6	5.4	5.5	-			
a. A.I.D. and Predecessor Agencies	-	-	8.6	9.6	-			
Loans	-	-	8.6	9.6	-			
Grants	-	-	-	-	-			
(Security Supporting Assistance)	(-)	(-)	(-)	(-)	(-)			
b. Food for Peace (PL 480)	11.4	8.5	29.9	27.5	-	Not available at time of printing		
Loans	10.0	5.9	24.5	22.0	-			
Grants	1.4	2.6	5.4	5.5	-			
Title I - Total Sales Agreements	10.0	5.9	24.5	22.0	-			
Repayable in U.S. Dollars - Loans	10.0	5.9	24.5	22.0	-			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	1.4	2.6	5.4	5.5 a/	-			
Emerg. Relief, Econ. Develop. & World Food Program	0.6	-	2.1	5.5	-			
Voluntary Relief Agencies	0.8	2.6	3.3	0.4	-			
c. Other Economic Assistance	-	-	-	-	-			
Loans	-	-	-	-	-			
Grants	-	-	-	-	-			
Peace Corps	-	-	-	-	-			
Other	-	-	-	-	-			
II. MILITARY ASSISTANCE – TOTAL	0.2	*	-	-	-			
Credits or Loans	-	-	-	-	-			
Grants	0.2	*	-	-	-			
a. MAP Grants	0.2	*	-	-	-			
b. Credit Sales under FMS	-	-	-	-	-			
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-			
d. Transfers from Excess Stocks	-	-	-	-	-			
e. Other Grants	-	-	-	-	-			
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	11.6	8.5	38.5	37.1	-			
Loans	10.0	5.9	33.1	31.6	-			
Grants	1.6	2.6	5.4	5.5	-			
Other U.S. Government Loans and Grants	7.4	7.5	-	-	-			
a. Export-Import Bank Loans	-	-	-	-	-			
b. All Other Loans	7.4	7.5	-	-	NA			

(Millions of Dollars) TABLE VI

ECONOMIC PROGRAMS OF OTHER DONORS

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1976	FY 1976	TQ	FY 1946-76†
TOTAL	34.2	56.7	-	263.5
IBRD	-	-	-	73.4
IDA	28.5	25.0	-	79.1
ADB	2.5	30.0	-	70.6
UNDP	2.4	1.7	-	34.2
Other UN	0.8	-	-	6.2

B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS

Donor	CY 1974	CY 1975	CY 1969-75
1. O.A.C. COUNTRIES (Excluding U.S.)			
TOTAL	57.1	84.3	321.4
Germany	21.4	20.4	79.7
Japan	12.0	18.0	64.8
U.K.	3.6	6.0	60.3
Canada	7.1	9.4	45.8
Australia	4.5	9.0	20.5
Sweden	3.8	9.3	19.1
Other	4.7	12.2	31.2
2. O.P.E.C. COUNTRIES (COMMITMENTS)			
TOTAL	12.0	46.9	
Iraq	-	20.0	
Kuwait	-	25.9	
Libya	-	1.0	
UAE	12.0	-	

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1975	CY 1976 P	CY 1954-76
TOTAL	57	3	326
USSR	57	-	95
Eastern Europe	-	-	73
China	-	3	158

*Less than $50,000. TQ - Transition Quarter † - As of September 30, 1976. P-Preliminary. UAE-United Arab Emirates. Note: A.I.D. includes capitalized interest on prior year loans. NA-Not Available.
a/Includes the transition quarter.

Sri Lanka

GENERAL ECONOMIC AND SOCIAL DATA

TABLE VII

POPULATION			
Total (mid-1976; millions)			14.0
Annual Growth Rate (percent)			2.0%
Urbanization	1960	1975	
Percent in Urban Areas	18%	24%	
Labor Force in Agriculture (percent)			41%

HEALTH	
Life Expectancy (years)	66
Infant Deaths per 1,000 Live Births	45
People per Doctor	3,970

EDUCATION			
Primary and Secondary Students	1960	1973	
a. Number (in thousands)	2,239	4,617	
b. As Percent 5-19 Age Group	63%	58%	
Literacy Rate (percent)			84%

PER CAPITA GROSS NATIONAL PRODUCT	
1974 (dollars)[1]	130
Average 1965-74 Annual Growth Rate (percent)[2]	2.0%

AGRICULTURAL PRODUCTION—Average 1971-76 Annual Growth Rate	
Total Production (percent)	-2.2%
Per Capita Production (percent)	-4.3%

INTERNATIONAL COMMODITY TRADE ($ millions)	1974	1975
Exports (f.o.b.)	527	566
Imports (c.i.f.)	-719	-837
Trade Balance	-192	-271

Main Exports: Tea, rubber, coconut products.

OFFICIAL INTERNATIONAL RESERVES	1974	1975	1976
(Gross Holdings; End of Period; $ millions)	78	58	93(Nov)

CENTRAL GOVERNMENT FINANCES ($ millions)[3] (FY Ending December 31)	1974 E	1975 E
Total Expenditures	781	900
Defense Expenditures		
a. As % of Total Expenditures	3.1%	2.3%
b. As % of GNP	1%	1%
Domestic Revenues	616	662

FY 1975 U.S. ECONOMIC ASSISTANCE	
a. As % of Country Central Government Expenditures	4%
b. As % of Country Imports of Goods & Services	5%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT as % of Goods and Non-Factor Services (1974)	11.2%

NOTE: Where year is not stated, data are latest information available.

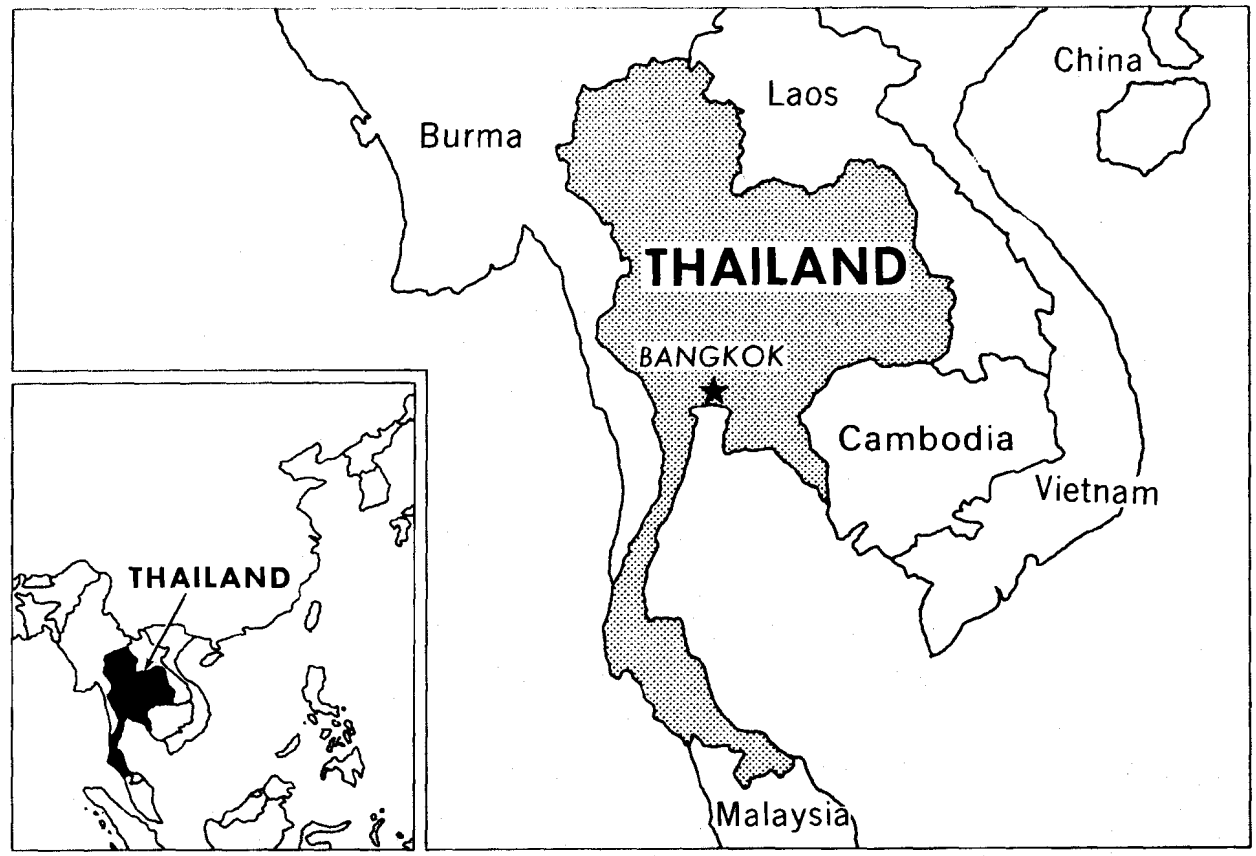
[1] Estimate in IBRD 1976 Annual Report. Reflects a new computation based on GNP in average 1973-75 domestic prices converted to U.S. dollars at average 1973-75 exchange rates and adjusted by the ratio of 1974 U.S. prices to average 1973-75 U.S. prices.

[2] Estimate in the IBRD 1976 World Atlas.

[3] Converted to U.S. dollars at 1975 exchange rate. Data are in current prices and reflect the impact of inflation.

E - Estimate.

Thailand



KEY DATA

Population *(millions - mid-1976)*	42.9
Annual Growth Rate *(percent)*	2.2
Population in Urban Areas *(Percent - 1975)*	17
Labor Force in Agriculture *(Percent)*	72
Per Capita GNP *(dollars - 1974)*	310*
Life Expectancy *(years)*	61
People Per Doctor	8,520
Literacy Rate *(percent)*	82
Students as % of 5 - 19 Age Group *(Primary and Secondary)*	46

* - Estimate in IBRD 1976 Annual Report.

THAILAND

Table of Contents

		Page
Development Assistance Program Summary		166
Table II -	Summary of Active and Proposed Projects	171
Table III -	Summary of Loan Authorizations Estimated FY 1977 - Proposed FY 1978	172
Table IV -	Continuing Activity	173
	Population Planning	173
Table VI -	Summary of Total Foreign Assistance	174
Table VII -	Summary of Economic and Social Data	175

THAILAND

The principal U.S. interest in Thailand is to help maintain an independent, politically stable, economically viable state receptive to U.S. policy concerns.

Socio-Economic Setting

On October 6, 1976, after nearly three years of democratic rule by successive civilian governments, the Thai Military staged a coup and reemerged as the ruling authority in the country, a new constitution was promulgated by a newly appointed civilian Prime Minister and cabinet, and a gradual return to democratically elected government is promised.

Thailand has made substantial progress in recent years:

-- Per capita GNP is $310.

-- Adult literacy rate is about 82%.

-- Population growth has been slowed to 2.2% from 3.1% in six years.

Despite the progress, much remains to be done:

-- About one million people are unemployed, or approximately 5.0% of the total work force.

-- Rural unemployment has hastened migration to Bangkok, putting additional pressure on existing services.

-- There is only one doctor for an average of 10,554 rural people.

-- Only 45% of urban and 15% of the rural population have access to piped water.

Thailand's traditionally conservative economic policies have yielded generally good economic performance. The economy has been growing at an annual rate of about 5.0% in recent years, and the rate is expected to increase to about 6.5% in 1976.

-- Exports increased from $2.0 billion in 1973 to $2.9 billion in 1975, including invisibles, and are expected to reach $3.3 billion in 1976.

PROGRAM SUMMARY
(In thousands of dollars)

FISCAL YEAR	Total	Food and Nutrition	Population Planning and Health		Education and Human Resources Development	Selected Development Activities	Other Programs
1976							
Loans	6,300	6,300	-		-	-	-
Grants	6,600	2,100	4,100		400	-	-
Total	12,900	8,400	4,100		400	-	-
Transition Quarter							
Loans	-	-	-		-	-	-
Grants	612	300	212		100	-	-
Total	612	300	212		100	-	-
1977							
Loans	6,500	6,500	-		-	-	-
Grants	6,042	1,212	4,030		800	-	-
Total	12,542	7,712	4,030		800	-	-
			Population Planning	Health			
1978							
Loans	-	-	-	-	-	-	-
Grants	4,405	-	4,405	-	-	-	-
Total	4,405	-	4,405	-	-	-	-

-- The total debt service ratio was 15% in 1975.

The major policy objectives of the Royal Thai Government outlined in the draft Fourth Five-Year Plan, 1977 to 1981, include:

-- an economic growth target of 7.0% per annum;

-- a 5.0% average annual growth rate for agricultural production;

-- a 9.4% increase in industrial output;

-- an increase in the ratio of domestic savings to Gross Domestic Product from an average of 21% during the Third Five-Year Plan to 24.5%.

The new Government has endorsed the socio-economic policy objectives of the previous government as incorporated in the draft Five-Year Plan, which include:

-- reducing population growth rate;

-- achieving social justice;

-- increasing rural income and services to rural people;

-- diversifying agriculture and trade to expand exports;

-- creating jobs;

-- conserving natural resources;

-- improving urban living conditions.

Food and Population

Thailand's 1976 population of 42.9 million is expected to increase to 81 million by the year 2000, even with a lowering of the population growth rate to 2.1% by 1981. The 1976 rice crop is estimated at 15.0 million tons, of which 1.8 million tons are forecast for export. Thailand is still a food surplus country, with the potential to increase rice production quickly and in a substantial amount through application of modern agricultural techniques. While there is no serious food and population problem as yet, unless Thailand takes the necessary steps to increase agricultural production, the country may eventually become a net importer of rice. A recent FAO report estimates that Thailand will need to import about 800,000 metric tons of paddy equivalent by 1985 to feed its growing population.

Objectives of U.S. Assistance

The objectives of U.S. assistance are to stimulate economic growth and support social equity in Thailand.

FY 1978 Program

In FY 1978 the A.I.D. proposed program is limited to $4.4 million to support Thailand's Family Planning activities.

Food and Nutrition

While no direct A.I.D. assistance is proposed under Food and Nutrition for FY 1978, the sector continues to command the highest Thai priority. Historically, the first two national development plans (1961 to 1971) emphasized provision of basic agriculture and supportive infrastructure--irrigation and flood control systems and rural roads. The Third Plan (1972 to 1976) stressed agriculture market growth through expansion of farmer credit, cooperatives, research and crop diversification.

-- Since 1961 agricultural output has increased on the average of 3.0% to 5.0% annually.

-- In 1976, the Government launched a major land reform program within the central plains area aimed at developing and redistributing both privately-owned and state-owned land holdings to tenants and landless farmers.

-- In 1976, the Government established a floor price for paddy rice, as an incentive to farmers to raise production.

The draft Fourth Five-Year Plan also accords highest priority to increasing agriculture production. Emphasis is also given to reducing urban-rural income disparities and expanding employment.

From the outset, A.I.D. support has complemented host government efforts.

-- Two project loans were provided in FY 1977:

** Agriculture Extension Outreach, a joint Thai-IBRD-A.I.D. project is designed to increase rural productivity through training and deployment of 7,000 district extension workers in 33 provinces.

** Lam Nam Oon On-Farm Development is aimed at raising incomes of 10,000 farm families through improved farm management, especially on-farm water control.

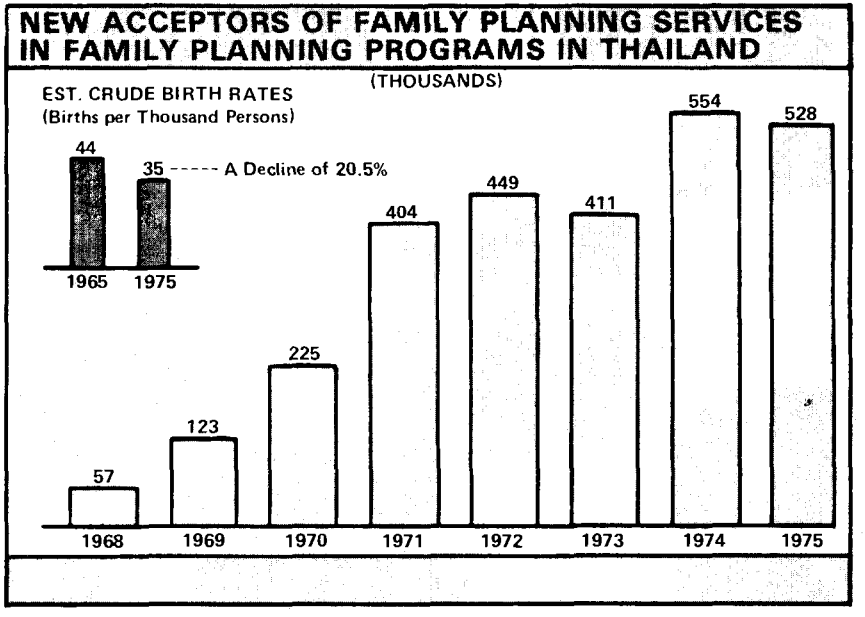
Population Planning

Country-wide health and family planning services have expanded significantly in the last several years, reflecting a growing effort by the Government to control population growth and improve social services to its people. Government actions include the following:

-- Since 1970, when Thailand announced voluntary family planning as a national policy, the population growth rate has dropped from 3.1% to 2.2% per annum.

-- In 1976, the Thai health budget rose by 75% over 1975, to U.S. $115 million equivalent. A major portion of the increase has gone into expanding the number of rural health centers and staff.

-- New family planning acceptors in the A.I.D. project for the year ending June 30, 1976, totaled 326,000. The target for FY 1977 is 600,000.



-- While 65% of the rural population remains outside the range of Government-administered health services, family planning methods and information reaches a larger and growing audience due to private as well as public efforts.

-- Voluntary sterilizations numbered 89,000 in 1975 and are projected at 160,000 in 1977 and an estimated 250,000 in 1978.

To achieve further growth rate reductions Thailand is expanding its population program for which A.I.D. is proposing $4.4 million in FY 1978.

Health

The United States has supported health programs in Thailand for many years. Major features include institution-building within the Ministry of Public Health (MOPH), a malaria eradication effort and training of intermediate health and medical personnel.

-- With a reduction in its overall program, A.I.D. is now concentrating upon advisory assistance and commodity support in family planning.

-- A joint Thai-A.I.D. project to develop integrated, low-cost health delivery systems in northern Thailand started in FY 1974.

** The Development and Evaluation of Integrated Delivery Systems (DEIDS) project is currently being expanded into nine additional provinces.

** The Fourth Plan contemplates training and deployment of over 20,000 village volunteers to implement the expanded program.

-- In 1975, the Royal Thai Government began a $32.7 million, six-year program to achieve a 2.1% rate of population growth by 1981.

** A.I.D. financed the contraceptive component and modest training for 12,000 contraceptive field distributors.

Education and Human Resources Development

The Government has identified the need to upgrade the capabilities of intermediate (province and below) level managers in most sectors.

-- In FY 1965, A.I.D. authorized the Special Training for National Development project to raise the trained manpower level in various Government departments and ministries. By FY 1977, the final year of funding, nearly 400 Thais will have completed training under the project.

-- In FY 1976, the Transfer of Technology and Management Skills project was established which allows Government agencies to identify and contract for their own training and advisory services. The project will directly support priorities of the Fourth Five-Year Plan.

Private and Voluntary Agency (PVO) Support

Support to PVOs under the regionally funded activity will concentrate on the Food and Nutrition and Education and Human Resources Development sectors. Improving Thai institutional nutrition awareness, responding to certain rural nutrition problems as well as women's leadership training, literacy improvement and rural skills upgrading are illustrative of the type of activities in which PVOs are engaged.

Housing Investment Guaranty (HIG)

A $50 million HIG (of which $15 million is planned for FY 1978) will assist the Royal Thai Government in implementing a program to broaden availability of adequate low-cost housing in urban areas.

ADDITIONAL PROGRAM DATA

Category	FY 1976 (Actual)	FY 1977 (Estimated)	FY 1978 (Proposed)
A.I.D. Personnel[a]			
Direct Hire[b]	23	15	12
PASA[c]	3	-	-
Contract	20	5	-
Total	46	20	12
Participants[d]			
Noncontract	330	312	8
Contract	-	-	-
Total	330	312	8

[a] *U.S. nationals on duty at the end of the fiscal year.*
[b] *FY 1977 and FY 1978 levels authorized as of Nov. 30, 1976.*
[c] *Participating agency technicians.*
[d] *Programmed during the fiscal year.*

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 1976* (Actual)	FY 1977 (Estimated)	FY 1978 (Estimated)
A.I.D.**			
Loans	6,300	6,500	-
Grants	7,212	6,042	4,405
Total A.I.D.	13,512	12,542	4,405
P.L. 480***			
Title I	-	-	-
Title II	-	-	-
Total P.L. 480	-	-	-
Total A.I.D. and P.L. 480	13,512	12,542	4,405

**Includes Transition Quarter.*
***A.I.D. levels represent actual and estimated expenditures.*
****P.L. 480 levels represent actual and estimated value of shipments.*

COUNTRY: THAILAND

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

TABLE II

Project Title	*	Project Number	FY of Initial Obligation/Date of Loan Authorization	Grant: Through 9/30/76 Obligations	Grant: Through 9/30/76 Expenditures	Grant: Estimated FY77 Obligations	Grant: Estimated FY77 Expenditures	Grant: Proposed FY78 Obligations	Grant: Proposed FY78 Expenditures	Future Year Obligations	Loan**: Through 9/30/76 Amount Authorized	Loan**: Through 9/30/76 Amount Disbursed	Loan**: Through 9/30/76 Principal Repayments	Loan**: Through 9/30/76 Interest Collected	Loan**: Estimated FY 77 Authorization	Loan**: Estimated FY 77 Expenditures	Loan**: Proposed FY 78 Authorization	Loan**: Proposed FY 78 Expenditures
Food and Nutrition																		
Special Training for National Development		493-0173	1976	308	177	339	209	-	261	-	-	-	-	-	-	-	-	-
Agricultural Development		493-0180	1952	21,262	20,854	325	652	-	187	-	-	-	-	-	-	-	-	-
Transfer of Technology and Management Skills		493-0274	1976	1,216	67	221	409	-	686	-	-	-	-	-	-	-	-	-
Program Development and Support		493-0275	1976	345	86	327	100	-	195	-	-	-	-	-	-	-	-	-
Agricultural Extension Outreach		493-0280	1977	-	-	-	-	-	-	-	-	-	-	-	3,000	600	-	1,800
Agricultural Development		493-0268	6/73	-	-	-	-	-	-	-	5,000	2,497	-	1	-	1,633	-	870
Seed Development		493-0270	8/75	-	-	-	-	-	-	-	3,700	-	-	-	-	1,200	-	1,300
Sericulture Settlements		493-0271	6/76	-	-	-	-	-	-	-	2,600	-	-	-	-	800	-	1,500
Lam Nam Oon On-Farm Development		493-0272	1977	-	-	-	-	-	-	-	-	-	-	-	3,500	200	-	1,500
Population Planning																		
Population Planning	*	493-0283	1976	4,002	2,002	3,230	3,502	4,405	2,000	-	-	-	-	-	-	-	-	-
Health																		
Special Training for National Development		493-0173	1976	39	14	153	61	-	117	-	-	-	-	-	-	-	-	-
Transfer of Technology and Management Skills		493-0274	1976	361	17	647	226	-	380	-	-	-	-	-	-	-	-	-
Education and Human Resources																		
Special Training for National Development		493-0173	1976	2,277	2,202	3	90	-	-	-	-	-	-	-	-	-	-	-
Transfer of Technology and Management Skills		493-0274	1976	258	12	797	253	-	394	-	-	-	-	-	-	-	-	-
Special Development Activities																		
Project Development		493-0267	2/73	-	-	-	-	-	-	-	2,000	132	-	2	-	1,356	-	512
Total.....				30,068	25,431	6,042	5,502	4,405	4,220	-	13,300	2,629	-	3	6,500	5,789	-	7,482

*Detailed project narrative—See Table IV or V.

**Loan terms: repayment period varies from 20-40 years, 10 years grace; interest 2% during grace, 3% amortization; repayable in U.S. dollars. Loans repayable in less than 40 years are noted.

SUMMARY OF LOAN AUTHORIZATIONS
Estimated FY 1977 – Proposed FY 1978
(In thousands of dollars)

COUNTRY: THAILAND

TABLE III

FISCAL YEAR	TITLE	AMOUNT
1977	Agricultural Extension Outreach (FY 1977, Asia Programs, p.169)	3,000
1977	Lam Nam Oon On-Farm Development (FY 1977, Asia Programs, p.170)	3,500

Country: THAILAND

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Population Planning	Population Planning	FY 78 4,405		
NUMBER 493-0283 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p. 165	INITIAL OBLIGATION FY 1976	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979

Purpose: To support Thailand's plan to reduce the annual rate of population growth to 2.1% or less by the end of 1981.

Major Outputs:

	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		
Part-time family planning workers trained	478	1,478	2,878
Mobile family planning units established	3	23	71
IUD service centers established	500	650	800
New contraceptive acceptors (thousands)	1,622	2,222	2,922

Host Country and Other Donors: ($000)

Royal Thai Government	21,082
International Planned Parenthood Federation	1,000
UNFPA	1,200
Pathfinder Fund	50
Association for Voluntary Sterilization	386
Family Planning International Assistance	Voluntary surgical contraception services and training

Progress to Date: Since 1970, family planning services have been made available through all of the host government's 5,000 rural health clinics and provincial hospitals. In 1970, the crude birth rate was 42 per 1,000 population. The crude birth rate as of January 1976 was 35 per 1,000 population which indicates that the end of project status of 30 per 1,000 will probably be met or exceeded.

FY 1978 Program: $4,405,000 is proposed to assist the Thai Government's effort to expand its existing clinic-based family planning services to rural Thai villages. Training for physicians and assistance to cover institutional costs of voluntary surgical contraception are also included in the expanded family services program.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Oral contraceptives	1,555
Voluntary surgical contraception services	2,000
IUD insertion and voluntary surgical contraception kits	470
Mobile family planning units	30
Local training of physicians and para-medics	250
Local research	100
Total	4,405

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	4,580	244	4,336
Estimated Fiscal Year 1977	3,230	3,502	
Estimated through September 30, 1977	7,810	3,746	4,064
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	4,405	-	12,215

PRINCIPAL CONTRACTORS OR AGENCIES

To be selected

Thailand

(U.S. Fiscal Years – Millions of Dollars)

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS						REPAYMENTS AND INTEREST 1946-1976†	TOTAL LESS REPAYMENTS AND INTEREST
	1973	1974	1975	1976	TQ	TOTAL 1946-1976†		
I. ECONOMIC ASSISTANCE – TOTAL	39.1	15.1	6.7	15.6	1.1			
Loans	23.0	-	-	6.3	-			
Grants	16.1	15.1	6.7	9.3	1.1			
a. A.I.D. and Predecessor Agencies	21.1	7.1	4.1	12.9	0.9			
Loans	7.0	-	-	6.3	-			
Grants	14.1	7.1	4.1	6.6	0.9			
(Security Supporting Assistance)	(10.6)	(5.1)	(-)	(-)	(-)			
b. Food for Peace (PL 480)	16.4	-	*	-	-	Not available at time of printing		
Loans	16.0	-	-	-	-			
Grants	0.4	-	*	-	-			
Title I - Total Sales Agreements	16.0	-	-	-	-			
Repayable in U.S. Dollars - Loans	16.0	-	-	-	-			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	0.4	-	*	-	-			
Emerg. Relief, Econ. Develop. & World Food Program	-	-	*	-	-			
Voluntary Relief Agencies	0.4	-	-	-	-			
c. Other Economic Assistance	1.6	8.0	2.6	2.7	0.2			
Loans	-	-	-	-	-			
Grants	1.6	8.0	2.6	2.7	0.2			
Peace Corps	1.6	1.8	1.7	1.0	0.2			
Other	-	6.2	0.9	1.7	*			
II. MILITARY ASSISTANCE – TOTAL	63.7	37.2	42.5	65.4	38.1			
Credits or Loans	-	-	8.0	-	36.7			
Grants	63.7	37.2	34.5	65.4	1.4			
a. MAP Grants	43.1	32.5	30.1	17.3	1.4			
b. Credit Sales under FMS	-	-	8.0	-	36.7			
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-			
d. Transfers from Excess Stocks	20.6	4.7	4.4	48.1	-			
e. Other Grants	-	-	-	-	-			
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	102.8	52.3	49.2	81.0	39.2			
Loans	23.0	-	8.0	6.3	36.7			
Grants	79.8	52.3	41.2	74.7	2.5			
Other U.S. Government Loans and Grants	7.5	7.9	3.3	38.1	0.2			
a. Export-Import Bank Loans	7.5	7.9	3.3	38.1	0.2			
b. All Other Loans	-	-	-	-	NA			

*Less than $50,000. TQ - Transition Quarter † - As of September 30, 1976. NA-Not Available.

(Millions of Dollars) TABLE VI

ECONOMIC PROGRAMS OF OTHER DONORS

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1975	FY 1976	TQ	FY 1946-76†
TOTAL	67.4	270.1	81.0	1,273.4
IBRD	-	147.2	81.0	841.0
IFC	-	10.0	-	32.8
IDA	-	-	-	32.0
ADB	66.7	112.1	-	308.8
UNDP	0.7	0.8	-	41.9
Other UN	-	-	-	16.9

B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS

Donor	CY 1974	CY 1975	CY 1969-75
1. O.A.C. COUNTRIES (Excluding U.S.)			
TOTAL	51.9	70.0	282.2
Japan	19.0	44.4	143.8
Germany	6.2	10.3	46.6
Australia	5.2	5.5	30.2
U.K.	6.2	3.7	17.8
France	9.7	-	12.7
Other	5.6	6.1	31.1
2. O.P.E.C. COUNTRIES (COMMITMENTS)			
TOTAL	-	-	

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1975	CY 1976	CY 1954-76
TOTAL	-	-	-

Thailand

GENERAL ECONOMIC AND SOCIAL DATA

TABLE VII

POPULATION			
Total (mid-1976; millions)			42.9
Annual Growth Rate (percent)			2.2%
Urbanization	1960	1975	
Percent in Urban Areas	13%	17%	
Labor Force in Agriculture (percent)			72%

HEALTH	
Life Expectancy (years)	61
Infant Deaths per 1,000 Live Births	27
People per Doctor	8,520

EDUCATION			
Primary and Secondary Students	1960	1973	
a. Number (in thousands)	4,264	7,292	
b. As Percent 5-19 Age Group	45%	46%	
Literacy Rate (percent)			82

PER CAPITA GROSS NATIONAL PRODUCT	
1974 (dollars)[1]	310
Average 1965-74 Annual Growth Rate (percent)[2]	4.3%

AGRICULTURAL PRODUCTION—Average 1971-76 Annual Growth Rate	
Total Production (percent)	3.2%
Per Capita Production (percent)	0.2%

INTERNATIONAL COMMODITY TRADE ($ millions)	1974	1975
Exports (f.o.b.)	2,444	2,208
Imports (c.i.f.)	-3,143	-3,280
Trade Balance	-699	-1,072

Main Exports: Rice, rubber, corn, tapioca and sugar.

OFFICIAL INTERNATIONAL RESERVES	1974	1975	1976
(Gross Holdings; End of Period; $ millions)	1,858	1,775	1,893(Nov)

CENTRAL GOVERNMENT FINANCES ($ millions)[3] (FY Ending September 30)	1974[E]	1975[E]
Total Expenditures	1,749	2,137
Defense Expenditures		
a. As % of Total Expenditures	20.2%	17.5%
b. As % of GNP	2.7%	2.6%
Domestic Revenues	1,861	1,877

FY 1975 U.S. ECONOMIC ASSISTANCE	
a. As % of Country Central Government Expenditures	*
b. As % of Country Imports of Goods & Services	*

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT as % of Goods and Non-Factor Services (1974)	1.9%

NOTE: Where year is not stated, data are latest information available.

[1] Estimate in IBRD 1976 Annual Report. Reflects a new computation based on GNP in average 1973-75 domestic prices converted to U.S. dollars at average 1973-75 exchange rates and adjusted by the ratio of 1974 U.S. prices to average 1973-75 U.S. prices.

[2] Estimate in the IBRD 1976 World Atlas.

[3] Converted to U.S. dollars at 1975 exchange rate. Data are in current prices and reflect the impact of inflation.

E - Estimate. * - Less than half of one percent.

Regional Programs

REGIONAL PROGRAMS

Table of Contents

	Page
Development Assistance Program Summary	178
Table II - Summary of Active and Proposed Projects	180
Table IV - Continuing Activity	181
Agricultural Development Council	181
Program Development and Support	182
Private and Voluntary Organizations	183
Cholera Research Laboratory	184
Asian Free Labor Union Development	185
Regional Education Development	186
Regional Scholarship Program	187
Table V - New Activity	188
Remote Sensing for Agriculture	188
AIDSAT - Communications in Development Programs	189
Regional Science and Technology Development	190

ASIA REGIONAL

The United States interests in the region are political, economic and humanitarian. These interests are sustained by bilateral and multilateral programs and by certain discrete activities that are centrally funded.

Objectives of U.S. Assistance

U.S. assistance programs further U.S. interests by helping support bilateral and other programs with centrally funded regional activities. As direct assistance to Asia regional organizations phases down, certain support activities for the entire region will continue in order to:

- -- enhance the quality of project design and evaluation of host country ministries;
- -- fund selected, operational research that is directly related to jointly funded projects;
- -- encourage the participation of private voluntary organizations in the development process of Asian countries;
- -- encourage the participation of the American labor movement in the development of a free and democratic labor movement in Asia;
- -- establish an internationally recognized enteric disease organization in Bangladesh;
- -- provide selective, modest support to regional institutions;
- -- experiment with and establish feasible systems for the use of remote sensing data and communications technology by Asian countries

FY 1978 Program

In FY 1978, A.I.D. is requesting a total of $17,906,000 for regional programs in Food and Nutrition, Health, Education and Human Resources Development and Selected Development Activities.

PROGRAM SUMMARY
(In thousands of dollars)

FISCAL YEAR	Total	Food and Nutrition	Population Planning and Health		Education and Human Resources Development	Selected Development Actitivies	Other Programs
1976							
Loans	-	-	-		-	-	-
Grants	9,900	200	1,800		4,900	3,000	-
Total	9,900	200	1,800		4,900	3,000	-
Transition Quarter							
Loans	-	-	-		-	-	-
Grants	3,717	1,168	605		1,645	299	-
Total	3,717	1,168	605		1,645	299	-
1977							
Loans	-	-	-		-	-	-
Grants	17,665	8,070	2,752		5,943	900	-
Total	17,665	8,070	2,752		5,943	900	-
			Population Planning	Health			
1978							
Loans	-	-	-	-	-	-	-
Grants	17,906	5,800	-	3,700	7,006	1,400	-
Total	17,906	5,800	-	3,700	7,006	1,400	-

Food and Nutrition

A.I.D. is proposing $5.8 million for the Agricultural Development Council, Remote Sensing, Project Development and Support activities and operational program grants to Private Voluntary Organizations.

Health

$3.7 million is requested for the Cholera Research Laboratory, Project Development Support activities and Private Voluntary Organization grants.

Education and Human Resources Development

A.I.D. is proposing $7,006,000 for Regional Educational Development, Regional Scholarship, the Asian-American Free Labor Institute, Communications Technology Training, Regional Science and Technology, Program Development and Support activities, and Private and Voluntary Organization grants.

Selected Development Activities

$1.4 million is requested for Private and Voluntary Organization grants and Program Development and Support activities.

ADDITIONAL PROGRAM DATA

Category	FY 1976 (Actuel)	FY 1977 (Estimated)	FY 1978 (Proposed)
A.I.D. Personnel[a]			
Direct Hire[b]	9	4	2
PASA[c]	7	7	7
Contract	28	-	2
Total	44	11	11
Participants[d]			
Noncontract	172	215	439
Contract	21	23	56
Total	193	238	495

[a] *U.S. nationals on duty at the end of the fiscal year.*
[b] *FY 1977 and FY 1978 levels authorized as of Nov. 30, 1976.*
[c] *Participating agency technicians.*
[d] *Programmed during the fiscal year.*

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 1976* (Actual)	FY 1977 (Estimated)	FY 1978 (Estimated)
A.I.D.**			
Loans	-	-	-
Grants	13,617	17,665	17,906
Total A.I.D.	13,617	17,665	17,906
P.L. 480***			
Title I	-	-	-
Title II	-	-	-
Total P.L. 480	-	-	-
Total A.I.D. and P.L. 480	13,617	17,665	17,906

**Includes Transition Quarter.*
***A.I.D. levels represent actual and estimated expenditures.*
****P.L. 480 levels represent actual and estimated value of shipments.*

COUNTRY: ASIA REGIONAL

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

TABLE II

Project Title	*	Project Number	FY of Initial Obligation/Date of Loan Authorization	Grant: Through 9/30/76 Obligations	Grant: Through 9/30/76 Expenditures	Grant: Estimated FY77 Obligations	Grant: Estimated FY77 Expenditures	Grant: Proposed FY78 Obligations	Grant: Proposed FY78 Expenditures	Grant: Future Year Obligations	Loan**: Through 9/30/76 Amount Authorized	Loan**: Through 9/30/76 Amount Disbursed	Loan**: Through 9/30/76 Principal Repayments	Loan**: Through 9/30/76 Interest Collected	Loan**: Estimated FY 77 Authorization	Loan**: Estimated FY 77 Expenditures	Loan**: Proposed FY 78 Authorization	Loan**: Proposed FY 78 Expenditures
FOOD AND NUTRITION																		
Agricultural Development Council	*	498-0021	1972	560	310	300	250	300	375	-								
Program Development and Support	*	498-0249	1976	243	243	3,170	3,170	1,400	1,400	3,700								
Provate and Voluntary Organizations	*	498-0251	TQ	512	-	4,600	290	3,500	1,900	3,500								
Remote Sensing for Agriculture	*	498-0253	1978	-	-	-	-	600	100	1,400								
HEALTH																		
Cholera Research	*	498-0020	1959	5,766	5,095	1,700	1,425	1,900	1,900	-								
Program Development and Support	*	498-0249	1976	75	75	452	452	800	800	2,000								
Private and Voluntary Organizations	*	498-0251	TQ	558	-	600	310	1,000	600	1,000								
EDUCATION AND HUMAN RESOURCES DEVELOPMENT																		
Asian Free Labor Union Development (AAFLI)	*	498-0017	1969	7,252	5,822	3,600	4,000	3,700	3,900	3,800								
Regional Educational Development (SEAMEO)	*	498-0198	1967	19,426	18,250	1,200	1,000	1,060	1,200	-								
Regional Computer Center		498-0244	1975	1,450	890	-	560	-	-	-								
Regional Scholarship Program	*	498-0246	1975	1,010	756	500	351	725	625	-								
Program Development and Support	*	498-0249	1976	111	111	253	253	400	400	1,100								
Private and Voluntary Organizations	*	498-0251	1977	-	-	390	-	500	400	500								
Asian Teaching Fellows Program		498-0252	1976	180	-	-	120	-	60	-								
Regional Science/Technology and Development		498-0255	1978	-	-	-	-	496	75	4,230								
AIDSAT Communications in Development		498-0254	1978	-	-	-	-	125	100	8,185								
SELECTED DEVELOPMENT ACTIVITIES																		
Southeast Asia Development Advisory Group		498-0208	1966	5,205	5,031	-	174	-	-	-								
Regional Trans/Comm Development (SEATAC)		498-0210	1969	4,857														
Program Development and Support	*	498-0249	1976	978	479	600	1,079	400	400	1,200								
Private and Voluntary Organizations	*	498-0251	1976	1,171	201	300	700	1,000	600	1,000								
Total.....				49,354	37,263	17,665	14,134	17,906	14,835	31,615								

*Detailed project narrative—See Table IV or V.
**Loan terms: repayment period varies from 20-40 years, 10 years grace; interest 2% during grace, 3% amortization; repayable in U.S. dollars. Loans repayable in less than 40 years are noted.

Country: ASIA REGIONAL

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Agricultural Development Council	Food and Nutrition	FY 78 300		
NUMBER 498-0021 GRANT ■ LOAN □	PRIOR REFERENCE FY 1977 Asia Programs, p. 177	INITIAL OBLIGATION FY 1972	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Purpose: To support the Agriculture Development Council's (A/D/C) Fellowship Program for advanced graduate level training, primarily though not exclusively in the area of agricultural economics.

Major Outputs:	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		
Fellowships supported by A.I.D.	69	80	91
Total Asian fellowships, Agricultural Development Council (A/D/C)	133	144	155

Host Country and Other Donors: Approximately 40% of the costs of A.I.D.-supported fellowships are met by the A/D/C from other funds, including those from the Ford and Rockefeller Foundations. Other fellowships are supported by contributions from the Canadian Government as well as the Ford and Rockefeller Foundations.

Progress to Date: The performance of agriculture in the developing countries of Asia is dependent upon a great many things, one of which is a better understanding by Asians themselves of the complex economic and social forces which impact on agricultural development. To help provide this understanding, A.I.D. has supported fellowships for doctoral programs in the United States for candidates selected by the A/D/C from India, Indonesia, Malaysia, Nepal, Philippines, Korea, Sri Lanka and Thailand. Other A/D/C fellowships are offered for shorter periods from other resources, including an active program of Master's degree training in Asian institutions. About 85% of the A/D/C fellows sponsored to date have completed their training and serve in Asian countries while the remaining 15% are still in training. Of the graduates, approximately 50% are working in universities, 30% are in government positions and 20% are in the private sector and international organizations.

In consultation with A.I.D., the A/D/C is shifting the focus of its fellowship program from the more developed countries of East Asia (Korea, Philippines, Thailand, Malaysia) to the poorer countries of South Asia (Nepal, Sri Lanka, Pakistan) and to Indonesia. A/D/C fellows are carefully selected, well trained and frequently are strategically located in government and university circles. Their social science training makes them particularly aware of the problems of rural inhabitants, and gives them a capability to analyze and to program assistance to disadvantaged groups in their societies in the context of their own norms and values. Without such leadership in Asia, effective prosecution of equity-oriented programs would be impossible.

FY 1978 Program: $300,000 is requested to finance about 60% of the costs of A/D/C Asian fellowships in fields related to agricultural development. The A/D/C funds the remaining 40% of fellowship costs.

A.I.D.-financed Inputs ($ Thousands)	FY 78
Partial funding of eleven Ph.D. fellowships	300

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	560	310	250
Estimated Fiscal Year 1977	300	250	
Estimated through September 30, 1977	860	560	300
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	300	-	1,160

PRINCIPAL CONTRACTORS OR AGENCIES

Agricultural Development Council

Country: ASIA REGIONAL

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Program Development and Support	Various	FY 78 3,000		
NUMBER 498-0249 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p. 183	INITIAL OBLIGATION FY 1976	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY1981

Purpose: To improve project design, evaluations, program development, and the data base for program planning; to provide selected grants to regional organizations; and, through training grants, to establish an ambience in selected areas for accepting new and innovative ideas for economic and social development.

Major Outputs:	9/30/76	FY 77 (Illustrative)	FY 78
Project Design	x	x	x
Evaluation	x	x	x
Program and Sector Studies	x	x	x
Research and Special Studies	x	x	x
Women in Development	x	x	x
Training and Other	x	x	x

Progress to Date: During the past year, the following activities were undertaken and were illustrative of those funded under this project:

- A land tenure study in Bangladesh as part of an effort to clarify the agriculture sector strategy for the country
- Training of 30 leaders from East and South Asian countries in rural electrification concepts and experience as a means of enhancing their participation in sector and project development
- An Asian wide malaria strategy study to identify the means by which to address the recent resurgence of malaria in East and South Asia
- An assessment of the use of agriculture inputs and their impact on small farmer production in Pakistan
- Completion of a number of social soundness analyses, environmental impact statements and other analyses necessary to determine the feasibility of project proposals, e.g., Kansas State University's extensive analyses in the Philippines necessary to prepare the Integrated Agriculture Production and Marketing Project.

The funds are used primarily to gather and analyze data to provide the basis for program development activities, project design and evaluations. Training activities are designed to familiarize key host country persons with the problems and potential of development programs and to involve them as participants in sector strategy studies and project development.

FY 1978 Programs: $3,000,000 is requested to finance various consultants for special studies, project design and evaluation and for seminars and special training activities. Estimates for utilizing FY 1978 funds identified by appropriation categories are as follows:

Funding by Functional Account
($ Thousands)

Food and Nutrition (280 pm)	1,400
Health (160 pm)	800
Education and Human Resources Development (80 pm)	400
Selected Development Activities (80 pm)	400
Total	3,000

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	1,407	928	479
Estimated Fiscal Year 1977	4,475	4,954	
Estimated through September 30, 1977	5,882	5,882	–
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	3,000	8,000	16,882

PRINCIPAL CONTRACTORS OR AGENCIES

Country: ASIA REGIONAL

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Private and Voluntary Organizations	Various	FY 78 6,000		
NUMBER 498-0251 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p. 182	INITIAL OBLIGATION FY 1976	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY 1979

Purpose: To support, through Operational Program Grants (OPGs), development activities of private and voluntary organizations (PVOs) which are designed to assist directly low income groups in developing countries in Asia.

Major Outputs:	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		
OPG Projects	17	45	75
Countries with OPGs	5	7	9
Indigenous PVOs receiving OPGs	1	4	7
U.S. PVOs receiving OPGs	10	14	18

Host Country and Other Donors:	($000)		
Contributions by U.S. PVOs, local community and local PVOs	5,371	9,500	16,000

Progress to Date: During the last half of 1976 an increasing number of PVOs have submitted proposals for funding under this project and several local PVOs have submitted proposals for projects jointly with a few of these U.S. PVOs. These proposals are for activities in Korea, Thailand, Pakistan, Philippines and Indonesia. Their life-of-project A.I.D. contributions range from $64,000 to $282,000. The proposals include a comprehensive nutrition program, non-formal education for Hill tribes in Thailand and integrated rural development programs, improvement of cooperatives in Indonesia, and assistance to cooperatives in Thailand.

FY 1978 Program: $6,000,000 is requested to finance the costs of 30 to 40 new and continuing OPGs.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
OPGs	6,000

Funding by Functional Account
($ Thousands)

Food and Nutrition	3,500
Health	1,000
Education and Human Research Development	500
Selected Development Activities	1,000
Total	6,000

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	2,241	201	2,040
Estimated Fiscal Year 1977	5,890	2,930	
Estimated through September 30, 1977	8,131	3,131	5,000
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	6,000	6,000	20,131

PRINCIPAL CONTRACTORS OR AGENCIES

Private and Voluntary Organizations

Country: ASIA REGIONAL

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Cholera Research Laboratory	Health	FY 78 1,900		
NUMBER 498-0020 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p. 178	INITIAL OBLIGATION FY 1959	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1978

Purpose: To develop, evaluate and demonstrate effective techniques for worldwide application to prevent, treat, and eradicate cholera and other diarrheal diseases; and to interphase on-going diarrheal research with other research activities in the fields of nutrition, population and general health care practices.

Major Outputs: Research will continue in the following areas:

- Environmental epidemiology and etiology of diarrheal diseases
- Immunology of the intestinal tract
- Diarrheal field work in Matlab area
- Theory, mechanisms, and treatment of shigellosis
- Information network for diarrheal diseases
- Effects of diarrheal morbidity on child development
- Relationship of nutrition, immunity and infectious diseases
- Nutritional and physiological determinants of fertility
- Prolongation of puerperal infertility
- Effects of domestic tubewells on health

Other areas for research may include specific therapy for cholera-type diseases, utilization of excreta, consumer programmatic planning, and parasitology.

Host Country and Other Donors:

Bangladesh	$430,000 in rupiahs for costs of operating the laboratory
United Kingdom, Australia	Equivalent of $60,000 in FY 1977 and $200,000 in FY 1978 for commodities

Progress to Date: Since 1960, the staff of the Cholera Research Laboratory (CRL) in Bangladesh has been working on diarrheal diseases. The death rate due to cholera in Bangladesh has been reduced from 50% to less than 1.0% through innovations in treatment methods. Oral re-hydration on an outpatient basis (a treatment method developed at CRL) has replaced long hospital stays and intravenous feedings, and is now being used in many other countries in the developing world. Efforts are now under way to internationalize the CRL and increase its scope of interest to include research in nutrition, population and general health care. The Ford Foundation has given $140,000 to support the internationalization effort.

FY 1978 Program: $1,900,000 is requested to finance technicians under a participating agency service agreement with the National Institutes of Health. In FY 1979, project control will shift to the Technical Assistance Bureau.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Advisors (84 mm)	575
Consultants, short-term (8)	45
Local Costs	1,030
Supplies and Equipment	250
Total	1,900

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	5,766	5,095	671
Estimated Fiscal Year 1977	1,700	1,425	
Estimated through September 30, 1977	7,466	6,520	946
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	1,900	-	9,366

PRINCIPAL CONTRACTORS OR AGENCIES

National Institutes of Health

Country: ASIA REGIONAL

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Asian Free Labor Union Development	Education and Human Resource Development	FY 78 3,700		
NUMBER 498-0017 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p. 181	INITIAL OBLIGATION FY 1969	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Purpose: To establish a capability in the free and democratic labor unions to increase the social and economic well-being of both rural and urban workers in Asia and the Middle East.

Major Outputs:	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		
Basic Union Education: (Persons)	21,258	22,743	24,500
Leadership Training	6,521	7,866	9,300
Arbitration and Grievance	2,415	2,830	3,200
Programs for Women Workers	2,749	2,897	3,100
Cooperative Training	6,890	9,582	11,500
Workers Health Care (Projects)	25	33	42
Cooperative and Vocational and Education Projects	60	83	110

Host Country and Other Donors: The AFL-CIO and Affiliated Unions, National Labor Movements, and Various Governments provide cash and in kind contributions to activities financed under this project.

Progress to Date: Philippines - The prototype research and education facility established by the Asian-American Free Labor Institute (AAFLI) is the first functioning department of the new trade union center. Turkey - the central labor confederation regularly provides economic data analysis and other information to national unions for use in collective bargaining. Bangladesh - Seminars resulted in a 20% increase in paid up dues from the membership of one of the major federations. Pakistan - a functioning national union education committee has been established at the federal level. Thailand - unions are formalizing their internal structures and collective bargaining and grievance procedures capabilities. Jordan - two demonstration clinics established with AAFLI assistance. Korea - traditionally oriented towards top level education, is now sponsoring rank and file programs with its own resources. Indonesia - health care has been extended to workers and their families in two major disadvantaged areas.

FY 1978 Programs: $3,700,000 is requested to finance the activities under this project. The funds will also finance the AAFLI staff of 32 Americans and 35 host nations who are responsible for planning, implementing and monitoring the activities. AAFLI continues its basic and specialized union educational facilities and related support projects, seed capital and other cooperative development assistance, health care support and equipment for rural urban workers.

A.I.D.-financed Inputs ($ Thousands)	FY 78
Education courses in-country	1,000
Specialized training in-country	850
Community Development and Workers Health Care	700
Cooperatives and Vocational Education	700
Participant Training - program wide (40 to 50 in third countries and the United States	450
Total	3,700

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	7,252	5,822	1,430
Estimated Fiscal Year 1977	3,600	4,000	
Estimated through September 30, 1977	10,852	9,822	1,030
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	3,700	3,800	18,352

PRINCIPAL CONTRACTORS OR AGENCIES

Asian-American Free Labor Institute (AAFLI)

Country: ASIA REGIONAL

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Regional Education Development (SEAMEO)	Education and Human Resources Development	FY 78 1,060		
NUMBER 498-0198 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Program, p. 179	INITIAL OBLIGATION FY 1967	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979

Purpose: To assist countries of Southeast Asia in the development of regional education programs. Under the Southeast Asian Ministers of Education Organization (SEAMEO) six institutions for study, research and training have been established with the support of host countries, the United States and other donors.

The six regional institutions are as follows: (1) The Center for Graduate Study and Research in Agriculture (SEARCA) at the University of the Philippines in Los Banos; (2) The Center for Education in Science and Mathematics (RECSAM) in Penang, Malaysia; (3) The Tropical Medicine and Public Health Project (TROPMED) headquartered in Bangkok with active national centers in five member countries; (4) The English Language Center (RELC) in Singapore; (5) The Center for Tropical Biology (BIOTROP) in Bogor, Indonesia; and (6) The Center for Educational Innovation and Technology (INNOTECH), headquartered in the Philippines with pilot programs in the Philippines and Indonesia.

Major Outputs:	9/30/76	FY 77	FY 78
Operation of INNOTECH	x	x	x
Operation of SEAMEO Secretariat (SEAMES)	x	x	x

Host Country and Other Donors:

Philippines (Host Country)	Land, buildings and other support costs; all costs after 1979
Malaysia, Indonesia, Singapore, Thailand and Philippines	Equivalent of more than $3,000,000 per annum
Austrialia, New Zealand, France	Equivalent of $400,000 per year for technical personnel support library and scholarship assistance

Progress to Date: Following an initial meeting in November 1965, the SEAMEO Charter was ratified in January 1969, legally establishing the Organization, the governing Ministerial Council (SEAMEC) and the permanant Secretariat (SEAMES). Founding members were Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and the Republic of Vietnam; the Khmer Republic joined in January 1971. (The Indochina countries have not participated since the spring of 1975.) Regional governing bodies representing the member countries now guide the programs of the regional institutions. The United States has provided assistance for planning and early project activities, as well as support of up to 50% of agreed project costs over a five-year development period for each institution.

FY 1978 Program: $1,060,000 is requested for INNOTECH operations and SEAMEO administrative support.

A.I.D.-financed Inputs ($ Thousands)	FY 78
INNOTECH Financial Support	910
SEAMEO Administrative Support	150
Total	1,060

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	19,426	18,250	1,176
Estimated Fiscal Year 1977	1,200	1,000	
Estimated through September 30, 1977	20,626	19,250	1,376
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	1,060	–	21,686

PRINCIPAL CONTRACTORS OR AGENCIES

Southeast Asian Ministers of Education Organization (SEAMEO)

Country: ASIA REGIONAL

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Regional Scholarship Program	Education and Human Resources Development	FY 78 725		
NUMBER 498-0246 GRANT ☒ LOAN ☐	PRIOR REFERENCE FY 1977 Asia Programs, p. 180	INITIAL OBLIGATION FY 1975	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Purpose: To encourage and strengthen intra-regional study and training programs for Asians through the use of existing regional institutions and organizations as part of the effort to alleviate priority manpower constraints.

Major Outputs:	9/30/76	FY 77	FY 78
Long-term Scholarships	38	102	186
Short-term Scholarships	77	150	248

Host Country and Other Donors:

The multimillion dollar annual budget for the organizations and institutions receiving these scholarships grants is supported by the host countries themselves. Donors contributing to the institutions include Australia, New Zealand, France, Canada and Germany as well as the private sector and endowments.

Progress to Date: Over the past decade a number of regional education and research institutions have been established in Southeast Asia which focus on regional interests and priority needs. Scholarship assistance under this project, which began in FY 1975, is being made available for a limited period to a selected group of these institutions judged capable of offering desirable opportunities for region-oriented study and training in priority disciplines: (1) the Asian Institute of Technology, Thailand; (2) the Asian Institute of Management, Philippines; (3) the Southeast Asian Ministers of Education Organization,(SEAMEO). SEAMEO sponsors regional educational coordination and the development of regional educational centers. The SEAMEO education centers already receiving scholarship assistance under this project include: (1) the Regional Project for Tropical Medicine and Public Health, headquartered in Thailand, with centers of specialization in Indonesia, Malaysia, and the Philippines; (2) the Regional Center for Education in Science and Mathematics, Malaysia; (3) the Regional Center for Graduate Study and Research in Agriculture, Philippines; and (4) the Regional English Language Center, Singapore. The SEAMEO Regional Center for Tropical Biology in Indonesia will begin receiving scholars in FY 1978 and the Regional Center for Educational Innovation and Technology, Philippines in FY 1979. Areas of emphasis in the listed institutions include teacher education, education technology and innovation, science, health (with elements of population and nutrition), agriculture and rural development, and management.

FY 1978 Program: $725,000 is requested to finance scholarships for Asians to Asian institutions.

A.I.D.-financed Inputs
($ Thousands)

	FY 78
Scholarships, long-term (177)	450
Scholarships, short-term (174)	275
Total	725

U.S. GRANT FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1976	1,010	756	254
Estimated Fiscal Year 1977	500	351	
Estimated through September 30, 1977	1,510	1,107	403
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1978	725	-	2,235

PRINCIPAL CONTRACTORS OR AGENCIES

Asian Institute of Technology, Thailand
Asian Institute of Management, Philippines
SEAMEO Organizations and Institutions, through the Southeast Asian Ministers of Education Secretariat, Thailand

Country: ASIA REGIONAL

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Remote Sensing for Agriculture	Food and Nutrition	FY 78 600		
NUMBER 498-0253 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: To improve resource exploration and management procedures in developing countries through the use of remote sensing technology.

Purpose: To develop a regional facility for remote sensing training and user assistance.

Background: This project is part of the A.I.D. satellite program (AIDSAT) which was initiated in 1976 by a series of ATS-6 satellite demonstrations in 27 countries, including Thailand, Pakistan and Bangladesh. It initiates that portion of AIDSAT to be managed by the Asia Bureau and is designed to tap the potential of satellite technology for regional development. A regional center will be established (1) to provide seminars and workshops for regional administrators and resource managers; (2) to provide assistance in data analysis and use; (3) to serve as the center for expertise in remote sensing, with image interpretation and data processing facilities, a technical library, and trained specialists; and (4) to develop and maintain linkages between country users, U.S. centers, such as the National Aeronautics and Space Agency and the U.S. Geological Survey, A.I.D. missions, and other bilateral and multilateral programs. It is proposed to locate the center at the Asian Institute of Technology (AIT), Thailand. AIT can provide the use of its computer center, an important element in interpreting remote sensing imagery, and plans to train consultants from the participating countries to aid in the interpretation and utilization of results. Preliminary discussions with regional government officials indicate that host governments are interested both in sending consultants for training and in filling possible staff positions.

Major Outputs:	FY 78	FY 79	FY 80
Agricultural Forecasting	x	-	-
Geologic Mapping	-	x	x
Hydrological Surveys	-	x	x
Land Use Surveys	x	x	-
Oceanographic Surveys	-	x	x

Host Country and Other Donors: Host countries are expected to provide area travel costs and maintenance of their specialists at the remote sensing center plus international travel and per diem for any U.S. portion of the training that may be required as part of the program. Life-of-project cost for these activities is expected to run about $1,000,000.

FY 1978 Program: $600,000 is requested to finance U.S. technicians, remote sensing equipment, workshops, seminars and specialized materials and equipment.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Advisors, long-term (24 pm), short-term (3 pm)	200	700
Workshops and seminars	200	600
Remote Sensing Interpretation equipment	150	200
Specialized materials and other equipment	50	500
Total	600	2,000

Country: ASIA REGIONAL

NEW ACTIVITY

Table V

TITLE AIDSAT - Communications in Development Programs	FUNDS Education and Human Resources Development	PROPOSED OBLIGATION (In thousands of dollars) FY 78 125		
NUMBER 498-0254 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1981	ESTIMATED COMPLETION DATE OF PROJECT FY 1982

Goal: To increase the capacity of selected Asian countries and regional groupings to mobilize the potential of modern communications, including communications satellites, in achieving development objectives.

Purpose: To establish a capability within key personnel to develop and implement education programs that utilize satellite and other communications technology.

Background: The project is part of A.I.D.'s world-wide satellite program (AIDSAT). AIDSAT was initiated by a series of satellite demonstrations in August 1976 in 27 countries, including Thailand, Pakistan, and Bangladesh. Trained staff are expected to prepare program proposals for the use of this technology in their countries. These persons are also expected to conduct some of the demonstration activity that is essential in promoting the use of the technology.

The project utilizes a variety of communications media--radio, television, recordings--and, as appropriate, satellite communications. The project includes radio and television use for education and development institutions; field support and training of rural extension workers, particularly in nutrition and agriculture; and dissemination of agricultural information.

Major Outputs:	FY 78	FY 79	FY 80	FY 81
	(Cumulative as of end of FY)			
Demonstration Programs long-term	0	3	6	9
Demonstration Programs short-term	0	5	15	25
Personnel trained short-term	25	40	5	70
Personnel trained long-term	0	3	38	53

Host Country and Other Donors: Host countries will provide international travel, salaries, and costs for the property of the "Communications Software Development Center" which will be about $28,000 in FY 1978.

FY 1978 Program: $125,000 is requested to finance training in communications technology.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Training, long-term	30	1,408
Training, short-term	95	259
Center operation costs	-	993
Constant costs	-	1,000
Demonstration program costs	-	4,650
Total	125	8,310

Country: ASIA REGIONAL

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Regional Science and Technology Development	Education and Human Resources Development	FY 78 496		
NUMBER 498-0255 GRANT ☒ LOAN ☐		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1982	ESTIMATED COMPLETION DATE OF PROJECT FY 1983

Goal: To assist the introduction and application of innovating development concepts needed for the modern sector of developing Asian countries.

Purpose: To assist existing scientific and technical institutions in keeping abreast of technological innovations in their respective fields by establishing linkages with U.S. institutions and universities, organizing seminars and workshops, and providing advanced training opportunities.

Background: Asian countries are trying to meet a wide array of development needs of their societies. Within the modern sectors of these countries, scientific and technological institutions play an instrumental role in the development process. It is through these institutions that many of the elements which support the agricultural and industrial sectors of the economy are tested and developed. Yet these relatively young institutions often lack the financial resources and the experience necessary to keep abreast of new methodologies which could be adapted to their own development needs.

This project serves to alleviate this gap by providing a linkage between existing Asian institutions and the scientific and technical community in the United States.

Illustrative of the types of technology to be addressed are the establishment and application of industrial standards; food processing technology; materials development and substitution; alternative sources and application of energy; and the development and application of communications technology to education. Regional seminars will be organized to bring leading scientists from U.S. institutions in touch with their Asian colleagues and to discuss particular issues concerning appropriate technology and problems encountered in adapting new technologies to suit the Asian countries' needs.

Major Outputs:

	FY 78	FY 79	FY 80
	(Cumulative as of end of FY)		
Long-term trainees	25	50	75
Short-term trainees	35	70	105

Host Country and Other Donors: Host countries provide international travel, and miscellaneous costs expected to approximate $120,000 in FY 1978, $140,000 in FY 1979 and $150,000 in FY 1980.

FY 1978 Program: $496,000 is requested to finance training for Asians outside of specific existing projects on a regional basis, and to organize one regional seminar.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Training, long-term	300	1,875
Training, short-term	171	1,026
Regional Seminars	25	75
Total	496	2,976

Terminating
Program(s)

TERMINATING PROGRAMS

Table of Contents

Page

Korea

Table II - Summary of Active and Proposed Projects..... 192
Table on Resource Flows..... 193

Indus Basin Development Fund

Table II - Summary of Active and Proposed Projects..... 194

COUNTRY: KOREA

TABLE II

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

Project Title	*	Project Number	FY of Initial Obligation/Date of Loan Authorization	Grant: Through 9/30/76 Obligations	Grant: Through 9/30/76 Expenditures	Grant: Estimated FY77 Obligations	Grant: Estimated FY77 Expenditures	Grant: Proposed FY78 Obligations	Grant: Proposed FY78 Expenditures	Grant: Future Year Obligations	Loan**: Through 9/30/76 Amount Authorized	Loan**: Through 9/30/76 Amount Disbursed	Loan**: Through 9/30/76 Principal Repayments	Loan**: Through 9/30/76 Interest Collected	Loan**: Estimated FY 77 Authorization	Loan**: Estimated FY 77 Expenditures	Loan**: Proposed FY 78 Authorization	Loan**: Proposed FY 78 Expenditures
Food and Nutrition																		
Agricultural Planning		489-0685	1973	1,296	947	-	325	-	24	-	-	-	-	-	-	-	-	-
Agricultural Research Project		489-0705	12/73	-	-	-	-	-	-	-	5,000	572	-	5	-	1,482	-	989
Irrigation Construction		489-0706	5/74	-	-	-	-	-	-	-	25,700	11,229	-	216	-	14,471	-	-
Health																		
Health Planning		489-0708	1974	704	503	-	201	-	-	-	-	-	-	-	-	-	-	-
Chong Gye Chun Sewage Treatment		489-0657	3/74	-	-	-	-	-	-	-	2,638	1,879	-	25	-	641	-	98
Health Demonstration Project		489-0710	6/75	-	-	-	-	-	-	-	5,000	1	-	-	-	472	-	1,386
Education and Human Resources Development																		
Advanced Management Training		489-0673	1971	1,281	1,123	-	100	-	58	-	-	-	-	-	-	-	-	-
Korea Development Institute		489-0674	1971	1,688	1,446	-	242	-	-	-	-	-	-	-	-	-	-	-
Korea Advanced Institute of Science		489-0689	6/71	-	-	-	-	-	-	-	6,000	4,335	-	93	-	1,387	-	173
Elementary Middle School Pilot Project		489-0696	4/72	-	-	-	-	-	-	-	2,500	2,024	-	39	-	417	-	-
Seoul National University Project		489-0709	5/75	-	-	-	-	-	-	-	5,000	5	-	-	-	489	-	712
Selected Development Activities																		
Science and Technology		489-0683	1973	445	344	-	101	-	-	-	-	-	-	-	-	-	-	-
Second Transmission and Distribution Project		489-0663	5/67	-	-	-	-	-	-	-	10,637	10,389	-	405	-	248	-	-
Second Feasibility Studies		489-0697	11/71	-	-	-	-	-	-	-	1,846	1,507	-	45	-	339	-	-
Standards Research Institute		489-0711	9/75	-	-	-	-	-	-	-	5,000	-	-	-	-	2,239	-	2,584
Total.....				5,414	4,363	-	969	-	82	-	69,321	31,941	-	828	-	22,185	-	5,942

*Detailed project narrative—See Table IV or V.

**Loan terms: repayment period varies from 20-40 years, 10 years grace; interest 2% during grace, 3% amortization; repayable in U.S. dollars. Loans repayable in less than 40 years are noted.

KOREA

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 1976* (Actual)	FY 1977 (Estimated)	FY 1978 (Estimated)
A.I.D.**			
Loans	5,000	–	–
Grants	800	–	–
Total A.I.D.	5,800	–	–
P.L. 480***			
Title I	137,387	79,100	109,300
Title II	245	–	–
Total P.L. 480	137,632	79,100	109,300
Total A.I.D. and P.L. 480	143,432	79,100	109,300

**Includes Transition Quarter.*
***A.I.D. levels represent actual and estimated expenditures.*
****P.L. 480 levels represent actual and estimated value of shipments.*

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

COUNTRY: INDUS BASIN DEVELOPMENT FUND

TABLE II

Project Title	*	Project Number	FY of Initial Obligation/Date of Loan Authorization	Grant							Loan**							
				Through 9/30/76		Estimated FY77		Proposed FY78		Future Year Obligations	Through 9/30/76				Estimated FY 77		Proposed FY 78	
				Obligations	Expenditures	Obligations	Expenditures	Obligations	Expenditures		Amount Authorized	Amount Disbursed	Principal Repayments	Interest Collected	Authorization	Expenditures	Authorization	Expenditures
Indus Basin Development Fund, under Section 302 (b) (2) of the Foreign Assistance Act of 1961, as amended. (In accordance with commitments under Indus Basin Development Fund Agreement, as amended)			1961	279,900	279,900	15,750	15,750	-	-	-	121,200	121,200	-	-	-	-	-	-
(Note: Amounts do not form part of Asia Development Assistance total.)																		
Tarbela Dam Repairs (Supplemental Fund, FY 1976 Appropriation)			TQ								10,000	10,000	-	-	-	-	-	-

*Detailed project narrative–See Table IV or V.
**Loan terms: repayment period varies from 20-40 years, 10 years grace; interest 2% during grace, 3% amortization; repayable in U.S. dollars. Loans repayable in less than 40 years are noted.

ADDITIONAL PROGRAM REQUIREMENTS

Table of Contents

Page

Indonesia

Science and Technology Technical Assistance, Research and Training..... 196
Provincial Area Development Program II..... 197

Philippines

Agribusiness Development..... 198
Agro-Reforestation..... 199
Nonconventional Energy Development..... 200

NEW ACTIVITY

ADDITIONAL PROGRAM REQUIREMENTS

Country: INDONESIA

TITLE Science and Technology Technical Assistance, Research and Training	FUNDS Selected Development Activties	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 497-0266		FY 78 5,300 (Grant 300, Loan 5,000)		
GRANT [X] LOAN [X]		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: To expand and improve Government of Indonesia capacity to adapt and utilize U.S. technology while encouraging indigenous technological development.

Purpose: To upgrade science and technology policies, institutions, management, and manpower so that they relate to and contribute toward national development goals.

Background: The Indonesian Planning Commission has already approved the project concept, and the Minister of State for Research has been made responsible for project design and implementation. To help strengthen selected Indonesian science and technology policies, institutions and management, U.S. institutions such as the National Academy of Sciences, National Bureau of Standards, U.S. Geological Survey, National Oceanographic and Atmospheric Agency, and Georgia Institute of Technology will provide advisors and training. The Government of Indonesia has expressed interest for assistance in research policy development and management, standards, instrumentation and quality control, resource mapping and evaluation.

Subprojects are being identified through the joint efforts of a team from A.I.D., the Minister of State's office, and the Indonesian Institute of Science. Subprojects to be financed under this project will be selected with a view to their potential for improving incomes, employment and the quality of life of Indonesia's rural population, e.g., food processing and preservation, aquatic resources, small-scale industry. By the end of the project, it is expected that Indonesian institutions involved in scientific and technological advances will have greatly improved their capabilities in research management, policy and program development, resource planning and evaluation.

Major Outputs:	FY 78	All Years
Pilot projects completed	2	20
Staff trained	25	250 pm
Improved linkages between science and technology institutions	X	X
Improved scientific information system	X	X

Host Country and Other Donors:

Host country $2,000,000 in rupiah for project support

FY 1978 Program: $5,300,000 is requested to finance consultant services, U.S. training, and costs of equipment related to pilot projects.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Grant	300	1,500
Consultants, short-term (25 pm)		
Loan	5,000	5,000
Training, U.S. (250 pm)	1,500	1,500
Commodities - Research Equipment	2,000	2,000
Local support costs of pilot projects	1,500	1,500
Total	5,300	6,500

Country: INDONESIA

NEW ACTIVITY

ADDITIONAL PROGRAM REQUIREMENTS

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Provincial Area Development Program II	Food and Nutrition	FY 78 9,900 (900 Grant, 9,000 Loan)		
NUMBER 497-0276 GRANT ☒ LOAN ☒		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1981	ESTIMATED COMPLETION DATE OF PROJECT FY 1982

Goal: To improve the well-being of the rural poor.

Purpose: To improve institutional capability in three additional selected provinces to plan, coordinate, implement, manage and maintain rural programs and projects.

Background: This project continues into other provinces of the Provincial Area Development Program funded in FY 1977. Under Indonesia's Second Five-Year Development Plan, provincial governments bear a major and increasing responsibility for planning, managing, and implementing development. Both projects seek to decentralize administration of rural development to provincial planning units. The Government plans to create a national steering committee to establish criteria for province and subproject selection and develop standard procedures for project management. Seminars and individual training will show provincial planners how to conceptualize, plan and implement rural development programs and to set up pilot programs.

Major Outputs:	FY 1978	FY 1982
Identification of development constraints	X	X
Planning and programming of development	X	X
Implementation and management of subprojects	-	X
Evaluation of results	-	X
Staff trained	-	X

Host Country and Other Donors:

Host country $3,000,000 in rupiah for subproject construction

Provincial Pla Planning Units $2,000,000 in rupiah for staff support

FY 1978 Program: $9,900,000 is requested to finance consultant services, training and costs related to pilot project implementation. Of this total, $900,000 in grant funds is required for technical training assistance; the $9,000,000 loan will be used to build on the successfully going pilot projects.

A.I.D.-financed Inputs
($ Thousands)

	FY 1978	All Years
Grant		
Technical assistance	900	3,000
Loan	9,000	9,000
Training	900	900
Commodities (office and subproject support)	2,100	2,100
Construction (subproject)	6,000	6,000
Total	9,900	12,000

Country: PHILIPPINES

NEW ACTIVITY

ADDITIONAL PROGRAM REQUIREMENTS

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Agribusiness Development	Food and Nutrition	FY 78 5,000		
NUMBER 492-0299 GRANT ☐ LOAN ☒		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: To increase small farm income and reduce unemployment in the rural areas.

Purpose: To identify opportunities for new small- and medium-scale agribusiness ventures, develop specific investment proposals, and mobilize private capital in support of such ventures in the rural areas.

Background: A large portion of the rural population in the Philippines could participate more productively in the nation's economy if encouraged to do so. They include small farmers, landless laborers, and small entrepreneurs. The Philippine Government has announced a policy to promote and develop small- and medium-scale, rural-based enterprises to make this segment of the population more productive. A program of special incentives for investors in agribusiness development is expected to take effect in January 1977. This project is to complement the initiative of the Philippine Government and provide additional technical know-how and managerial training deemed necessary to ensure success.

Major Outputs:	FY 78	FY 79	FY 80	FY 81
	(Cumulative as of end of FY)			
Agribusiness institution operational	x	x	x	x
Pre-feasibility investment studies completed	5	19	41	70
Investment proposals made	3	11	26	50
Training completed (in pm)				
Observation training	15	35	55	75
In-country	66	132	231	330

Host Country and Other Donors:

Host Country $2,326,000 in pesos

FY 1978 Program: A national Agribusiness Development Institution will be established; 15 person-months of observation training and 66 person-months of in-country training will be provided fledgling managers. Five pre-feasibility studies and three investment proposals are to be prepared.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Organization and operation of Agribusiness Institution	605	2,400
Development of investment proposals	2,226	9,000
Training	150	600
Management assistance to small business	2,019	8,000
Total	5,000	20,000

Country: PHILIPPINES

NEW ACTIVITY

ADDITIONAL PROGRAM REQUIREMENTS

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Agro-Reforestation	Food and Nutrition	FY 78 5,770 (270 Grant, 5,500 Loan)		
NUMBER 492-0305 GRANT ☒ LOAN ☒		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Goal: To protect the hilly-land ecosystems, while increasing the income of the hilly-land farmers.

Purpose: To develop improved agriculture-forestry production systems for hilly-land farmers consistent with the protection of the hilly-land ecosystems.

Background: Population pressures, and scarcity of arable land have led to the cultivation of hilly-land areas which are unsuited to present cropping systems. This, linked with large-scale lumbering (which the Government of the Philippines is trying to curb through regulations), has led to the denudation of more than five million hectares of once-forested lands of the Philippines. The result has been accelerated erosion of these areas, decreased tree fertility, flooding, and general ecosystem imbalance. This project is designed to demonstrate to the rural poor how their standard of living can be improved through the use of appropriate technology (1) to increase agricultural production, (2) to improve water conservation by watershed management, (3) to upgrade land use management, (4) to encourage conservation of natural resources, and (5) to increase cottage industry output. The Philippine Government will continue to enlarge these programs to increase incomes of hilly-land swidden farmers and preserve the nation's natural resources.

Major Outputs:

	FY 78	FY 79	FY 80
	(Cumulative as of end of FY)		
Agro-reforestation technological packages developed	5	30	55
Kaingin (swidden) families in place	750	4,500	8,250
Re-forestation (hectares)	1,842	11,156	20,470
Extension cadre trained	37	224	411

Host Country and Other Donors:

Host Country $6,000,000 in pesos

FY 1978 Program: $5,770,000 is requested to finance consultants, training and logistical support for mapping operation and systems development.

A.I.D.-financed Inputs
($ Thousands)

	FY 78	All Years
Grant		
Project monitoring (24 pm) and support	65	195
Survey, planning, and mapping operations	24	241
Research and training support	181	564
Total	270	1,000
Loan		
Survey, planning, research and mapping operations	884	884
Agro-forestation system development	4,462	4,462
Education and training support	154	154
Total	5,500	5,500

Country: PHILIPPINES

NEW ACTIVITY

ADDITIONAL PROGRAM REQUIREMENTS

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Nonconventional Energy Development	Selected Development Problems	FY 78 10,000		
NUMBER 492-0294 GRANT ☐ LOAN ☒		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: To decrease Philippine dependence on conventional sources of energy.

Purpose: To improve the capability of the Philippine Energy Development Board (EDB) to develop and apply existing technology for non-conventional energy uses in the rural areas.

Background: Presently, the Philippines possesses insufficient fossil fuel resources for development needs. At present and estimated future costs it will also be difficult for the Philippines to import enough oil to support development efforts, notwithstanding minimum level demands for energy in other areas. Though the country has some coal, and has been developing its hydroelectric and geothermal resources, these resources are not seen as being ample to support projected development needs. The Philippine Energy Development Board (EDB), through its experience with geothermal power, has already identified the potential importance of nonconventional sources of energy to support development efforts in rural areas which would otherwise have limited access to fossil fuel or other conventional sources of energy. Philippine specialists in the EDB want the help of U.S. experts in establishing a program which will focus on applications of other nonconventional energy sources for development purposes. The Philippine Government is prepared to provide loans to support this effort. It should be noted that although the emphasis will be directed toward rural application, the technologies adapted should also find use in sectors of the economy already heavily dependent on conventional energy sources.

Major Outputs:

Energy subprojects in the following areas: (Planning and demonstration)

Periods of Concentration	FY 78	79	80	81
Direct Solar Conversion				
Cooling-Rural Clinics	X			
Water Heat-Food Processing-Rural Clinics	X			
Food Storage-Processing		X	X	
Crop Drying	X	X		
Distillation-Water, Alcohol			X	X
Photovoltaic			X	X
Wind Conversion				
Electric Power-Pumps, Mills, etc.		X	X	
Direct Power-Pumps, etc.		X	X	
Bioconversion				
Biogas-Heat-Cool-Refrigeration		X	X	X
Pyrolysis-Use Agricultural Waste	X	X		
Bioconversion to liquid fuels			X	X

Host Country and Other Donors: ($000)

Host Country $3,670 in local currency for facilities, personnel, and logistic support.

FY 1978 Program: A.I.D. is requesting $10,000,000 in loans to finance special equipment, instruments and other commodities to be installed in demonstration centers; consultants to provide training in the design, development and operation of prototype units; training of project leaders and administrators; and information, demonstration and promotional materials.

A.I.D.-financed Inputs
($ Thousands)

Special equipment-instruments	500
Commodities, fabrication and installation	8,150
Consultants	600
Information and Promotional Materials	500
Participants (short-term)	250
Total	10,000