

AGENCY FOR INTERNATIONAL DEVELOPMENT

**Fiscal Year 1978
Submission to the Congress**

**Security Supporting Assistance Programs
and
Middle East Special Requirements Fund**

February 1977

SECURITY SUPPORTING ASSISTANCE

The Security Supporting Assistance programs are designed to assist recipient countries with their economic problems through efforts consistent with U.S. interests in securing stability and peace.

In FY 1978 A.I.D. proposes a total program of \$1,464.3 million for:

- continued assistance to key Near East region countries to encourage movement toward permanent peace in that region;
- expanded assistance to African countries in support of U.S. efforts to help attain majority rule in southern Africa through peaceful means.

In addition, continuation of the Middle East Special Requirements Fund for FY 1978 is proposed at a level of \$25 million.

Near East Region

Although delayed by events in Lebanon, there is promise of gaining renewed momentum toward lasting peace in the region.

- Major programs are proposed for Israel, Egypt, Jordan, and Syria, and the Sinai Support Mission. The total requested is \$1,272.2 million.

-- Smaller programs are proposed for Bahrain, Malta, Spain, and Regional activities. The total requested is \$17.1 million.

-- There is continued need for the Middle East Special Requirements Fund to finance programs for the West Bank and Gaza as well as to meet unanticipated needs. The request is \$25 million.

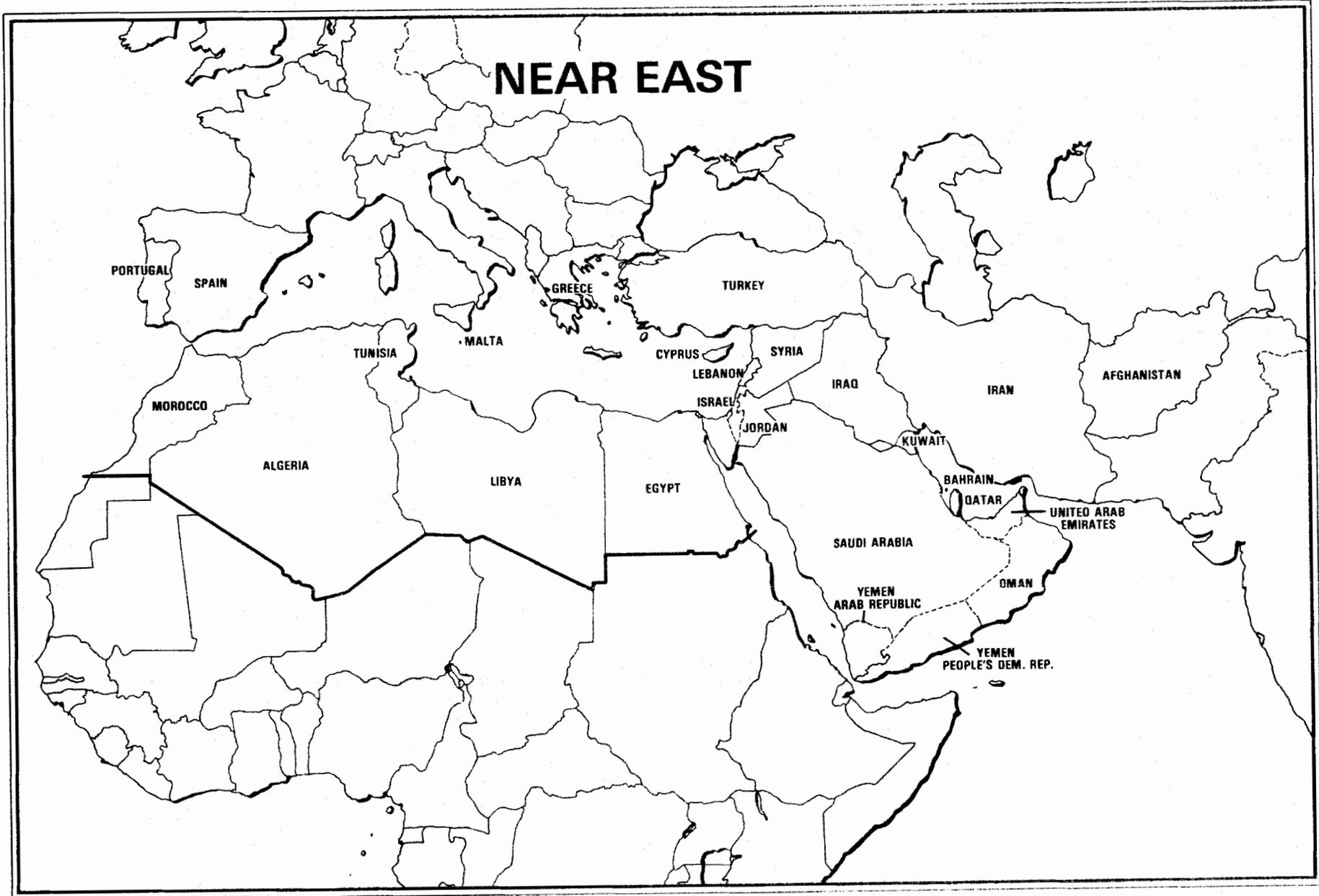
Africa

Efforts to achieve peaceful political change in Africa can be strengthened by assistance to promote economic stability in the region.

-- The major element of U.S. security assistance to Africa is a Special Requirements Fund to meet economic needs arising from transition to majority rule. A total of \$140 million is requested for these affected countries: Zimbabwe, Namibia, Zambia, Zaire, Botswana, Lesotho, and Swaziland.

-- An additional amount, \$35 million, is requested to continue financing development activities for Botswana, Lesotho, Swaziland, Zaire and Regional activities.

NEAR EAST AND OTHER PROGRAMS



NEAR EAST AND OTHER PROGRAMS

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SECURITY SUPPORTING ASSISTANCE AND MIDDLE EAST
SPECIAL REQUIREMENTS FUND

The economic prospects of the countries in the Near East region for which Security Supporting Assistance and the Middle East Special Requirements Fund are proposed have a major impact on U.S. security interests and the achievement of United States foreign policy objectives. The Security Supporting Assistance programs outlined herein are designed to help these countries deal with their economic problems, to manifest active United States support for their moderate policies, and thereby further U.S. efforts to secure stability and lasting peace.

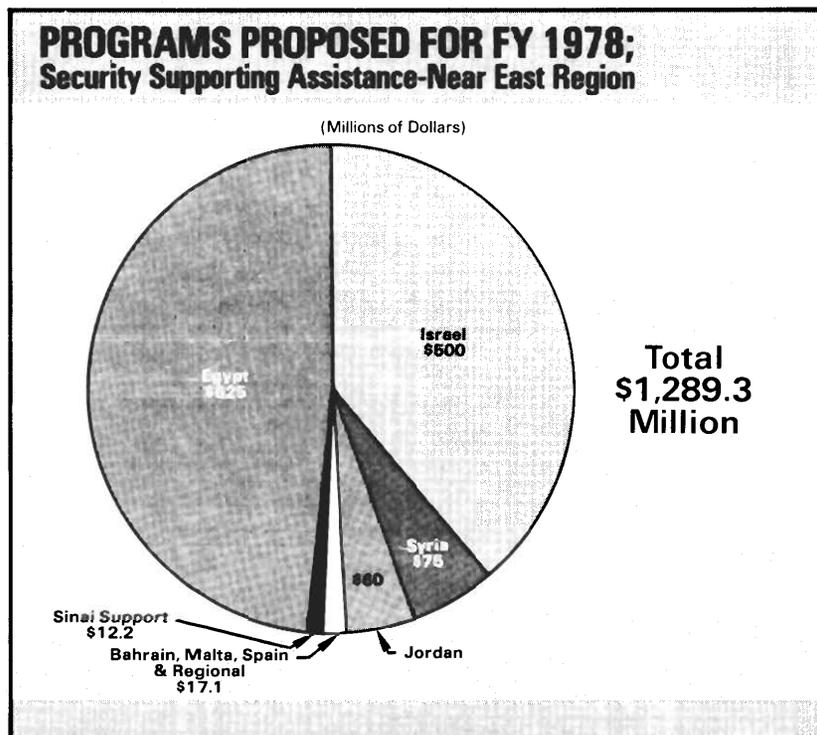
- Major programs are proposed for Israel, Egypt, Jordan, and Syria, and the Sinai Support Mission, in support of our continuing efforts to achieve a just and durable peace in the Middle East. The total requested for these Security Supporting Assistance programs is \$1272.2 million.
- Other Security Supporting Assistance programs are proposed for Bahrain, Malta, Spain, and Regional Activities. For FY 1978 these total \$17.1 million.
- Of the total Near East Security Supporting Assistance request of \$1,289.3 million for FY 1978, \$779.5 million is to be loans and \$509.8 million is to be grants.
- Continuation of the Middle East Special Requirements Fund (MESRF) for FY 1978 is also proposed. The \$25.0 requested will provide \$3 million for continuing programs for the West Bank and Gaza with the balance to enable the United States to respond quickly to unanticipated needs, partic-

ularly those that may be related to the peace process, arising in the Middle East.

SECURITY SUPPORTING ASSISTANCE PROGRAM SUMMARY (In millions of dollars)				
	FY 1976 Actual	TQ Actual	FY 1977 Estimated	FY 1978 Proposed
<u>Security Supporting Asst.</u>	1075.2	871.7	1697.0	1289.3
Egypt	258.2	536.8	700.0	625.0
Israel	700.0	75.0	735.0	500.0
Jordan	46.4	86.1	70.0	60.0
Syria	16.5	78.5	80.0	75.0
Sinai Support Mission	a/	a/	a/	12.2
Bahrain	-	.7	.4	.1
Malta	9.5	4.8	9.5	9.5
Spain	-	-	10.0 ^{b/}	7.0
Greece	-	65.0	-	-
Regional	-	-	-	.5
Cyprus	c/	-	17.5	-
Portugal	35.0	20.0	65.0 ^{d/}	-
UNFICYP	9.6	4.8	9.6	e/
Middle East Special Requirements Fund	34.3	18.3	30.4	25.0

- a/ Funded under Middle East Special Requirements Fund
- b/ Includes \$3.0 million carry-in from Transition Quarter
- c/ \$10 million provided under Section 495 of the Foreign Assistance Act of 1961 as amended
- d/ Includes \$10.0 million carry-in from Transition Quarter
- e/ To be transferred to Department of State and funded under the International Organizations account.

SECURITY SUPPORTING ASSISTANCE AND MIDDLE EAST
SPECIAL REQUIREMENTS FUND



Middle East

Movement toward a permanent peace in the Middle East, although delayed by the events in Lebanon, now appears to have promise of gaining renewed momentum.

The realization of that promise will depend in part on continued strengthening of the economies of the region and improving the prospects offered to the people for sustained economic and social development.

The overall purposes of Security Supporting Assistance in the Middle East cited to the Congress last year continue to be valid:

- to provide Israel with the assistance needed to maintain security and to persevere in the negotiating process;
- to give tangible expression to our new and fruitful relations with the Arab nations most directly involved and to encourage those which are seriously prepared to work for peace;
- to encourage the peaceful development of the area, thereby reducing the incentives to violence and conflict.

The countries of the region as a whole have achieved economic gains in the past year.

- Israel, after nearly no growth in 1975 and a large increase in the balance of payments deficit, has registered growth of about 3% in GNP in 1976 and with rising exports has achieved a substantial reduction in its trade deficit.
- Egypt continued to rebuild the Suez area and to rehabilitate the economy. The economy benefited particularly from the reopening of the Suez Canal and the return of the Sinai oil fields.
- Jordan's economy received a strong stimulus from the growing remittances of workers emigrating to the Gulf States.
- Syria, on the other hand, has had to adjust its economic plans, in part because of the economic strain of its involvement in Lebanon and the burden of the Lebanese refugees.

All of these countries continue to face serious economic

SECURITY SUPPORTING ASSISTANCE AND MIDDLE EAST
SPECIAL REQUIREMENTS FUND

difficulties for which they seek our help. It continues to be in the U.S. national interest to be responsive to their needs.

Israel

Despite arduous efforts, Israel still confronts massive economic problems. While Israel is, by most standards, a developed economy, the burden imposed by its extraordinary defense costs and the related foreign debt are more than the economy can bear without very substantial outside support.

- Defense expenditures are of the order of one-third of GNP.
- Israel's foreign debt, relative to the size of its economy, is one of the highest in the world; this debt at the end of 1976 was nearly \$9 billion, or some \$2,550 per capita.
- Economic austerity measures carried out by the government are, however, beginning to take hold in some areas; the balance of payments, in particular, has shown improvement. Exports in 1976 grew even more than expected and Israel has been able to pay off an estimated \$250 million of its short-term foreign debt.

Until security conditions in the region improve and Israel's defense burden is lessened, Israel will need help from outside.

- For this help, Israel depends almost exclusively on the United States.
- The only other donors providing substantial economic assistance to Israel are Germany and the international organizations. Their help is on a much smaller scale.

FY 1978 Program

In FY 1978, A.I.D. requests \$500 million in Supporting Assistance funds to continue to help Israel meet its very substantial financial burdens. Of this amount, \$400 million will be used to finance commodity imports (\$235 million on a grant basis and \$165 million on a concessionary loan basis), and the remaining \$100 million will be provided as a cash grant in consideration of the continuing readjustment costs resulting from the Sinai withdrawal.

In addition to Security Supporting Assistance, \$8.3 million is programmed for FY 1978 under the PL 480 Title I program and \$25 million is contemplated for the Housing Investment Guaranty program.

Egypt

Egypt's leaders continue to show courage and moderation in their pursuit of peace while at the same time confronting massive economic problems. A reasonable measure of success in dealing with these problems is essential if this two-pronged interdependent strategy of peace and development is to succeed. The recently appointed new cabinet with its strong "economic team" will hopefully accelerate movement in this direction.

The Egyptian economy, despite many elements of sophistication, is clearly a less developed one.

- Per capita GNP is less than \$300 and has gained little in recent years.
- Literacy is only 40%.
- The small amount of arable land, only 3% of the total, provides little scope in agriculture for dealing with population pressures.

SECURITY SUPPORTING ASSISTANCE AND MIDDLE EAST
SPECIAL REQUIREMENTS FUND

Such basic problems are compounded by the effects of a very heavy defense burden and the results of war.

- The Suez Canal area reconstruction and development must be continued.
- Egypt's industrial plant and infrastructure have deteriorated as resources have been used for heavy military expenditures in past years.
- The level of external debt is so great that it is now extremely difficult for the Egyptians to find lenders willing to negotiate new medium-term loans on conventional terms.
- The balance of payments, which is chronically in deficit, constitutes a particularly acute problem; although current estimates are that the 1976 trade deficit will be slightly less than the \$2.5 billion gap in 1975, it will still be a problem of huge proportions.

Current Program Activities

From its inception in FY 1975, A.I.D.'s assistance program has sought to support Egypt's economic priorities by placing heavy emphasis on commodity import financing to support the balance of payments, reconstruction of the Suez area, and improvements to those aspects of infrastructure necessary to restore economic stability and promote growth. PL 480 assistance also has played an important role in helping to meet Egypt's food import requirements.

Major projects for which funding already has been provided, or is planned under the FY 1977 program, include power plants and distribution systems in the Suez area and a new cement plant to be located near Suez city.

- Power plants are also being financed at Helwan and Talka.
- Improvements are being financed for the Port of Alexandria along with additional grain handling and storage facilities for Alexandria and Cairo.
- Projects are also in the program for drainage, irrigation equipment, water management and health programs for the rural poor.

The oil-producing Arab countries and the international organizations also are providing strong support to the Egyptian economy, and progress is being made toward the formation of a World Bank Consultative Group. Assistance from all available sources continues to be essential if Egypt is to meet its immediate needs and bring some measure of economic progress to its people.

FY 1978 Program

The FY 1978 Security Supporting Assistance requested for Egypt is \$625 million of which \$526.5 million is for loans on concessional terms and \$98.5 million is for grants. PL 480 programs of \$146 million are also planned. Major elements are:

- financing essential imports primarily from the United States (\$250 million loan);
- reconstruction and development of the Suez area with a grant of \$60 million for water and sewerage facilities and a loan of \$30 million for port development;
- National Development Program (\$250 million in loans), including major proposed projects for telecommunications, railway rolling stock, cement and flat glass plants, the Development Industrial Bank, food storage, and agricultural mechanization.

SECURITY SUPPORTING ASSISTANCE AND MIDDLE EAST
SPECIAL REQUIREMENTS FUND

- National Development Program (\$35 million in technical assistance grants), including the areas of rural development, health and population, education and manpower, and technology transfer and planning where programs deal increasingly with the problems of the poor majority;
- A PL 480 Title I program of almost \$130 million consisting primarily of wheat along with a Title II program of \$16.1 million.

Jordan

Jordan continues to be a force for moderation in the Middle East and to maintain its traditional friendship with the United States. These positions depend, in part, on continued economic stability in Jordan. This, in turn, depends upon the availability of economic assistance on concessional terms.

- Jordan's economy has a limited resource base and thus is dependent on outside help. For example, despite substantial recent increases in exports, they still pay for only about a quarter of Jordan's imports.

Jordan seeks to take advantage of improving security in the Middle East to devote increased attention to its development needs. It is currently launching an ambitious five-year development plan (1976-80). Key targets include:

- annual national income growth of 12%;
- an increase from 50% to 70% of that portion of the national budget financed from domestic revenues.

Current Program Activities

Budgetary support to help Jordan meet essential civilian outlays continues to be our major emphasis but the relative emphasis on priority development activities is increasing.

Important current A.I.D.-financed activities now being implemented include:

- expanding irrigation in the Jordan Valley;
- other Jordan Valley infrastructure and extensive technical assistance and rural development activities;
- road construction from Yarmouk to the Dead Sea and from Ma'an to Quweria;
- school construction at various locations in Jordan.

Assistance from its oil-producing neighbors is enabling Jordan to meet its high defense costs and is helping in development. But aid from the United States is needed to assist in filling the resource gap and to support the increasing emphasis Jordan wants to give to development.

FY 1978 Program

We are requesting Security Supporting Assistance of \$60 million for Jordan for FY 1978 of which \$45 million is to be grants and \$15 million loans. PL 480 programs are also planned. Major elements of Security Supporting Assistance are:

SECURITY SUPPORTING ASSISTANCE AND MIDDLE EAST
SPECIAL REQUIREMENTS FUND

- budgetary support grants of \$40 million;
- capital loans of \$15 million for rural development in the Jordan Valley and for Aqaba water and sewerage;
- technical assistance grants of \$5 million for food and nutrition, health, education, and selected projects in planning and development.

PL 480 programs are planned at \$5.9 million in FY 1978 under Title I and at \$1.8 million under Title II.

Syria

U.S. economic assistance to Syria is a continuing, tangible demonstration of the importance we place on our new relationship with Syria and on Syria's positive role in the Middle East. Syria is a less developed country with a need to sustain its recent economic progress.

- Per capita income is about \$560.
- Literacy is only 40%.
- More than half of the labor force is in agriculture.

High priority in Syria's development plans is given to increasing agricultural production and small-scale industry. Needed infrastructure is also given great weight.

- Syria has conducted a relatively successful development program, and is making good use of external assistance.
- Economic growth has slackened in the past year but, with the Lebanon situation stabilizing and a decline in the refugee burden, it is expected to resume its upward trend.

Current Program Activities

Since the resumption of aid to Syria in FY 1975, U.S. assistance has been directed towards Syria's major developmental priorities. Major programs and projects being implemented include:

- the import of modern agricultural equipment;
- a new highway from Damascus to the Jordanian border;
- the Damascus municipal water supply system;
- improved health delivery systems for both rural and urban poor;
- training of Syrian technicians and policy-level officers in the United States.

The other Arab countries and the international organizations also are contributing to the Syrian development effort. Our overall relationships with Syria are strengthened by participating in this effort and helping Syria meet some of its pressing development needs.

FY 1978 Program

The proposed Supporting Assistance program is for \$75 million, of which \$73 million will be for loans on concessional terms and \$2 million will be grants. PL 480 programs of \$19.2 million also are planned.

The main elements in the program are:

- Akkar Plain irrigation system (\$13 million loan) for irrigating about 55,000 acres;
- Latakia-Tartous highway (\$60 million loan) for improving transportation between these two important centers;

SECURITY SUPPORTING ASSISTANCE AND MIDDLE EAST
SPECIAL REQUIREMENTS FUND

- Technical assistance (\$2 million grant) with main areas of activity including agriculture, nutrition, health, and training;
- PL 480 programs of \$15.6 million for wheat and vegetable oils under Title I and of \$3.6 million under Title II.

Sinai U.S. Support Mission

For FY 1978, Supporting Assistance of \$12.2 million is requested to continue the financing for an additional year of the American civilian early warning system in the Sinai, which was established as part of the Interim Peace Agreements of September 1975. (Funding for this activity previously has been met from the Middle East Special Requirements Fund.)

Other Programs

Bahrain has been cooperative in providing port facilities for U.S. naval vessels in the Persian gulf for more than 25 years. In response to a request by the government, we are providing advisors to Bahrain in technical and administrative fields. \$100,000 is requested in FY 1978 to complete this modest program.

Malta occupies a position in the Mediterranean of considerable importance to the defense of NATO. Military forces of the United Kingdom have been stationed there under a 1972 agreement supported by NATO. The agreement provides for a payment of about \$37 million a year for seven years. The U.S. share of this payment is \$9.5 million per year. The FY 1978 request is for \$9.5 million to fund the U.S. contribution for the final year of this agreement.

Spain and the United States entered into a Treaty of Friendship and Cooperation in September 1976. This five-year agreement contains an economic section for

cooperative programs in education, culture, science, and technology. The Security Supporting Assistance request of \$7 million for FY 1978 is to finance the second annual installment of this planned 5 year \$35 million program.

Project Development Support will finance economic and technical studies and research relative to the Supporting Assistance programs in the region. Security Supporting Assistance of \$0.5 million is requested in FY 1978 for this purpose.

Portugal and Cyprus both have ongoing assistance programs financed from FY 1977 and prior year funds. For Portugal no Security Supporting Assistance is being requested at this time. However supplemental assistance is being requested from a different funding source. This will provide balance of payments assistance, easing Portugal's most pressing short term economic problem. A PL 480 Title I program of approximately \$30 million for FY 1978 is planned. In the case of Cyprus, substantial U.S. assistance under earlier programs, major help from other sources, and Cypriot self help have provided for meeting the most pressing refugee needs, although the Cypriot government continues to seek outside assistance. The economy of the southern part of Cyprus is continuing to pick up. Employment opportunities are increasing and in some areas there are labor scarcities. Foreign exchange reserves have been growing very satisfactorily. Continued growth of the Cyprus economy and of the domestic capability for dealing with the refugee problem seems likely for the future. No Security Supporting Assistance is being requested for FY 1978, although we are keeping the situation under continuing review.

SECURITY SUPPORTING ASSISTANCE AND MIDDLE EAST
SPECIAL REQUIREMENTS FUND

Middle East Special Requirements Fund (MESRF)

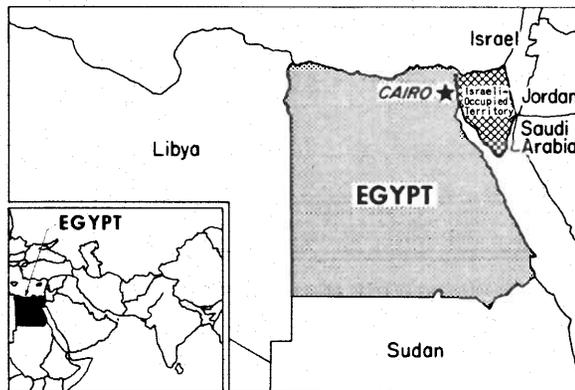
The Middle East Special Requirements Fund (MESRF)

facilitates U.S. peace efforts by permitting prompt U.S. response to special needs. In past years the MESRF has been used for such purposes as:

- initiating the new bilateral aid program for Syria quickly after diplomatic relations were reestablished in 1974;
- establishing and operating an American early warning system in the Sinai (this activity is to be funded under Security Supporting Assistance in FY 1978);
- making a special U.S. contribution to meet the expanded requirements for the United Nations Emergency Force in the Sinai;
- financing a number of development activities in the West Bank and Gaza.

Middle East Special Requirements Fund financing of \$25 million is requested for FY 1978. Of this amount, financial assistance of \$3 million is planned for U.S. private voluntary organizations working in the West Bank of the Jordan and the Gaza areas. (A PL 480 Title II program in those areas will be continued in FY 1978 at \$2.7 million). The balance of the MESRF will enable the U.S. to respond quickly to unanticipated needs arising in the Middle East, particularly needs that may be related to the peace process.

Egypt - GENERAL ECONOMIC AND SOCIAL DATA



BASIC DATA

Population (millions - mid-1976)	38.1
Annual Growth Rate (percent)	2.2
Area (1,000 square miles)	387
Population Density per square mile	98
Agricultural Land as % of Total Area	3
Percent of Labor Force in Agriculture	45
Life Expectancy (years)	52
People per Doctor	1,510
Literacy Rate (percent)	40
Students as Percent of 5-19 Age Group	43
(Primary & Secondary)	
GNP per Capita (dollars - 1974)	280*
Annual Average Growth Rate (percent - 1965-74)	1.0 ⁺

* - Estimate in IBRD 1976 Annual Report.
 + - Estimate in IBRD 1976 World Atlas.

AGRICULTURE	1972	1973	1974	1975	1976 Est.
Agricultural Production Index (1961-65=100)	119	120	118	119	124
Index per Capita	95	94	91	89	91
Corn (1,000 M.T.)	2,421	2,508	2,641	2,782	2,850
Rice (1,000 M.T.)	2,507	2,274	2,242	2,423	2,500
Wheat (1,000 M.T.)	1,618	1,938	1,884	2,034	2,075
Cotton (1,000 M.T.)	514	493	440	370	385
INTERNATIONAL TRADE (\$ millions) ^a					
Total Exports (f.o.b.)	813	1,001	1,671	1,566	n.a.
Cotton	373	295	700	514	n.a.
Total Imports (c.i.f.)	1,287	1,660	3,469	4,322	n.a.
Trade Balance	-474	-659	-1,798	-2,756	n.a.
INTERNATIONAL RESERVES (\$ millions) ^b					
Official Reserves	139	363	356	294	284(Sept.)
Commercial Bank Holdings	139	416	1,042	1,265	2,066 "
CONSUMER PRICE INDEX (1970=100)	105	110	122	133	141(3 mos)

- Million Dollar Equivalents -

CENTRAL GOVERNMENT FINANCES ^c (FY Ending Dec. 31)	1972	1973	1974	1975 ^P
Total Expenditures	3,871	4,475	5,978	9,116
(Defense Expenditures)	(1,308)	(1,436)	(1,554)	(1,329)
(As % of Total Expenditures)	(34%)	(32%)	(26%)	(15%)
(Capital Outlays)	(1,058)	(1,153)	(1,443)	(1,735)
Total Domestic Revenues	1,904	2,124	2,533	3,133
Deficit (-) or Surplus (+)	-1,967	-2,351	-3,445	-5,983
FY 1975 U.S. ECONOMIC ASSISTANCE				
a. As % of Country Central Government Expenditures				4%
b. As % of Country Imports of Goods and Services				7%
SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT AS % OF GOODS AND NON-FACTOR SERVICES (1974)				32.0%

a - Balance of Payments data. b - Gross basis, end of period. c - Current price data converted at \$2.556 per Egyptian pound.
 n.a. - Not available.

EGYPT

Objectives of U.S. Assistance

Peace in the Middle East is a major U.S. foreign policy goal. Egypt has played a leading role in the Arab world in moving away from confrontation and toward the implementation of two interim settlements that provide for the disengagement of Egyptian and Israeli forces and that establish a political framework conducive to the achievement of a just and lasting peace.

Further movement in negotiating a just settlement of a permanent, durable nature will be best served by an Egyptian commitment to economic and social progress rather than hostility as a means of achieving national goals. Egypt has demonstrated its desire to pursue this commitment.

--As Egypt's economy strengthens so does the ability of its leaders to act as a force for moderation in the Middle East and to provide leadership in achieving a permanent peace settlement.

The objective of U.S. assistance is to support these economic and social objectives in a way that will permit Egypt to meet its legitimate aspirations through peaceful means and thereby help to create important preconditions for a lasting peace.

Political and Economic Setting

Egypt's leaders have shown political courage in their efforts to negotiate a long-term peace settlement.

SECURITY SUPPORTING ASSISTANCE PROGRAM SUMMARY (In millions of dollars)				
	FY 1976 Actual	TQ Actual	FY 1977 Estimated	FY 1978 Proposed
Suez Area Reconstruction and Development				
Grants	101.7	94.0	-	60.0
Loans	-	264.0	100.0	30.0
National Development Program				
Grants	6.5	13.8	30.0	38.5
Loans	-	-	320.0	246.5
Commodity Import Program	<u>150.0</u>	<u>165.0</u>	<u>250.0</u>	<u>250.0</u>
Total	258.2	536.8	700.0	625.0
Grants	(108.2)	(107.8)	(30.0)	(98.5)
Loans	(150.0)	(429.0)	(670.0)	(526.5)

--Their turn toward moderation has helped in efforts to encourage other Arab confrontation states to seek a peaceful solution.

--The Egyptian leadership also has placed significant reliance on concessional assistance and private investment from Western nations to support their domestic economic and social objectives.

--Egypt's ability and willingness to continue movement toward a lasting peace will depend to a large extent on progress in solving its pressing economic problems.

EGYPT

Egypt's economy suffers from a critical shortage of foreign exchange needed to implement a vigorous national development program. For 1976, Egypt will have a trade deficit estimated at approximately \$3 billion; it also will continue to have severe debt servicing problems. In past years oil-producing donor nations financed a large part of Egypt's balance of payments deficit, but their anticipated levels of assistance clearly are insufficient to meet Egypt's needs.

Egypt's current economic problems include:

- a shortage of foreign exchange with which to finance investment programs;
- a limited availability of arable land increasingly strained by a population growing at about 2.3% per year;
- shortages in electrical generation and cement production, a poor communications network, limited port facilities and inadequacies in other elements of economic and social infrastructure;
- seriously deteriorated industrial production facilities.

In spite of the problems that limit its economic expansion, Egypt possesses many of the resources needed to improve the standard of living of its people.

- It has a skilled population.
- It has varied capabilities for earning foreign exchange:
 - ** A large number of its citizens are able to find relatively high paid employment abroad and remittances from these citizens are expected to total \$400 million in 1976.

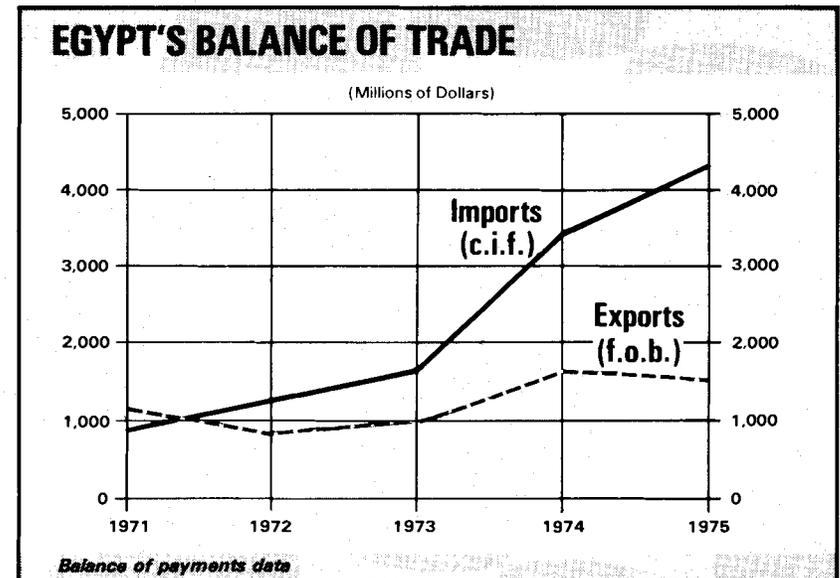
** Tourism is expected to contribute some \$450 million in 1976 and considerably more in 1977 and beyond as new hotels are completed.

** Suez Canal revenues are increasing and should reach \$500 million annually by 1980.

-- Oil production prospects are good; production may reach one million barrels per day by the early 1980s.

Egypt will need significant outside assistance, however, to help overcome its immediate balance of payments problems and to provide the basis for sustained growth in the future.

Because of the severe scarcity of foreign exchange in Egypt during the late 1960s and early 1970s there is a large pent up demand in Egypt today for the imports needed to revitalize and modernize the productive sectors of the economy.



EGYPT

Partly in recognition of its need to improve its development performance, Egypt has requested that the World Bank lead an effort to form a consultative group to coordinate the assistance programs of Egypt's various donors. The group is scheduled to meet early in 1977 to discuss Egyptian economic plans and future programs. The Egyptian Government also is completing a five-year development plan covering the period through 1981. The plan should form a basis for analysis of Egypt's development requirements and potential foreign assistance. The new Government, which came into office only a few months ago, promises to make a renewed effort to address Egypt's urgent development problems.

Key Development Areas

Egypt has placed a very high priority on reconstruction and development in the Suez Canal Zone. This massive undertaking will require external assistance during the next several years for:

- basic infrastructure such as power, water and sewage, port development and transport facilities;
- new industrial capacity;
- housing.

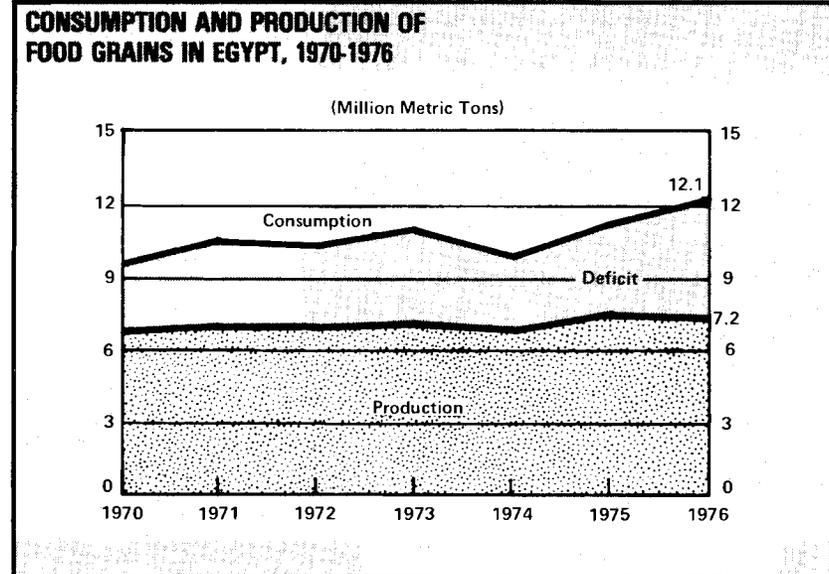
Egypt also has major needs for investment in infrastructure in other areas of the country. These include:

- better internal communications and improved linkages to the outside;
- improvements in rail and waterway transport;
- expanded basic industrial output in areas such as cement;

- new industries and enterprises producing items for export as well as for domestic consumption;
- institutions for revitalizing private sector investment.

Food and Agriculture

Egypt continues to have a serious deficit in food production. This problem is aggravated by a rapidly growing population as well as a continuing urban migration which brings with it new difficulties in marketing and distribution. While Egypt produces approximately 6.5 million tons of wheat, corn and rice annually, it must import nearly four million tons of wheat and wheat flour to meet domestic consumption requirements.



EGYPT

Because of Egypt's severe foreign exchange shortage P.L. 480, Title I wheat sales are an important element in its food import program and in FY 1976 covered about one-third of the country's annual foodgrain import requirements. In FY 1977 an estimated 1.5 million metric tons of Title I wheat and wheat flour valued at approximately \$184 million will represent a major portion of Egypt's needs for foodgrain imports. In addition, the Title II program has grown from \$5.6 million in FY 1976 to an estimated \$12.4 million in FY 1977 and provides important food supplements for pre-school and school age children.

P.L. 480 PROGRAMS SUMMARY (In 000MT/\$000)						
Program	FY 1976* (Actual)		FY 1977 (Estimated)		FY 1978 (Projected)	
	MT	\$	MT	\$	MT	\$
<u>Title I</u>						
Wheat	1,284	175,007	1,500	184,100	1,000	118,000
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	4.4	15,800	4.0	15,900	3.0	11,900
Title I Total		190,807		200,000		129,900
<u>Title II</u>						
Voluntary Agencies ..		3,741		10,786		13,498
World Food Programs ..		1,813		1,619		2,624
Gov't.-to-Gov't.		-		-		-
Title II Total		5,554		12,405		16,122
Total P.L. 480		196,361		212,405		146,022

*Includes Transition Quarter.

Egypt is undertaking important initiatives to increase its food production. However, since the amount of arable land is limited, increased production must come principally from increased yields or from changes in cropping patterns to achieve more intensive use of available land.

Egypt needs:

- large scale investment in field drainage systems to keep lands affected by water-logging and salinity from suffering significant production losses;
- better techniques for on-farm water application to raise production and prevent water-logging;
- better and more intensive land utilization through the use of appropriate scale and level technology;
- greater production of high protein foods;
- development policies that do more to raise the productivity and incomes of poor rural families.

Health and Population

The Government of Egypt operates an extensive network of health facilities that exists in rural as well as urban areas. However, the outreach capacity of these facilities, particularly in the areas of preventive health and family planning, is limited. Only an estimated 12% of the five million couples of childbearing age in the country currently practice family planning. Egypt needs:

- an improved capacity to reach its people with preventive health and family planning services in urban as well as rural areas;
- more efficient administration and supervision of the health system;
- a comprehensive family planning strategy and effort.

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Education and Manpower

Egypt has an impressive University system that graduates approximately 50,000 baccalaureate level students annually. It also has a system of vocational schools to produce the technical skills needed in the economy. The vocational system, however, has proven inadequate to the task, and Egypt has a serious shortage of skilled workers, particularly in the construction and service trades. Egypt needs:

- expanded and improved vocational training;
- a better alignment of training and education with manpower needs of the economy.

Egypt also has a great need for updated technology and administrative systems. It needs:

- technical and scientific information across a broad front;
- improved scientific research and a better linkage of research efforts with development needs;
- expanded contacts with U.S. technical and management specialists.

Current Program Activities

From the inception of A.I.D.'s current assistance program in FY 1975 we have followed Egypt's priorities by placing heavy emphasis on:

- the reconstruction of the Suez area;
- the provision of balance of payments support in the form of commodity import financing;
- basic infrastructure necessary for better economic performance and growth.

FY 1975 and FY 1976 financing supported:

- New power generation and distribution systems, largely in the Suez Canal area (through financing of the Ismailia power plant and power distribution network) but also in other areas of the country (notably Helwan and Talkha which will receive gas turbine generating facilities under a FY 1976 A.I.D. loan). This focus on power requirements will continue in FY 1977 with new generating facilities in Suez City and improved distribution networks in Cairo and other major cities.
 - Investments in other elements of infrastructure including
 - ** the financing of road building equipment for the Suez reconstruction program in FY 1975;
 - ** a new cement plant to be located near Suez City and required in connection with the Suez reconstruction program financed in FY 1976;
 - ** new grain unloading and storage equipment for installation in Alexandria and Cairo in FY 1975. Additional grain storage facilities will be financed in FY 1977.
 - Improvements in agriculture infrastructure. A loan for the production of plastic pipe needed in Upper Egypt drainage programs was authorized in FY 1976. Efforts in this area will continue in FY 1977 with loans to provide improved irrigation canal maintenance equipment and new irrigation pumping systems.
- To an increasing degree the program over the past two years has sought to bring the benefits of development to the poor, particularly those living in rural Egypt:
- a Water Use and Management project begun in FY 1976 designed to increase farm productivity.

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-- a rural health project, also begun in FY 1976, will improve the quality of health and family planning delivery services in rural areas;

-- new technical assistance activities in FY 1977 will deal with the development of local government, the delivery of social services, population and family planning, poultry production, rice research and applied scientific research.

Additional projects that deal directly with the problems of the poor majority are being developed for initial implementation in FY 1978.

FY 1978 Program

In FY 1978 we propose to provide \$625 million to Egypt in the following program areas:

Balance of Payments Support

-- A \$250 million loan will continue the Commodity Import program that helps fill Egypt's balance of payments gap by financing the import from U.S. sources of a variety of items needed in the production and service sectors of the economy.

-- We also plan a \$130 million PL 480 Title I program primarily for wheat and wheat flour, and a PL 480 Title II program of \$16 million that will concentrate on maternal-child health and nutrition programs.

Suez Reconstruction

A grant of \$60 million will be provided for the reconstruction and development of water and sewage facilities in the canal cities of Port Said, Ismailia and Suez City.

A loan of \$30 million will finance new port development at Suez City and Port Said.

National Development Program

Infrastructure and Industrial Development

Loans amounting to \$202.5 million will be provided for:

-- Telecommunications (\$40 million) - to improve the capacity of the Egyptian telecommunications system to meet current needs and provide the basis for future expansion of telephone and telex systems in the country.

-- Railway Rolling Stock (\$40 million) - to expand domestic construction of railway wagons to relieve current shortages and provide the basis for future railway traffic increases.

-- Maadi Cement Plant (\$95 million) - to construct a cement plant capable of producing one million tons of cement per year to help meet a continuing cement shortage.

-- Flat Glass Plant (\$15 million) - to alleviate the shortage of sheet glass required by the domestic construction and housing industry.

-- Development Industrial Bank (\$12.5 million) - to support new private sector investment in the country.

Food and Agriculture

Loans amounting to \$44 million will be provided for:

-- Grain and Vegetable Oil Storage (\$25 million) - to construct silos and other storage facilities to reduce losses from improper or inadequate facilities.

-- Agriculture Mechanization (\$19 million) - to make it possible for Egyptian farmers to purchase

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appropriate kinds of machinery and equipment needed to increase the efficiency of land use.

Grants of \$5.7 million will be provided for:

- Water Use and Management (\$1.5 million) - to make it possible for Egyptian farmers to purchase appropriate kinds of machinery and equipment needed to increase the efficiency of land use.
- Local Development (\$1.5 million) - to improve the administration and evaluation of local development projects.
- Rice Research (\$450,000) - to improve the productivity of Egypt's rice growing regions.
- Poultry Improvement (\$1.5 million) - to increase the production of poultry.
- Aquaculture Development (\$750,000) - to expand fish capture in inland lake areas, improve the operations of existing public sector fish farms, and investigate the feasibility of introducing fish culture in village areas.

In addition, PL 480 Title II programs for maternal and child health and other feeding programs will amount to approximately \$16 million in FY 1978.

Health and Population

A total of \$8.8 million in technical assistance grants will be provided for:

- Rural Health Development (\$1.8 million) - to improve the effectiveness of the existing rural health system and expand its outreach capacity.
- Urban Low Cost Health Delivery (\$2 million) - to better systematize the delivery of health services in urban areas and to expand the outreach capacity

of the system.

- Family Planning (\$5 million) - to assist Egypt in the comprehensive delivery of family planning services and to provide needed contraceptive supplies.

Education and Manpower

A total of \$3.4 million will be provided to assist the Egyptians establish and equip vocational training facilities and improve their curriculum design and teaching technology.

Technology Transfer and Planning

A total of \$18.1 million will be provided for the following technical assistance grants:

- Technology and Feasibility Studies III (\$6 million) - to provide for consultants to the Egyptian Government for development of projects for A.I.D. financing.
- Technology Transfer and Manpower Development IV (\$2 million) - to provide training in the United States and other countries for key Egyptian officials and to provide for experts in specific development fields.
- Applied Science and Technology Research (\$4.2 million) - to improve the institutional capability of the Egyptian scientific community to develop and manage research programs directed toward the solution of priority development problems in Egypt.
- Social Affairs Training Center (\$2 million) - to develop improved training systems for personnel involved in social work programs.

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- Development Information Systems (\$1 million) - to increase the capacity of Egypt to reach its masses with development information and motivational messages.
- Development Planning Studies (\$2.2 million) to improve the capability of the Egyptian Government to design, review, and present projects for financing by private sector and other donor sources.
- Low Cost Housing Development (\$700,000) - to improve the housing of the urban poor in Egypt.

RESOURCE FLOWS			
<i>(In thousands of dollars)</i>			
Program	FY 1976* (Actual)	FY 1977 (Estimated)	FY 1978 (Estimated)
A.I.D.**			
Loans	92,343	219,275	434,100
Grants	1,341	41,951	95,515
Total A.I.D.	93,684	261,226	529,615
P.L. 480***			
Title I	190,807	200,000	129,900
Title II	5,554	12,405	16,122
Total P.L. 480	196,361	212,405	146,022
Total A.I.D. and P.L. 480	290,045	473,631	675,637

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

ADDITIONAL PROGRAM DATA			
Category	FY 1976 (Actual)	FY 1977 (Estimated)	FY 1978 (Proposed)
A.I.D. Personnel^a			
Direct Hire ^b	33	68	85
PASA ^c	1	5	5
Contract	6	10	15
Total	40	83	105
Participants^d			
Noncontract	166	380	500
Contract	-	30	35
Total	166	410	535

^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.

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

TABLE II

COUNTRY: EGYPT

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
SUEZ AREA RECONSTRUCTION																	
Electric Distribution System	263-0001	1975	30,000	20,233	-	9,767	-	-	-	-	-	-	-	-	-	-	-
Road Construction Equip.-Suez Area	263-0007	1975	14,000	-	-	7,000	-	7,000	-	-	-	-	-	-	-	-	-
Electric Power Plant	263-0009	1976	99,000	-	-	1,000	-	32,000	-	-	-	-	-	-	-	-	-
Suez Cement Plant	263-0012	1976	90,000	-	-	2,000	-	30,000	-	-	-	-	-	-	-	-	-
Cargo Handling Equipment (Port of Alexandria)	263-0014	1976	-	-	-	-	-	-	-	31,000	-	-	-	-	5,000	-	16,000
Suez Electric Power Plant	263-0030	1977	-	-	-	-	-	-	-	-	-	-	-	100,000	-	-	-
Suez Canal Port Development	* 263-0047	1978	-	-	-	-	-	-	-	-	-	-	-	-	-	30,000	100
Canal Cities Water and Sewage Systems	* 263-0048	1978	-	-	-	-	-	60,000	-	-	-	-	-	-	-	-	-
NATIONAL DEVELOPMENT PROGRAM																	
Technology Transfer and Manpower Development I																	
Feasibility Studies	263-0002	1975	1,000	804	-	196	-	-	-	-	-	-	-	-	-	-	-
Grain Storage Facilities	263-0003	1975	1,000	462	-	538	-	-	-	-	-	-	-	-	-	-	-
Gas Turbine Generators	263-0028	1975	-	-	-	-	-	-	-	44,275	-	-	-	-	2,275	-	15,000
Mahalla Textile Plant Rehabilitation	263-0008	1976	-	-	-	-	-	-	-	50,000	-	-	-	-	5,000	-	35,000
Technology Transfer and Manpower Development II	263-0010	1976	-	-	-	-	-	-	-	96,000	-	-	-	-	1,000	-	40,000
Technical and Feasibility Studies	263-0011	1976	2,000	160	-	1,300	-	540	-	-	-	-	-	-	-	-	-
Improvement of Rural Health Services	263-0013	1976	15,000	-	-	10,000	-	5,000	-	-	-	-	-	-	-	-	-
Water Use and Management	* 263-0015	1976	1,800	-	2,100	1,200	1,800	1,000	2,100	-	-	-	-	-	-	-	-
Bank of Alexandria	* 263-0017	1976	1,500	-	1,000	1,500	1,500	1,500	1,900	-	-	-	-	-	-	-	-
PVC Pipe Drainage	263-0018	1976	-	-	-	-	-	-	-	32,000	-	-	-	-	-	-	10,000
National Energy Control Center	263-0019	1976	-	-	-	-	-	-	-	31,000	-	-	-	-	1,000	-	10,000
Applied Science and Technology Research	263-0023	1976	-	-	-	-	-	-	-	24,000	-	-	-	-	3,000	-	7,000
Integrated Social Work Training Centers	* 263-0016	1977	-	-	3,900	2,200	4,200	2,500	-	-	-	-	-	-	-	-	-
Local Development	* 263-0020	1977	-	-	1,000	500	2,000	1,500	2,000	-	-	-	-	-	-	-	-
Technical and Feasibility Studies II	* 263-0021	1977	-	-	1,000	100	1,500	800	3,000	-	-	-	-	-	-	-	-
Technology Transfer and Manpower Development III	263-0025	1977	-	-	12,000	-	-	5,000	-	-	-	-	-	-	-	-	-
Family Planning	* 263-0026	1977	-	-	2,500	1,000	-	1,500	-	-	-	-	-	-	-	-	-
Rice Research	* 263-0029	1977	-	-	3,000	2,000	5,000	3,000	5,000	-	-	-	-	-	-	-	-
Electric Power Distribution	* 263-0027	1977	-	-	400	250	450	350	1,250	-	-	-	-	-	-	-	-
Canal Dredging Equipment	263-0033	1977	-	-	-	-	-	-	-	-	-	-	-	80,000	-	-	1,000
Synthetic Material Production (DMT)	263-0035	1977	-	-	-	-	-	-	-	-	-	-	-	40,000	-	-	-
Food Grain and Vegetable Oil Storage and Distribution Facilities	263-0036	1977	-	-	-	-	-	-	-	-	-	-	-	40,000	-	-	-
Cairo/Alexandria Water/Sewage	263-0037	1977	-	-	-	-	-	-	-	-	-	-	-	65,000	-	-	-
Synthetic Fiber Production	263-0038	1977	-	-	-	-	-	-	-	-	-	-	-	60,000	-	-	-
Irrigation Equipment	263-0039	1977	-	-	-	-	-	-	-	-	-	-	-	15,000	-	-	-
Agriculture Development Systems	263-0040	1977	-	-	-	-	-	-	-	-	-	-	-	20,000	-	-	-
Agriculture Mechanization	* 263-0041	1977	-	-	2,500	1,000	1,000	1,500	4,000	-	-	-	-	-	-	-	-
	* 263-0031	1978	-	-	-	-	1,000	-	-	-	-	-	-	-	-	19,000	-

*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.

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

COUNTRY: EGYPT

Continuation Sheet

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	Authori- zation	Expendi- tures	Authori- zation	Expendi- tures
National Development Program Cont'd																	
Poultry Improvement	* 263-0360	1977	-	-	600	400	1,500	750	1,500	-	-	-	-	-	-	-	-
Technical and Feasibility Studies III	* 263-0342	1978	-	-	-	-	6,000	-	-	-	-	-	-	-	-	-	-
Technology Transfer and Manpower Development IV	* 263-0343	1978	-	-	-	-	2,000	200	-	-	-	-	-	-	-	-	-
Development Industrial Bank	* 263-0345	1978	-	-	-	-	500	-	-	-	-	-	-	-	-	12,500	-
Grain and Vegetable Oil Storage and Distribution Facilities	* 263-0349	1978	-	-	-	-	-	-	-	-	-	-	-	-	-	25,000	-
Maadi Cement Plant	* 263-0352	1978	-	-	-	-	-	-	-	-	-	-	-	-	-	95,000	-
Flat Glass Plant	* 263-0353	1978	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000	-
Telecommunications Equipment	* 263-0354	1978	-	-	-	-	-	-	-	-	-	-	-	-	-	40,000	-
Railway Rolling Stock Plant	* 263-0355	1978	-	-	-	-	-	-	-	-	-	-	-	-	-	40,000	-
Development Planning Studies	* 263-0361	1978	-	-	-	-	2,200	175	-	-	-	-	-	-	-	-	-
Vocational Education	* 263-0362	1978	-	-	-	-	3,400	300	3,600	-	-	-	-	-	-	-	-
Development Information Systems	* 263-0363	1978	-	-	-	-	1,000	150	1,050	-	-	-	-	-	-	-	-
Aquaculture Development	* 263-0364	1978	-	-	-	-	750	150	3,000	-	-	-	-	-	-	-	-
Urban Low Cost Health Delivery	* 263-0365	1978	-	-	-	-	2,000	200	5,000	-	-	-	-	-	-	-	-
Low Cost Housing Development	* 263-0366	1978	-	-	-	-	700	400	700	-	-	-	-	-	-	-	-
<u>COMMODITY IMPORT PROGRAM</u>	*	1975	-	-	-	-	-	-	-	465,000	72,110	-	-	250,000	202,000	250,000	300,000
Total			255,300	21,659	30,000	41,951	98,500	95,515	34,100	773,275	72,110	-	-	670,000	219,275	526,500	434,100

*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: EGYPT

TABLE III

FISCAL YEAR	TITLE	AMOUNT
1977	<p><u>Suez Area</u></p> <p>Suez Electric Power Plant (FY 1977 Security Supporting Assistance Programs & MESRF, p. 32)</p> <p><u>National Development Program</u></p> <p>Food Grain & Vegetable Oil Storage and Distribution Facilities (FY 1977 Security Supporting Assistance Programs & MESRF, p. 33)</p> <p>Electric Power Distribution (FY 1977 Security Supporting Assistance Programs & MERF, p. 34)</p> <p>Synthetic Material Production (DMT) (FY 1977 Security Supporting Assistance Programs & MESRF, p. 39)</p> <p>Synthetic Fiber Production (FY 1977 Security Supporting Assistance Programs & MESRF, p. 38)</p> <p>Canal Dredging Equipment * (FY 1977, Security Supporting Assistance Programs & MESRF, p. 36)</p> <p>Irrigation Equipment * The purpose of this loan is to improve existing irrigation pumping systems in the delta and upper Egypt through redesign and up-grading. A.I.D. inputs will finance pumps and related equipment.</p>	<p>100,000</p> <p>65,000</p> <p>80,000</p> <p>40,000</p> <p>15,000</p> <p>40,000</p> <p>20,000</p>

* Notification to be transmitted.

SUMMARY OF LOAN AUTHORIZATIONS

Estimated FY 1977 - Proposed FY 1978

(In thousands of dollars)

TABLE III

COUNTRY: EGYPT

FISCAL YEAR	TITLE	AMOUNT
1978	<p>Cairo/Alexandria Water/Sewage *</p> <p>The purpose of this project is to improve urban health and sanitation conditions in the cities of Cairo and Alexandria by rehabilitation and expansion of water and sewage treatment facilities. A.I.D. inputs will finance foreign exchange costs of the system, including treatment facilities, pumping systems and engineering and design services.</p>	60,000
	<p><u>Commodity Import Program</u> (FY 1977 Security Supporting Assistance Programs & MESRF, p. 40)</p>	<u>250,000</u>
	Sub-total	670,000
	<p><u>Suez Area</u></p>	
	<p>Suez Canal Port Development</p>	30,000
	<p><u>National Development Program</u></p>	
	<p>Agriculture Mechanization</p>	19,000
	<p>Development Industrial Bank</p>	12,500
	<p>Grain and Vegetable Oil Storage and Distribution Facility</p>	25,000
	<p>Maadi Cement Plant</p>	95,000
	<p>Flat Glass Plant</p>	15,000
	<p>Telecommunications Equipment</p>	40,000
<p>Railway Rolling Stock Plant</p>	40,000	
<p><u>Commodity Import Program</u></p>	<u>250,000</u>	
Sub-total	526,500	

* Notification to be transmitted.

Country: EGYPT

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	FY 79	FY 80
Improvement of Rural Health Services	Security Supporting Assistance	1,800		
NUMBER 263-0015	PRIOR REFERENCE	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	FY 1977 Security Supporting Assistance Programs, p. 22	FY 1976	FY 1980	OF PROJECT FY 1981

Purpose: To assist the Ministry of Health (MOH) identify the principal factors limiting the productivity and out-reach of the rural health service, and devise and test alternative approaches that when replicated will reduce or eliminate these factors as major problems.

Host Country and Other Donors:

Government of Egypt Vehicle operation and maintenance, supplies, and project staff; valued at approximately \$3,100,000 in local currency.

Major Outputs:

9/30/76 FY 77 FY 78
(Cumulative as of end of FY)

Alternative communication and transportation systems to improve service outreach designed, initiated and being evaluated	-	-	2
Egyptians trained to devise and implement improved supervisory and motivational strategies	-	2	5
Communicable and endemic disease control systems designed and implemented to reach majority of target area population	-	-	2
Ministry managerial practices streamlined and modernized, and job assessments, work norms, and suspension guidelines established in test governorates.	-	-	2
Management information and evaluation system established within MOH	-	-	x
Egyptians trained to design, implement and evaluate system:			
a. in Egypt	-	10	30
b. in the U.S.	-	-	50
c. in third countries	-	-	40

Progress to Date: The project agreement was signed in September 1976. Efforts are now under way to select a contractor and to procure the commodities needed for the first phase of the project.

FY 1978 Program: A.I.D. will continue to fund contract technicians to work with the MOH to achieve project targets, training of Egyptian participants in the U.S., and procurement of commodities in support of the project.

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

	<u>FY 78</u>
Contract Services (long-term advisors)	400
Consultants - 10 short-term advisors	50
Participant training for Egyptian officials in the U.S. and third countries	300
Commodities	<u>1,050</u>
Total	1,800

CONTINUING ACTIVITY

Table IV

Country: EGYPT				
TITLE Applied Science and Technology Research	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 4,200		
NUMBER 263-0016	PRIOR REFERENCE Advice of Program Change transmitted 12/21/76	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Purpose: To improve the institutional capability of the Egyptian scientific research community to develop and manage research programs directed toward the solution of Egypt's priority development problems.

Major Outputs:

	FY 77	FY 78
	(Cumulative as of end of FY)	

Personnel Trained:		
Project Managers	5	15
Policy Planners	3	8
Workshop Members	10	40
Demonstration Project Personnel	50	100
Research Project Personnel	10	40
Equipment Technicians	2	9
Information Specialists	5	15

Applied research projects underway and providing preliminary findings	-	2
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Large-scale interdisciplinary demonstration projects underway	-	2
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Scientific information system installed	-	x
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Host Country and Other Donors:

Government of Egypt	Project-required local costs
Federal Republic of Germany	Equipment for the National Research Council.

Progress to Date: Since reestablishment of diplomatic relations with Egypt in 1974, the Egyptians have expressed a desire for assistance in scientific research,

research management and instrumentation. Their needs for new research equipment and improved systems of equipment maintenance, in particular, have been discussed and investigated under the Egypt-U.S. Joint Commission. These efforts, involving principally on the U.S. side the National Science Foundation and the National Academy of Science, led to an A.I.D.-financed study by the Research Triangle Institute in April-May 1976. This project is based partially on the results of that study. Agreement on project details should be reached during the second quarter of FY 1977, with implementation beginning around June 1977.

FY 1978 Program: During FY 1978, A.I.D. will continue to finance advisory services and training begun in FY 1977 for the Egyptian Academy for Science, Research and Technology (ASRT) and the Egyptian National Research Council (NRC). Additional financing for research equipment and spare parts also will be provided.

<u>A.I.D.-financed Inputs</u>	
(\$ Thousands)	<u>FY 78</u>

Two long-term advisors' services to ASRT/NRC plus five short-term advisors	220
Four consultant teams for collaborative work on applied research and demonstration projects	470
Training for 70 ASRT and NRC personnel	530
Seven short-term consultants to assist with development of national scientific information services	280
Research equipment (microscopes, viscometers, thermocouples, and specialized equipment such as amino analyzers, a gas chromatograph and calorimeters).	<u>2,700</u>

Total	4,200
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Country: EGYPT

CONTINUING ACTIVITY

Table IV

TITLE Water Use and Management	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 1,500		
NUMBER 263-0017	PRIOR REFERENCE FY 1977 Security Supporting Assistance Programs, P. 21	INITIAL OBLIGATION FY 1976	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Purpose: To develop and demonstrate replicable improved irrigation water management and associated practices that increase agricultural production; and to increase Egyptian capacity to develop and sustain an improved on-farm water management program.

Major Outputs:

	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		

Research in present practices completed	-	x	
Optimal delivery system for on-farm water management identified	-		x
Scientists and technicians trained	-	7	20

Host Country and Other Donors:

Government of Egypt	Professional and support staff, office and laboratory space, and local currency costs.
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Progress to Date: Year-round availability of water, combined with age-old irrigation practices, is causing increasing problems with drainage and soil salinity. Major projects are underway to improve drainage facilities, but little has yet been done to change basic water application techniques. A pre-project study by the Consortium for International Development was completed in the Spring of 1976. This study proposed a plan of action including: (1) a program of initial research to determine the specific effects of current water application techniques on current production and the cumulative build-up of sub-

surface water; (2) development of a package of revised water application and associated agronomic practices for testing in pilot areas; and (3) the conduct and evaluation of pilot tests designed for replicability in wide areas of the country. This study formed the basis for the current project agreed to by A.I.D. and the Egyptian Government in June 1976. The scope of services for the prime contractor was drafted and agreed to in November 1976, and the contract is expected to be let in February-March, 1977. FY 1977 funds will be provided for technical experts under the contract and for equipment needed during the initial six-month research phase of the project.

FY 1978 Program: Follow-on contract funding will be provided for the second phase of the project, which involves: (1) the testing of improved agronomic practices and water application techniques in pilot areas, and (2) training of project extension personnel.

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

	FY 78
Twelve long-term contract experts in agronomy, water and farm management, and twenty people-months of short-term advisors	1,000
Training of seven scientists and technicians	75
Research and demonstration equipment	425
Total	1,500

Country: EGYPT

CONTINUING ACTIVITY

Table IV

TITLE Integrated Social Work Training Centers	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0020	PRIOR REFERENCE FY 1977 Security Supporting Assistance Programs, p. 24	FY 78 2,000	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Purpose: To design and test replicable training programs for professional community organizers to improve their ability to assist rural communities in identifying, organizing and implementing needed social services.

Host Country and Other Donors:

Government of Egypt \$5,000,000 equivalent in local currency for buildings, staff and operating expenses for two training centers and surrounding social units. This budget covers the proposed five-year life of the project.

Major Outputs: FY 77 FY 78 FY 79
(Cumulative as of end of FY)

Progress to Date:

Full project design is nearing completion, and the project should begin during the third quarter of FY 1977.

FY 1978 Program: A.I.D. will provide \$2 million for project technicians, the training of Egyptians in the U.S., and the procurement of project commodities.

In-service training capacity for the Ministry of Social Affairs established in two governorates	x
Curriculum designed for training community organizers at Ministry centers	x
Development of general model for community services to be utilized in training programs and for field application	x
Development of new community associations in the project area which initiate, finance and manage social services locally	x
Creation of an information retrieval system at the governorate level that covers activities of both voluntary and government social services	x

<u>A.I.D.-financed Inputs</u>		<u>FY 78</u>
(\$ Thousands)		
Four long-term PASA/contract technicians and two short-term consultants		300
Participant training for Social Affairs Ministry personnel		200
Commodities		<u>1,500</u>
Total		2,000

Country: EGYPT

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	1,500	
Local Development	Security Supporting Assistance			
NUMBER 263-0021	PRIOR REFERENCE	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	FY 1977 Security Supporting Assistance Programs, p. 23	FY 1977	FY 1979	OF PROJECT FY 1980

Purpose: To improve the capabilities of the Organization for Reconstruction and Development of Egyptian Villages (ORDEV) within the Ministry of Local Government, to plan, implement, and evaluate local development projects.

Major Outputs:

	FY 77	FY 78
	(Cumulative as of end of FY)	
Trainers instructed	-	15
Local leaders trained	100	500
District and governorate administrators trained	100	500
Local development activities completed	1	30
Evaluation system developed	-	x

Host Country and Other Donors:

Government of Egypt Local costs related to the training and evaluation program, and the major share of the cost of actual rural projects implemented.

Progress at Date: Egypt's Public Law 52, enacted in 1975, provides for the election of local government councils to complement appointed officials at each of the three levels of government hierarchy--the Governorate, the District and the Local Council. These officials are empowered to finance and implement development activities. The government has recognized the need to provide training for the newly-elected officials and their appointed counterparts at all three levels of government. As a result of project development studies carried out during the past year,

assistance has been requested in the design and development of (1) a comprehensive training system, including curricula and prototype training materials, that will use existing and planned training facilities to produce the quality manpower needed at the three levels to effectively plan and implement development programs; (2) an evaluation system that will enable central policy makers to measure the impact of local development initiatives, and (3) local level development projects. This project, which is expected to start during the third quarter of FY 1977, responds to these requests.

FY 1978 Program: \$1.5 million is required to continue support to ORDEV begun in FY 1977 in the areas of technical expertise, training and selected commodities.

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

	FY 78
Long-term community development and long-term training advisors	250
Short-term consultant services	420
Training of 46 Egyptian local government officials	230
Pumps, tools and other equipment and supplies to support training and local projects	<u>600</u>
Total	1,500

Country: EGYPT

CONTINUING ACTIVITY

Table IV

TITLE Rice Research	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (<i>In thousands of dollars</i>) FY 78 450		
NUMBER 263-0027	PRIOR REFERENCE Advice of Program Change to be transmitted	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1981	ESTIMATED COMPLETION DATE OF PROJECT FY 1982
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Purpose: To accelerate the development of improved rice varieties and rice technologies suitable to use by Egyptian farmers by strengthening existing Egyptian rice research facilities linking research programs with those of international centers such as the International Rice Research Institute (IRRI).

Major Outputs:

FY 77 FY 78
(Cumulative as of end of FY)

Establishment of research ties and relationships with international and regional centers	x	x
Design of 5-year research program to develop new varieties and test them for tolerance to salinity and alkalinity	x	x
Design of research program to develop production technology and mechanization requirements for rice production	-	x
Acres of land at Sakha Research Center planted in improved varieties	25	65
Egyptian rice researchers given advanced training	10	35
Expansion and upgrading of Sakha seed laboratory	x	x

Host Country and Other Donors:

Government of Egypt Housing accommodations, office space and laboratory facilities for collaborating consultants and scientists, plus the acreage necessary for trial plots and the manpower necessary to tend them, prepare and mail seed samples, etc.

Progress to Date: An initial survey made of rice research needs in the Middle East in late 1975 recommended inter alia this project. The Government of Egypt requested A.I.D. support late in FY 1976. Project design work should be completed by July 1977 and the project started late in FY 1977.

FY 1978 Program: A.I.D. will continue financing for long-term contract scientists and research managers funded initially in FY 1977. It also will provide financing for short-term consultants, laboratory equipment, and training outside Egypt.

<u>A.I.D.-financed Inputs</u> (\$ Thousands)		<u>FY 78</u>
Scientists and consultants (3 long-term advisors and 2 short-term consultants)		220
International training for 12 Egyptian agricultural researchers		60
Laboratory and other research equipment		<u>170</u>
Total		450

CONTINUING ACTIVITY

Table IV

Country: EGYPT

TITLE Family Planning	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 5,000		
NUMBER 263-0029	PRIOR REFERENCE FY 1977 Security Supporting Assistance Programs, p. 26	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1981	ESTIMATED COMPLETION DATE OF PROJECT FY 1982
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Purpose: To improve the quality and consistency of family planning services offered by the Ministry of Health (MOH) through the provision of advisory services, training, support of staff, and selected program operations and contraceptive supplies.

Major Outputs: FY 77 FY 78 FY 79 FY 80 FY 81 FY 82
(Cumulative as of end of FY)

Increase in MOH headquarters planning staff who would be capable of planning and administering large nationwide program - 5 10 10 20 20

Family planning and related personnel trained - 40 80 160 320 640

Completion of first analysis of family planning use in Egypt and current program performance x

Establishment of service statistics and reporting systems x

Major Outputs: FY 77 FY 78 FY 79 FY 80 FY 81 FY 82
(Cumulative as of end of FY)

Establishment of family planning information, education and communication program x

Adequate supplies of contraceptives, and equipment available to prevent periodic shortages x

Progress to Date: Preliminary discussions on the project concept have been carried out with the Egyptian Government over the past several months. A Family Planning Officer, scheduled for assignment to the field in January, 1977, is expected to complete the project design for initial obligation of funds during the final quarter of FY 1977.

FY 1978 Program: Funds totalling \$5 million are requested in FY 1978 for the following:

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

	<u>FY 78</u>
5 long-term and 6 short-term contract advisors	400
Training in U.S. for 60 MOH officials	300
Demographic/program research	1,004
Information and education materials and equipment	300
Contraceptive equipment and supplies	1,952
Recruitment 1,000 new MOH local staff members	720
Research Fund	81
Participant Training Support	36
Support Costs (per diem, travel, technician support)	<u>207</u>
Total	5,000

Country: EGYPT

CONTINUING ACTIVITY

Table IV

TITLE Agriculture Development Systems	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 1,000		
NUMBER 263-0041	PRIOR REFERENCE Advice of Program	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	Change to be transmitted	FY 1977	FY 1981	OF PROJECT FY 1981

Purpose: To develop within the Ministry of Agriculture and related agencies an improved capacity for delivery of services that will enable farmers profitably to increase production.

Major Outputs:

	FY 77	FY 78
	(Cumulative as of end FY)	
A comprehensive and operational agriculture production system in one or more crop production areas	-	x
First stage development of an agricultural economic and development planning unit capable of continued assessment of the agricultural sector and planning action programs	-	x
Agriculturists trained in the latest agricultural technology and methods of problem solving	5	15
Joint research activities on critical agricultural problems established	1	3
Completed design of, and agreement on, an organizational system for applying U.S. agricultural technology to Egyptian agricultural problems.	-	x

Host Country and Other Donors:

The Government of Egypt Will provide counterpart staff, administrative and technical support, and a major share of the local currency costs associated with the project.

Progress to Date: In mid-1975 the Government of Egypt indicated a desire for assistance in the area of agricultural policy formulation and project development. This led A.I.D. to explore institutional linkages that might usefully be developed between the Egyptian Ministry of Agriculture and a U.S. university. In furtherance of this objective, the Minister of Agriculture and Irrigation and his senior staff visited several U.S. institutions in the spring of 1976 and subsequently invited representatives of the University of California at Davis to Egypt to develop the preliminary outline of a collaborative relationship. Final agreement on this relationship is expected between the two parties early in 1977; the obligation of FY 1977 funds to support this collaborative effort is expected to take place during the third quarter of 1977.

FY 1978 Program: A.I.D. will continue its support to the collaborative work begun in FY 1977.

<u>A.I.D.-financed Inputs</u>	
(\$ Thousands)	<u>FY 78</u>
Resident university team (full-time advisors)	175
Joint research activities	125
Project design assistance (short-term consultants)	150
Training in techniques of sub-sector analysis (Ministry of Agriculture officials)	200
Joint action programs (horticulture crops, production and marketing).	<u>350</u>
Total	1,000

Country: EGYPT

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (in thousands of dollars)		
		INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979
Poultry Improvement	Security Supporting Assistance	FY 78 1,500		
NUMBER 263-0060	PRIOR REFERENCE Advice of Program Change to be transmitted			
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Purpose: To develop programs that will assist Egypt to meet her long-term goal of increasing poultry meat and egg production through (a) improving the capacity to assess investment needs and allocate resources to both public and private producers; (b) increasing output of eggs and chicks of improved breeds from three breeding and hatching farms for distribution and use in village flocks; (c) increasing efficiency of poultry company operations through management consultants and training programs for company officials; and (d) developing national plans for poultry breed improvement and improved production and marketing of poultry vaccines, medication and feed additives for support of both rural and commercial production.

Major Outputs:

	<u>FY 77</u>	<u>FY 78</u>
Poultry sector assessment		x
Comprehensive set of recommendations for improved breeding programs		x
A national plan for improving vaccine, pharmaceutical and feed additive production and marketing		x
Detailed plan of action for improving efficiency of the public sector production and support facilities		x
Poultry company officials and workers being trained	5	5

Host Country and Other Donors:

Government of Egypt Ministry personnel and facilities; facilities of the Egyptian Poultry Company; local cost financing.

Progress to Date: This project will begin during the third quarter of FY 1977 through selection of a principal contractor to provide the basic technical services required. As a part of the planning for this project AID financed a poultry survey study that was undertaken by Experience Incorporated (EI) during June-July, 1976. The recommendations of the EI team formed the basis for the design of the present project.

FY 1978 Program: AID will provide financing for additional technical services, for training of poultry production officials and for commodities required in support of improved breeding programs.

	<u>FY 78</u>
<u>A.I.D.-financed Inputs</u> (\$ Thousands)	
Project Management/Livestock technical assistance (1 full-time Project Director and 2 short-term consultants for preparing scopes of work for vaccine study, breeding program)	125
Breeding study (1 long-term and 1 short-term consultant)	100
Training in the U.S. for poultry production management personnel	350
Hatching and breeding commodities	925
Total	1,500

Country: EGYPT

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1982
Agriculture Mechanization	Security Supporting Assistance	FY 78 20,000 (1,000 of which to be provided as grant)		
NUMBER 263-0031				
GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/>				

Goal: To increase agricultural production, improve farm income and optimize the use made of agricultural land in Egypt.

Purpose: To create the institutional framework and credit mechanism through which various types of farm machinery can be purchased, effectively used and maintained by individual farmers, farmer groups or cooperatives.

Background: Basic farming operations in most of the old agricultural lands of Egypt continue to be performed with animal power. These functions include pumping water from canals to irrigation ditches, preparation of land for sowing, and the threshing of grain. On the average, one mature cow or female buffalo is kept for each three to six acres of land to perform these functions. All of these operations are performed slowly with longer than necessary turnaround time between crops and with inefficiencies in water use. Furthermore, the land devoted to the feeding of these animals could perhaps be put to more economic use.

The Government of Egypt is interested in conducting large scale experiments with varying types of machinery to determine optimum mechanization patterns for the old lands of the country, lands which are characterized by very small, segmented plots. The newly created Agricultural Development Bank (ADB) is intended by the Government of Egypt as the principal credit organization for serving rural credit needs. This project will provide technical assistance to the bank for developing staff competence and also funds to procure the imported equipment to be sold under credit to farmers and farmer groups. The World Bank is currently considering a \$35 million loan to purchase tractors, pumps and supporting facilities in two governorates as specific requirements are identified through ADB-managed integrated pilot projects.

Major Outputs:

	FY 78	FY 79	FY 80	FY 81	FY 82
	(Cumulative as of end of FY)				
In-service training program designed		x			
Bank personnel trained either in-country or in the U.S.	5	30	150	400	600
Mechanization loans made	-	50	200	500	1,000
Acres of land affected by new mechanization	-	100	500	7,000	10,000

Host Country and Other Donors:

Government of Egypt Local currency capitalization of ADB

IBRD Agriculture Mechanization Loan (under study)

FY 1978 Program: A loan of \$19 million plus a \$1 million grant are proposed to provide technical assistance to the ADB plus foreign exchange for imported U.S. source farm machinery and equipment

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

	FY 78
Grant - Technical assistance	1,000
Loan - Agricultural machinery and equipment	19,000
Total	20,000

Country: EGYPT

NEW ACTIVITY

Table V

TITLE Technical and Feasibility Studies III	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0042		FY 78 6,000		
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979

Goal: To mobilize the capital infrastructure investments required by the Egyptian economy to achieve future growth.

Purpose: To supplement with U.S. expertise the existing capabilities of the Government of Egypt to undertake technical and economic feasibility studies in order to expedite the development of capital projects primarily for A.I.D. financing.

Background: One of the most serious obstacles to Egyptian economic development continues to be the shortage of thoroughly planned financeable projects and programs to most effectively use foreign assistance. In the case of developing capital projects for A.I.D. financing, it has been necessary during the past two years to use U.S. firms to assist the Government with preliminary surveys, feasibility studies and project planning. These studies and surveys were financed under grants provided in prior years similar to this proposed project. Among the studies financed through prior year grants were: projected electric power supply and demand; feasibility of prefabricated housing; assessment of raw materials for cement production; Cairo traffic improvement; housing policy; management of water resources; urban water and sewage systems; and an agricultural sector assessment. The Egyptian Government has found this assistance in project preparation indispensable and has asked that we plan additional assistance of this type in FY 1978.

Major Outputs:

	<u>FY 78</u>	<u>FY 79</u>
	(Cumulative as of end of FY)	
Studies Completed:		
Project Development/ Feasibility	3	11
Sector Studies	4	6

Host Country and Other Donors:

Government of Egypt Local support costs for contractors,
IBRD Project appraisal studies; training of
Egyptians in project analysis and
design.

FY 1978 Program: U.S. private sector expertise will be engaged to assist the Government of Egypt in a wide variety of sector and project development studies. Studies are planned in such areas as transportation, housing, food processing, agriculture technology (including land reclamation, irrigation, and agribusiness), and manpower development.

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

	<u>FY 78</u>
U.S. Consultant Firms	6,000

Country: EGYPT

NEW ACTIVITY

Table V

TITLE Technology Transfer and Manpower Development. IV	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 2,000		
NUMBER 263-0043		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Goal: To strengthen the scientific, technical, administrative and problem-solving capabilities of government agencies, public enterprises, research and training institutions and other development-oriented organizations in Egypt.

Purpose: To upgrade the scientific, technical and managerial staff of selected public agencies, institutions and enterprises in Egypt.

Background: Egyptian scientists, technicians and managers, isolated from U.S. technology and administrative expertise because of the break in diplomatic relations from 1967 to 1974, want to be brought up to date quickly through renewed contact with American expertise. This project finances the foreign exchange costs of technical consultants to the Government of Egypt and training for Egyptians in the United States.

Similar grants in prior years were used to provide highly qualified U.S. specialists to Egypt on a short-term basis to assist the Government on a wide variety of subjects.

In addition, more than 200 Egyptians have been brought to the United States for consultation, special training, or observation tours.

The Egyptians continue to find this means of accomplishing technology transfer very useful and have asked that we plan for continuation of this program in FY 1978.

Major Outputs:

	<u>FY 78</u>	<u>FY 79</u>
	(Cumulative as of end of FY)	
Consultancies	15	45
Egyptians receiving specialized training in the U.S.	75	200

Host Country and Other Donors:

Government of Egypt Local support and services to visiting consultants; salaries of participant trainees

FY 1978 Program: An earlier grant provided technical consultants in such areas as poultry production, local government administration, civil aviation, medical cooperation and geological surveying. It also provided for training in such fields as medical equipment maintenance, health services economics, hospital design, customs taxation, urban development and applied management. The proposed FY 1978 grant will provide for additional technical consultants and training in the same or similar development areas.

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

	<u>FY 78</u>
Technical consultant visits (45)	900
Demonstration Equipment	100
Training in the U.S. (200 persons)	<u>1,000</u>
Total	<u>2,000</u>

Country: EGYPT

NEW ACTIVITY

Table V

TITLE Development Industrial Bank	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	13,000	(500 Grant, 12,500 Loan)
NUMBER 263-0045		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1982
GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/>				

Goal: To promote Egyptian economic development by modernizing and expanding the productive capacity of private and public sector industries.

Purpose: To enlarge the capacity of Egypt's Development Industrial Bank (DIB) to support new investment in Egypt by providing foreign exchange for relending by the Bank to finance imported U.S.-source material, equipment and services required in connection with specific investment project proposals.

Background: Shortage of foreign exchange has been a major constraint to rehabilitating and expanding industrial capacity in Egypt. Present and projected demand for imported capital goods and related services for investment purposes far exceeds the availability of foreign exchange to pay for them. This has made it particularly difficult for the public and private sectors to initiate new investment projects. If Egyptian economic goals are to be met, however, the private sector will have to play a more vigorous role, and public and private sectors will have to have better access to foreign exchange for modernization and expansion of productive capacity.

The Development Industrial Bank of Egypt is a new institution created by the Government of Egypt to review and examine investment project proposals from private and public sector enterprises and to provide long-term loans in local currency and foreign exchange to support them. The DIB is, in effect, the only development bank in Egypt, as it is the only domestic institution in Egypt authorized to make long-term loans in foreign exchange.

The DIB was formed in 1976 from the industrial lending division of the Bank of Alexandria. From the Bank of Alexandria, the DIB inherited an experienced staff and a

portfolio of pending investment project proposals, many of which require imported goods and services from the United States.

In FY 1976, A.I.D. provided a \$32 million loan for relending by DIB. This followed two prior loans provided by the IBRD to the Bank of Alexandria that are now the responsibility of the new DIB. The FY 1976 \$32 million A.I.D. loan is expected to be substantially committed by the end of FY 1978.

Major Outputs:

	FY 78	FY 79	FY 80	FY 81	FY 82
	(Cumulative as of end of FY)				
New investments financed	-	2	12	22	42
DIB staff given advanced training	2	5	17	37	57
In-service training programs for middle level managers designed and operating				x	x

Host Country and Other Donors:

D.I.B. Local currency component of project financing
 IBRD \$35 million in past lending

FY 1978 Program: In FY 1978, we propose to provide a further loan to DIB of \$12,500 to augment its lending operations. We also intend to provide a \$500,000 grant as part of this project for technical assistance to the DIB, including advanced training in the U.S. for top DIB managers.

EGYPT

NEW ACTIVITY

Continuation Sheet

TITLE Development Industrial Bank	NUMBER 263 0045
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A.I.D.-financed Inputs
(\$ Thousands)

	<u>FY 78</u>
Materials, equipment and services from the U.S.	12,500
Technical assistance	<u>500</u>
Total	13,000

Country: EGYPT

NEW ACTIVITY

Table V

TITLE Suez Canal Port Development	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	30,000	
NUMBER 263-0047		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1982
GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>				

Goal: To facilitate more efficient and economical movement of Egypt's external trade.

Purpose: To alleviate severe port congestion by constructing and equipping the first stage development of new deep water ports and ancillary facilities at Port Said and Suez City.

Background: General cargo tonnage through Port Said is projected to increase from about one million presently to three million tons annually by 1980 and to ten million tons by the year 2000. For the Suez City port, cargo tonnage is projected to increase from almost negligible amounts at the present to 1.3 million tons by 1985 and to 6.0 million tons by the year 2000. To accommodate these long-term demands it will be necessary to develop new port areas because the existing ports cannot be expanded further without serious conflict with development of urban areas and with Suez Canal operations.

The proposed project will include dredging; construction of general cargo and bulk berths, transit sheds, warehouses, open storage areas, internal roads and utilities; and provision of cargo handling equipment.

Major Outputs: FY 78 All Years

New port areas constructed, equipped and operating:

Port Said	x
Suez City	x

Host Country and Other Donors:

Government of Egypt Local currency as required for the projects

FY 1978 Program: A loan of \$30 million is proposed to provide the foreign exchange needed for the first stage of constructing and equipping new port facilities at Suez City and Port Said.

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

	<u>FY 78</u>
Engineering and Design	6,000
Construction services and equipment	<u>24,000</u>
Total	30,000

Country: EGYPT

NEW ACTIVITY

Table V

TITLE Canal Cities Water and Sewage Systems	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (<i>In thousands of dollars</i>)		
NUMBER 263-0048		FY 78	60,000	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: To reconstruct the basic infrastructure in the Suez Canal Zone so that it is adequate to support the population and industry that is returning to the urban areas of Ismailia, Port Said and Suez City.

Purpose: To reconstruct potable water treatment and sewage treatment facilities and related distribution and collection systems in the three main canal cities of Suez, Port Said, and Ismailia.

Background: During the years of war and war readiness between 1967 and 1973, the three major cities of the Suez Canal suffered extensive damage through a combination of direct war destruction and years of deterioration from disuse. Water and sewage systems, as is the case with respect to many other elements of basic infrastructure in these cities, is badly in need of repair and expansion to support the present and projected needs of these cities. Completed master planning for reconstruction and development of Port Said, Ismailia and Suez envisions total population growth from the existing one-half million to over two million by the year 2000. To provide an adequate supply of potable water to support this growing population and concurrent commercial and industrial facility growth together with required wastewater treatment facilities, it has been estimated that an investment of over \$200 million is required during the period 1976-1981. Without this investment the planned development of the Canal cities will be severely inhibited. The proposed project consists of rehabilitating, expanding and upgrading existing facilities, together with their distribution/collection systems, and the construction of new, high-priority facilities adequate to meet the projected needs of the cities over the next several years.

Feasibility studies for this reconstruction work will be

underway shortly, with expected completion in mid-1977.

Major Outputs: FY 78 All Years

Upgraded water and sewage facilities
adequate for projected needs
completed x

Host Country and Other Donors:

Government of Egypt Local costs of project estimated at
approximately \$20 million

FY 1978 Program: A grant of \$60 million is proposed to finance the foreign exchange costs of designing and constructing new water and sewage systems in the three principal cities of the Suez Canal.

<u>A.I.D.-financed Inputs</u>		<u>FY 78</u>
(\$ Thousands)		
Engineering Design and Construction Supervision		6,000
Materials and Equipment		<u>54,000</u>
Total		60,000

Country: EGYPT

NEW ACTIVITY

Table V

TITLE Grain and Vegetable Oil Storage and Distribution Facilities	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	25,000	
NUMBER 263-0049		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1982
GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>				

Goal: To increase the amount of food grains and vegetable oil available for consumption and thereby improve the nutrition of the Egyptian people.

Purpose: To construct modern grain storage facilities in key locations throughout the country in order to replace numerous open flat storage areas that have high losses from waste and pest infestation.

Background: Egypt imports more than four million tons of food and feed grain annually. Approximately 70 percent of this imported grain is handled and stored in flat, open, desert areas because of a lack of indoor storage facilities. Losses from these inadequate storage facilities are large. The distribution system is also inefficient. The foreign exchange savings and local cost savings resulting from a reduction in grain losses will amortize the investments in new storage facilities.

A FY 1975 loan of \$44.3 million provided for the erection of major grain storage and bulk handling facilities in Alexandria and Cairo. Architectural and engineering work for these new facilities is expected to begin in early 1977.

A.I.D. is now financing a study to determine the need for additional grain and edible oil storage and handling facilities and to prepare, with the Egyptian Government, a plan for investment in new storage facilities over the next several years. This study will be performed by Black and Veatch International. It will examine the feasibility of constructing secondary grain storage facilities and provide the basis for the facility investments to be financed by this loan.

Major Outputs:

	FY 78	FY 79	FY 80	FY 81	FY 82
	(Cumulative as of end of FY)				
Construction of grain silos, oil storage tanks, and installation of associated equipment at distribution and consumption centers					x
Staff trained and facilities in operation					x

Host Country and Other Donors:

Government of Egypt All local currency costs associated with the erection of these facilities

FY 1978 Program: A.I.D. proposes to loan to the Government of Egypt \$25 million for use by the Egyptian General Company for Silos in constructing and equipping new facilities for grain storage.

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

	<u>FY 78</u>
Engineering design and supervision of construction	2,000
Equipment	<u>23,000</u>
Total	25,000

Country: EGYPT

NEW ACTIVITY

Table V

TITLE Maadi Cement Plant	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 95,000		
NUMBER 263-0052		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1982
GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>				

Goal: To create the industrial foundation for future expansion of basic infrastructure and productive enterprises.

Purpose: To construct a cement plant and auxiliary facilities and develop quarry operations capable of producing one million tons of cement per year.

Background: Egypt's cement consumption in 1976 is estimated to be 4.5 million tons per year. Domestic and export demand is expected to increase to 7.8 million tons by 1981 and ten million tons by 1985.

Presently, Egypt's cement production capacity is 3.85 million tons per year. Expansions underway and new plants (including the Suez Cement Plant financed by A.I.D. in FY 1976) will add an additional three million tons per year by 1981, one million tons below projected demand at that time and approximately three million tons below the projected demand for 1984. New facilities at Maadi would help to close the gap between cement production and demand.

The proposed loan will finance the construction of a one-million ton per year cement plant (to be located east of Maadi) and auxiliary facilities, the development of limestone and clay quarries to provide the bulk of raw materials, and construction of water and power lines. A study expected to confirm the technical and economic feasibility of constructing this plant will be underway in early 1977.

Major Outputs:

	<u>FY 78</u>	<u>All Years</u>
Construction of plant completed, equipment installed and plant in operation		x
New cement company formed		x

Host Country and Other Donors:

Using a financing pattern similar to that employed for the Suez Cement Company, we would expect the local currency costs of this project (estimated at approximately \$60 million) to be met partially by the Egyptian Government and partially through private stock subscriptions.

FY 1978 Program: The proposed loan of \$95 million would finance the imported materials, equipment and expertise needed to construct and put into operation a one-million ton capacity cement plant, including the auxiliary facilities needed for raw material mining and handling.

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

	<u>FY 78</u>
Engineering and construction design and supervision	10,000
Materials and equipment	<u>85,000</u>
Total	95,000

Country: EGYPT

NEW ACTIVITY

Table V

TITLE Flat Glass Plant	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0053		FY 78 15,000		
GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1982

Goal: To provide the basis for future investment in, and expansion of, Egypt's industrial infrastructure by developing Egypt's capacity to produce economically needed basic resources.

Purpose: To alleviate the shortage of sheet glass required by the domestic construction and housing industry and to provide for future export demand from other developing countries in the region.

Background: Current Egyptian flat glass production capacity is inadequate to meet domestic requirements and is of a quality that is not acceptable for use in standardized construction techniques. With the rapid increase in Egyptian construction and housing activities, the country will need ever larger quantities of flat glass in the future. Egypt would enjoy a comparative advantage in the production of flat glass, assuming that quality raw materials are found to be available. Construction of a modern flat glass plant will save and earn scarce foreign exchange. There are twenty-four establishments in Egypt manufacturing glass and glass products. Local production of sheet glass at the present time is less than 20,000 tons; consumption is more than 30,000 tons at present, and is projected at 55,000 to 65,000 tons by 1982. Present production of sheet or flat glass suffers from non-regularity of edge thickness, wave phenomenon, and a high percentage of inclusion bubbles. New standards for aluminum frame production will require consistent glass quality. In order for Egypt to reduce the costs of construction and to take advantage of standardized frames, it will need to have the capacity to produce high quality flat glass in the sizes and quantities required. A.I.D. funds will supplement private equity capital to be invested by a major U.S. manufacturing firm together with an Egyptian partner for the establishment of this new enterprise.

Major Outputs:

FY 78 All Years

Construction of a flat glass plant and installation of associated equipment

x

Trained staff and factory in operation.

x

Host Country and Other Donors:

We expect equity capital from a U.S. firm and its Egyptian partner to finance a major portion of the project.

FY 1978 Program: This loan of \$15 million is proposed to finance a part of the foreign exchange needed to acquire from U.S. sources the technology, material and equipment necessary to establish this plant.

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

FY 78

Services and Equipment

15,000

Country: EGYPT

NEW ACTIVITY

Table V

TITLE Telecommunications Equipment	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0054		FY 78	40,000	
GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: To improve the capacity of the Egyptian telecommunications system to both meet the current demand of industrial and government consumers and to provide the basis for future industrial expansion.

Purpose: To rehabilitate and refurbish the telecommunications grid linking Cairo and its surrounding areas to key domestic and international centers. Priority will be given to the task of improving the telephone and telex capacity.

Background: The existing telecommunications network in Egypt is inadequate to meet current demands and this situation is being aggravated by expanding domestic economic activities and increased communications with other nations. Deficiencies exist in orderly planning, and coordination and also modern equipment is needed to expand the telecommunications network.

This project will provide the equipment needed to enable the existing network to utilize digital techniques, electric switching systems and computer control of traffic exchanges, thus significantly expanding and improving its current capacity. Area concentration will be on Cairo and its immediate surroundings to link telephone and telex communications in this area with key international industrial centers.

An A.I.D.-financed feasibility study covering this project will begin in early 1977.

Major Outputs:

	FY 78	FY 79	FY 80	FY 81
	(Cumulative as of end of FY)			
Central office equipment installed (switch gear and relays rehabilitated or installed for telephone, telegraph and telex users)	-	50,000	100,000	150,000
Outside plant equipment installed (trunk cable connecting exchanges)	20	30	35	40
Station equipment installed (equipment for home and commercial users)	-	75,000	175,000	275,000

Host Country and Other Donors:

Government of Egypt Financing in local currency equivalent to an estimated \$6 million

Saudi Arabia, IBRD

France Telecommunications equipment

FY 1978 Program: An A.I.D. loan of \$40 million is proposed to provide the Egyptian Government foreign exchange to procure from U.S. sources technical assistance and equipment needed for the rehabilitation and expansion of the existing telecommunications system.

EGYPT

NEW ACTIVITY

Continuation Sheet

TITLE	NUMBER
Telecommunications Equipment	263-0054

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

	<u>FY 78</u>
Equipment and materials	39,500
General training and administration	<u>500</u>
Total	40,000

Country: EGYPT

NEW ACTIVITY

Table V

TITLE Development Planning Studies	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 2,200		
NUMBER 263-0061		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1980
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Goal: To accelerate economic growth in Egypt.

Purpose: To improve the economic soundness of development projects and increase the number of projects for financing by private and public external sources.

Background: Numerous sources of project financing (including several Arab funds and Banks as well as DAC member countries and other donor bilateral programs) are available to Egypt. However, the Government of Egypt has not been able to make full use of these potential resources because of its limited ability to develop and present projects acceptable to these financing institutions. The analytic and technical abilities required to formulate projects exist, to some degree, within the Government of Egypt. However, there is not a wide appreciation of the utility of comprehensive economic and technical studies to support project plans, nor is there sufficient understanding and discipline to produce completed feasibility studies and project designs. In order to accelerate the development of projects for A.I.D. financing, we have made it possible for the Government of Egypt to draw upon U.S. expertise through a series of Technical and Feasibility Study grants; however, the Government of Egypt requires assistance beyond this to make full use of its own and available donor resources.

The Ministry of Economy and Economic Cooperation (MinEc) is the entity through which all projects pass for external financing. This project will:

1. Establish within the MinEc a capacity for setting substantive standards for project proposals; ensuring that projects proposed for external financing meet these criteria; and designing, contracting for, and evaluating project feasibility and prefeasibility studies.

2. Finance feasibility studies for public sector projects and prefeasibility studies for private sector projects.

3. Provide technical assistance to appropriate ministries in conducting sector and subsector studies and in project development, either through the MinEc or through other institutional arrangements.

Major Outputs:

FY 78 FY 79 FY 80
(Cumulative as of end of FY)

Project review unit established within the Ministry of Economy

x

Staff trained and operational

x

Sector, sub-sector, feasibility, prefeasibility studies and project plans completed.

3

8

Host Country and Other Donors:

Government of Egypt Local currency costs of establishing unit and recruitment of high-level staff.

IBRD Training of staff members from unit and project development personnel in other Ministries.

FY 1978 Program: Initial contract advisory staff to work with the Ministry unit will be provided, plus financing for staff training and for outside expertise to work collaboratively with Ministry staff on specific aspects of feasibility studies and project development work.

EGYPT

NEW ACTIVITY

Continuation Sheet

TITLE

Development Planning Studies

NUMBER

263-0061

A.I.D.-financed Inputs

(\$ Thousands)

	<u>FY 78</u>
Five man advisory contract staff plus short term advisors	600
Training for 25 ministry officials	100
Consultant services	<u>1,500</u>
Total	2,200

Country: EGYPT

NEW ACTIVITY

Table V

TITLE		FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Vocational Education			Security Supporting Assistance	FY 78 3,400	
NUMBER	263-0062	INITIAL OBLIGATION FY 1978		ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981
GRANT	<input checked="" type="checkbox"/>	LOAN	<input type="checkbox"/>		

Goal: To produce the skilled manpower needed by the industrial and service sectors of the Egyptian economy.

Purpose: To upgrade and expand facilities for training technical manpower and improve the quality of vocational education through curriculum development and the introduction of modern training aids.

Background: The Egyptian economy has an extreme shortage of skilled workers that has become particularly acute in the construction trades (e.g., carpentry, masonry, plumbing, electrical work). Over the past three years this has been exacerbated by a flow of trained manpower from Egypt to other Arab states, particularly those that have mounted large-scale construction and development programs. New priority post-1973 programs, such as the reconstruction of the Suez Canal Zone, have added a new demand for skilled manpower.

The shortage of trained manpower is such that development programs are being slowed in their implementation. Some programs (e.g., World Bank agriculture drainage) have come to rely on expatriate labor.

Egypt has some 100 official vocational schools operating throughout the country. Most of these schools, however, are poorly equipped, overcrowded and in need of curricula and teaching methodology changes to align them with current manpower demands in the economy.

The Government of Egypt plans to construct about 60 new vocational schools. The IBRD is negotiating a \$25 million loan to construct and equip some of these facilities. A coordinated interministerial program based on continuing manpower demand analyses is a major need for these new schools and those that already exist. In addition, the schools require curricula based on modern concepts of

technical/vocational education as well as teaching-learning materials, suitable for a wide range of students in all fields, at a cost that the Government of Egypt can afford.

Major Outputs:

	FY 78	FY 79	FY 80	FY 81
	(Cumulative as of end of FY)			

Manpower analysis model completed, evaluated, and in use	x			
Design of curricula for various vocational tracks completed and trials in process on pilot basis		x		
New facilities completed by the Government of Egypt	5	8	10	14
Package of training materials developed and tested		x		
Faculty trained in use of new equipment, curriculum and training aids	-	150	400	600

Host Country and Other Donors:

Government of Egypt	Construction of new facilities, financing for in-country materials and production of training aids.
IBRD	\$25 million for shop equipment and limited technical assistance for its maintenance and administration.

TITLE Vocational Education	NUMBER 263-0062
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FY 1978 Program: A.I.D. will finance technical assistance in manpower analysis, curriculum design, teacher training materials development, and design of teaching aids. A.I.D. will also finance equipment for the training facilities and training programs for faculty.

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

	<u>FY 78</u>	<u>All Years</u>
Manpower analysis (one long-term and six short-term advisors)	150	300
Curriculum design and testing (three long-term advisors)	250	600
Consultant contract for development of training aids (three long-term and eight short-term advisors)	300	350
Faculty training - eight Egyptian officials	50	50
Equipment (including proto-type training aids)	<u>2,650</u>	<u>5,700</u>
Total	3,400	7,000

Country: EGYPT

NEW ACTIVITY

Table V

TITLE Development Information Systems	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0063		FY 78	1,000	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: To improve the welfare of the urban and rural poor.

Purpose: To increase the capacity of the Ministry of Information and Culture to produce effective "development messages" and media programs for mass communication. These media efforts will be concerned with selected social and economic development problems of principal concern to the urban and rural poor.

Background: The Ministry of Information and Culture is engaged in a large-scale program of public broadcasting intended to convey health, nutrition, and family planning information to as wide an audience as possible in rural and urban areas of the country. In urban areas, mass media such as television and radio are utilized for interviews, dramatizations and other programming to bring to the public the views of leading Egyptian scientists, educators and other leaders on development issues and programs. In rural areas, the Ministry utilizes more individualized approaches by selecting local leaders and opinion makers to appear in programs that are then replayed in village areas utilizing mobile units. To determine the effectiveness of these programs, the Ministry has established an evaluation system that solicits and analyzes opinion samples before and after specific programs are offered.

The Ministry has requested U.S. expertise to strengthen both the programming and the evaluation (opinion sampling) part of its efforts.

Major Outputs:

Special media unit for development information established within Ministry, staffed and equipped.

Staff trained in evaluation techniques including opinion sampling.

Staff trained in materials design and production

Experimental pilot projects carried out in coordination with other GOE Ministries

Undergraduate and graduate program in communications established at Cairo and Minya Universities

FY 78 FY 79 FY 80 FY 81
(Cumulative as of end of FY)

x			
2	5	10	30
2	10	30	50
-	1	2	5
			x

Host Country and Other Donors:

Government of Egypt

Local currency costs of implementing project.

FY 1978 Program: In FY 1978 A.I.D. intends to provide long-term technical advisors to the Ministry to assist in establishing soft-ware systems and in producing specific development information programs. Funds also will be provided for short-term consultants, training in the U.S., and equipment needs of the special unit to be established within the Ministry.

TITLE Development Information Systems	NUMBER 263-0063
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A.I.D.-financed Inputs
(\$ Thousands)

	<u>FY 78</u>	<u>All Years</u>
3 long-term plus 10 short-term contract advisors	300	700
Short-term consultant services	250	550
Training for 15 Ministry officials	100	300
Equipment	<u>350</u>	<u>500</u>
Total	1,000	2,050

Country: EGYPT

NEW ACTIVITY

Table V

TITLE Aquaculture Development	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	750	
NUMBER 263-0064		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Goal: To increase the production of protein foods in Egypt.

Purpose: To improve efficiency and management of existing public sector hatchery and fish farming facilities; improve research needed for improved operation of fisheries in the Red Sea, Lake Nasser, and the northern lakes; study the economic and technical feasibility of extending fish production programs from existing facilities to village (small farmer) level operations.

Background: There is a large unmet demand for protein foods in Egypt. Fish has been an important element in the traditional Egyptian diet; however, fish production and capture has not kept pace with population and income increases that have taken place over the past several years. This has resulted in market shortages and a steady rise of fish prices in the urban market. In the rural areas, the unavailability of fish and the scarcity of meat and meat products for consumption results in a protein deficient diet that is almost universal in Egyptian villages. It is anticipated that through better management of capture fisheries, the introduction of improved aquaculture practices in existing hatchery and farm facilities, and possible extension of fish farming to villages, that the welfare of both rural and urban consumers will benefit. An initial study to define the potential for aquaculture and fisheries development in Egypt is now underway.

Major Outputs:

FY 78 FY 79 FY 80 FY 81
(Cumulative as of end of FY)

Development of proposals for more effective operation of public sector fish farms and hatcheries and for improved management of capture fisheries.

x

Physical improvements to fish holding ponds

x

Completion of initial research and experimentation with new fish species

x

Plan of action for effective management of capture fisheries operations

x

Plan of action for extension of production facilities to village ponds

x

Initiation of pilot production of program in village areas.

x

Host Country and Other Donors:

Government of Egypt Approximately 25% of project costs.

FY 1978 Program: Funding will be required in FY 78 for initial costs of a principal contractor, for training of Government of Egypt aquaculture personnel, for laboratory equipment needed for biological research and water testing, and for pond maintenance equipment.

EGYPT

NEW ACTIVITY

Continuation Sheet

TITLE Aquaculture Development	NUMBER 263-0064
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A.I.D.-financed Inputs

(\$ Thousands)

	<u>FY 78</u>	<u>All Years</u>
Three long-term aquaculture advisors and twelve short-term advisors	400	1,500
Training in the U.S. for twenty Egyptian aquaculture research specialists	150	250
Equipment (research and pilot production equipment)	<u>200</u>	<u>2,000</u>
Total	750	3,750

Country: EGYPT

NEW ACTIVITY

Table V

TITLE Urban Low Cost Health Delivery	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0065		FY 78 2,000		
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1981	ESTIMATED COMPLETION DATE OF PROJECT FY 1982

Goal: To improve the quality and to extend the availability of comprehensive urban health delivery services in Egypt.

Purpose: To create a replicable model of a comprehensive urban health delivery system in a section of metropolitan Cairo.

Background: The Government of Egypt already has an extensive system for health delivery in urban areas that has been in existence for many years. The system in Cairo, while particularly large and complex, relies on central facilities with little outreach capacity.

The Egyptian Government believes that it can provide better and more efficient health services by (a) decentralizing most services, (b) strengthening the capacity of the University of Cairo to serve as a central training and treatment facility, (c) utilizing the medical staff of the University of Cairo in both central and satellite units, and (d) introducing a stronger element of preventive care and family planning in satellite units.

Major Outputs: FY 78 FY 79 FY 80 FY 81 FY 82
(Cumulative as of end of FY)

Administrative unit to serve U of Cairo main hospital and satellite units within the project area established and equipped

x

Small satellite hospitals renovated and equipped

x

Major Outputs:

FY 78 FY 79 FY 80 FY 81 FY 82
(Cumulative as of end of FY)

Satellite health clinics remodelled and equipped

x

Communication system between all units in place and functioning

x

Data management system installed in all units

x

Medical personnel provided in-service training in preventive care and family planning

50 100 250 450 600

Staff trained in data collection, storage, retrieval and interpretation

10 30 50 75 100

Personnel and administrative policies developed for constant flow of staff between central and satellite units

x

Host Country and Other Donors:

Government of Egypt An estimated \$815 million for training and construction and renovation of satellite hospitals and clinical health facilities.

TITLE Urban Low Cost Health Delivery	NUMBER 263-0065
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FY 1978 Program: While the health facilities are being constructed by the Egyptian Government, the project will concentrate on the staff training and on the renovation and equipping of secondary and tertiary facilities.

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

	<u>FY 78</u>	<u>All Years</u>
Advisory Services in facility design, development of administrative system, design of training programs and definition of equipment needs of renovated satellite facilities, Short-term consulting services in communications, transport, media services, and family planning. (12 long-term and 12 short-term advisors)	1,020	3,160
Third-Country observation training	50	200
Training in the U.S. for 10 Egyptian hospital officials	50	200
Facility renovation and medical equipment (including transport, family planning, media and communications) and training equipment	<u>880</u>	<u>3,440</u>
Total	2,000	7,000

Country: EGYPT

NEW ACTIVITY

Table V

TITLE Low Cost Housing Development	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0066		FY 78	700	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Goal: To improve housing conditions of the urban poor in Egypt.

Purpose: To develop comprehensive policies and plans for assisting the urban poor to upgrade their existing housing facilities and to obtain new, low cost facilities.

Background: Current and proposed levels of housing construction in Egypt fall far short of the nation's housing needs. A recent housing survey financed by A.I.D. concluded that unless Egyptian housing policies are changed, the national housing deficit in 1985 will be greater than in 1975, despite a massive housing construction effort under way by the Government. Moreover, the lack of housing affects low income families disproportionately. While Government-subsidized public programs reach various categories of middle income households, over 60% of urban families receive no government housing assistance.

Poor families are reduced to squatting in tombs, mosques and makeshift shacks in any vacant spot they can find-- even if it is available only on a temporary basis. Through the provision of U.S. housing expertise, this project will make a start on the policy aspects of this massive problem by assisting the Government of Egypt to develop a housing improvement program for the lowest income people. It is anticipated that this program will deal with two major aspects of the housing problem: (1) the upgrading of existing settlements within the city; and (2) the provision of sites and services plots for the expansion of low-income settlements.

Major Outputs:

	FY 78	FY 79	FY 80
	(Cumulative as of end of FY)		
Revised housing policy conceived for adoption by Ministry of Housing and Reconstruction and approval of Government			x
Program for upgrading existing low-income settlements agreed upon and budgetary allocation plan agreed to within the Egyptian Government			x
Program for sites and services agreed upon and budgetary allocation plan agreed to within the Government of Egypt.			x

Host Country and Other Donors:

Government of Egypt	Participation in planning, financing of new housing program developed
IBRD	Foreign exchange costs as well as some possible local cost financing of future sites and services programs.

FY 1978 Program: Experienced contract consultants will be provided to assist the Egyptian Government in policy and program formulation. Funds also will be provided to enable Egyptian officials to view housing programs in the United States and other countries and to participate in other forms of training.

EGYPT

NEW ACTIVITY

Continuation Sheet

TITLE Low Cost Housing Development	NUMBER 263-0066
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A.I.D.-financed Inputs

(\$ Thousands)

	<u>FY 78</u>	<u>All Years</u>
Consultant contract services for seven long-term and eight short-term advisors	650	1,300
Training for ten Egyptian officials	<u>50</u>	<u>100</u>
Total	700	1,400

Country: EGYPT

NEW ACTIVITY

Table V

TITLE Commodity Import Program VI	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	250,000	
NUMBER		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1982
GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>				

Goal: To support the Egyptian economy during the post-1973 adjustment period.

Purpose: To make it possible for the Egyptian Government to procure, under long-term financing arrangements and from U.S. sources, materials and equipment it requires to revitalize its industrial and agricultural sectors.

Background: Egypt continues to face extremely difficult balance of payments problems and has requested that a share of our total assistance in FY 1978 continue to be provided in the form of commodity financing. Without this kind of assistance, Egypt, under its current financial circumstances, would be unable to continue to import the goods it badly needs in its program of reconstruction and economic revitalization.

Over the past three years, IBRD and A.I.D. loans as well as long-term commodity loans from other donors have helped substantially to meet Egypt's continuing foreign exchange needs. Additional commodity financing loans are expected in FY 1978 from the IBRD and also from other countries such as Iran, Japan and the European nations. The foreign trade deficit for 1978 is expected to be at least \$2 billion and possibly considerably higher. Egypt will continue, therefore, to need substantial concessional financing from the United States as well as from other sources.

Major Outputs:

The major output is an economy that is able to continue to import goods and equipment necessary to keep productive processes in operation and able to undertake reconstruction and development programs leading toward greater economic viability in the future.

Host Country and Other Donors:

We anticipate that sizeable amounts of non-project assistance will be provided to the Government of Egypt during FY 1978 from other sources such as the IBRD and the Governments of Saudi Arabia, Kuwait, United Arab Emirates, Iran, Japan, and the European Economic Community.

FY 1978 Program: \$250 million is requested to procure, from U.S. sources, a wide range of commodities needed by the agricultural and industrial sectors of Egypt, which continue to suffer the effects of the pervasive underinvestment and foreign exchange shortages that have existed over the past several years.

A.I.D.-financed Inputs
(\$ Millions)

	<u>FY 78</u>
Commodities for use in agricultural and industrial sectors	250

Egypt

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS					TOTAL 1946- 1976†	REPAY- MENTS AND INTEREST 1946- 1976†	TOTAL LESS REPAY- MENTS AND INTEREST
	1973	1974	1975	1976	TQ			
I. ECONOMIC ASSISTANCE - TOTAL	0.8	21.3	370.1	465.5	551.4			
Loans	-	9.5	298.8	351.7	443.6			
Grants	0.8	11.8	71.3	113.8	107.8			
a. A.I.D. and Predecessor Agencies	-	8.5	252.8	258.2	536.8			
Loans	-	-	194.3	150.0	429.0			
Grants	-	8.5	58.5	108.2	107.8			
<i>(Security Supporting Assistance)</i>	(-)	(8.5)	(252.8)	(258.2)	(536.8)			
b. Food for Peace (PL 480)	0.8	12.8	117.3	207.3	14.6		Not available	
Loans	-	9.5	104.5	201.7	14.6		at time of printing	
Grants	0.8	3.3	12.8	5.6	-			
Title I - Total Sales Agreements	-	9.5	104.5	201.7	14.6			
Repayable in U.S. Dollars - Loans	-	9.5	104.5	201.7	14.6			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	0.8	3.3	12.8	5.6	-			
Emerg. Relief, Econ. Develop. & World Food Program	-	0.3	1.6	1.8	-			
Voluntary Relief Agencies	0.8	3.0	11.2	3.7	-			
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	10.7	9.0	38.1	7.8	-			
a. Export-Import Bank Loans	-	9.0	16.5	-	-			
b. All Other Loans	10.7	-	21.6	7.8	NA			

NO MILITARY PROGRAMS

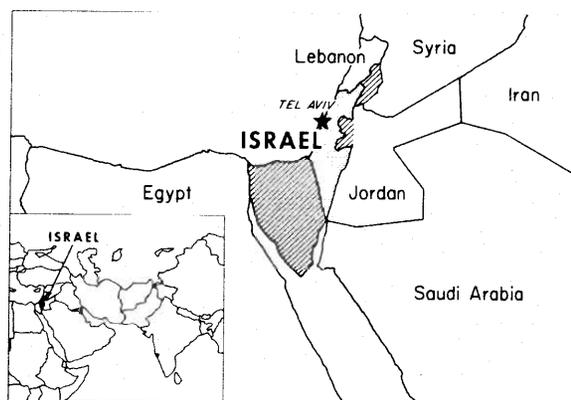
(Millions of Dollars)

TABLE VI

ECONOMIC PROGRAMS OF OTHER DONORS				
A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				
TOTAL	FY 1975	FY 1976	TQ	FY 1946-76†
	244.4	179.0	52.0	749.7
IBRD	162.0	105.0	52.0	375.5
IFC	-	5.7	-	5.7
IDA	65.0	65.0	-	280.5
AFDB	5.0	NA	NA	5.0
UNDP	8.8	3.3	-	69.2
Other UN	3.6	-	-	13.8
B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS				
Donor	CY 1974	CY 1975	CY 1969-75	
1. D.A.C. COUNTRIES (Excluding U.S.)				
TOTAL	93.9	174.5	491.9	
Germany	62.3	73.4	224.2	
Italy	11.1	6.0	103.2	
Japan	9.1	50.2	61.0	
France	4.0	23.0	54.8	
U.K.	5.1	6.3	16.9	
Denmark	1.0	4.8	16.0	
Other	1.3	10.8	15.8	
2. O.P.E.C. COUNTRIES (COMMITMENTS)				
TOTAL	675.5	985.5		
Iran	-	200.0		
Iraq	-	153.0		
Kuwait	164.5	133.1		
Qatar	5.0	110.1		
Saudi Arabia	471.5	353.3		
Other	34.5	36.0		
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
TOTAL	CY 1975	CY 1976 ^P	CY 1954-76	
	25	-	2,230	
USSR	-	-	1,300	
Eastern Europe	25	-	796	
China	-	-	134	

* Less than \$50,000. TQ - Transition Quarter † As of September 30, 1976. P - Preliminary. NA - Not Available.
 a/ Includes the transition quarter.

Israel - GENERAL ECONOMIC AND SOCIAL DATA



BASIC DATA

Population (millions - mid-1976)	3.5
Annual Growth Rate (percent)	2.5 -
Area (1,000 square miles)	8
Population Density per square mile	438
Agricultural Land as % of Total Area	60
Percent of Labor Force in Agriculture	6
Life Expectancy (years)	72
People per Doctor	360
Literacy Rate (percent)	88
Students as Percent of 5-19 Age Group..... (Primary & Secondary)	68
GNP per Capita (dollars - 1974)	3,460*
Annual Average Growth Rate (percent - 1965-74)	5.8+

* - Estimate in IBRD 1976 Annual Report.
+ - Estimate in IBRD 1976 World Atlas.

AGRICULTURE AND INDUSTRY	1972	1973	1974	1975	1976 Est.
Agricultural Production Index (1961-65=100)	170	179	189	178	183
Index per Capita	127	130	133	122	123
Citrus fruits (1,000 M.T.)	1,511	1,647	1,650	1,511	1,565
Industrial Production Index (1970=100)	124	131	136	139	144(8 mos)
INTERNATIONAL TRADE (\$ millions)					
Total Exports (f.o.b.)	1,149	1,449	1,906	1,941	2,400
Polished diamonds	427	617	641	641	800
Total Imports (c.i.f.) ^a	-2,477	-4,240	-5,453	-5,997	-5,800
Trade Balance	-1,328	-2,791	-3,547	-4,056	-3,400
INTERNATIONAL RESERVES (\$ millions) ^b					
Official Reserves	1,222	1,815	1,201	1,182	1,323(Oct)
Commercial Bank Holdings	1,281	1,695	1,816	1,875	1,549(May)
CONSUMER PRICE INDEX (1970=100)	126	152	212	295	385

- Million Dollar Equivalents -

CENTRAL GOVERNMENT FINANCES ^c (FY Beginning April 1)	1972	1973	1974	1975
Total Expenditures	2,512	4,438	5,987	9,475
(Defense Expenditures)	(949)	(2,401)	(2,591)	(4,052)
(As % of Total Expenditures)	(38%)	(54%)	(43%)	(43%)
(Capital Outlays)	514	531	847	1,248
Total Domestic Revenues	1,946	2,676	4,097	5,663
Deficit (-) or Surplus (+)	-566	-1,762	-1,890	-3,812
FY 1975 U.S. ECONOMIC ASSISTANCE				
a. As % of Country Central Government Expenditures				4%
b. As % of Country Imports of Goods and Services				4%
SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT AS % OF GOODS AND NON-FACTOR SERVICES (1974)				
				18.7%

a - Includes military imports. b - Gross basis, end of period. c - Current price data converted at 6.39 Israeli pounds per U.S. dollar.

ISRAEL

Objectives of U.S. Assistance

The United States continues to strive to promote negotiations for a just and durable peace throughout the Middle East, a peace that will enable the confrontation countries to turn their energies and resources towards development and away from counterproductive, military preoccupations.

The interim agreement between Israel and Egypt of September 4, 1975, was an important step in this process.

Israel's political and economic stability is a key factor in achieving peace in the area, and, in light of the heavy financial burdens besetting the Israeli economy, U.S. economic assistance is especially important to that stability.

Israel's confidence in U.S. support for its security is a prerequisite for Israel's willingness to negotiate a settlement of hostilities; that confidence provided the basis for the agreements with Egypt and Syria.

Political and Economic Setting

The magnitude of the military burden borne by Israel was such that it may not have survived without massive external assistance. Our assistance helps to enable Israel to maintain its democratic system of government despite severe defense and economic stress.

Israel is a small nation of 3½ million people. The country lacks substantial natural resources, but has a major asset in its highly skilled, technologically advanced work force. The World Bank estimates Israel's GNP per capita at \$3,460 in 1974 dollars.

Historically, Israel has not been able to meet its heavy defense burden and civilian requirements from its own resources and has had to depend heavily upon donations and loans from abroad. The Government has had

to resort to extensive private, as well as governmental, borrowings.

Moreover, the increased military threat level and the shift in terms of trade that followed the 1973 war necessitated increased, large-scale U.S. assistance to meet critical military and civilian external resource needs.

Even with high U.S. assistance levels, the well-being of the Israeli economy remains dependent on several factors over which Israel has limited or no control:

- the general political climate in the Middle East,
- the pace of U.S. and European economic recovery,
- the continuation of substantial capital inflows from abroad,
- the price of energy imports.

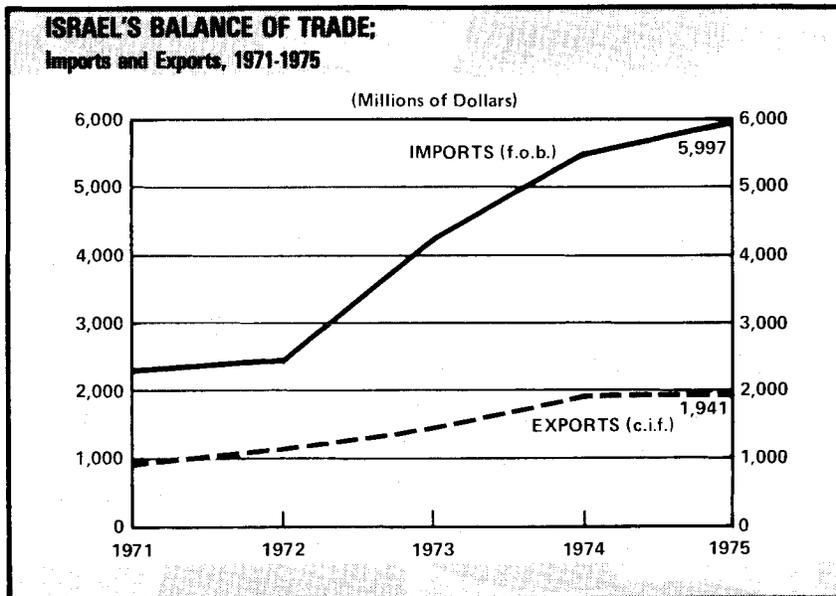
SECURITY SUPPORTING ASSISTANCE PROGRAM SUMMARY (In millions of dollars)				
	FY 1976 Actual	TQ Actual	FY 1977 Estimated	FY 1978 Proposed
Commodity Import Program	550	60	535	400
Cash Program Grant	150	15	200	100
Total	700	75	735	500

ISRAEL

Balance-of-payments considerations are a dominant influence in all aspects of Israel's economic policy.

In order to correct serious trade imbalances, the Government of Israel, starting in November 1974, has instituted numerous austerity reforms, including a progressive devaluation of the Israeli pound, designed to:

- curtail civilian imports;
- improve balance of trade;



- stem inflation;
- limit investment funds for non-critical, non-export oriented sectors;

- introduce new and strengthen existing production and marketing incentives to export industries;
- curtail less important government expenditures;
- dampen private consumption by introducing an 8% value added tax (VAT).

Although the prospects for improved economic performance have brightened in recent months, the struggle that Israel has waged during the past few years has taken a heavy toll in terms of dampened economic growth, increased foreign debt, and low foreign exchange reserves.

- Growth in GNP slowed to 1% in 1975, down from the 7.3% average annual growth achieved between 1965 and 1975.
- Foreign debt will increase to an estimated \$9 billion by March 1977, or \$2,550 for each Israeli citizen.
- Foreign exchange reserves have remained at roughly \$1 billion for the past two years, equal to only one and a half months of imports at the present level.

The United States Government has sponsored a broad program of assistance in response to Israel's demonstrable economic requirements.

Supporting Assistance provides foreign exchange to enable the Government of Israel to purchase needed goods from the United States. The commodities imported include a wide variety of industrial goods, capital equipment, raw materials, and agricultural products.

ISRAEL

The imported U.S. goods are sold in Israel and the local currency proceeds from the grant portion of the program are applied to general support of Israel's national budget.

Supporting Assistance funds also are used to provide a cash program grant, which amounted to \$150 million in FY 1976, \$200 million in FY 1977 and \$15 million in the Transitional Quarter, to help Israel absorb the indirect foreign exchange requirements resulting from the Sinai withdrawal.

In addition to the Supporting Assistance programs, we have provided PL 480 Title I, housing investment guaranty, and immigration assistance.

ADDITIONAL PROGRAM DATA			
Category	FY 1976 (Actual)	FY 1977 (Estimated)	FY 1978 (Proposed)
A.I.D. Personnel ^a			
Direct Hire ^b	-	-	-
PASA ^c	2	3	3
Contract	-	-	-
Total	2	3	3
Participants ^d			
Noncontract	-	-	-
Contract	-	-	-
Total	-	-	-

^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.

PL 480 Program

P.L. 480 PROGRAMS SUMMARY						
<i>(In 000MT/\$000)</i>						
Program	FY 1976* (Actual)		FY 1977 (Estimated)		FY 1978 (Projected)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat	96.7	15,517	70	8,300	70	8,300
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total		15,517		8,300		8,300
<i>Title II</i>						
Voluntary Agencies ..		-		-		-
World Food Programs ..		-		-		-
Gov't.-to-Gov't.		-		-		-
Title II Total		-		-		-
Total P.L. 480		15,517		8,300		8,300

**Includes Transition Quarter.*

PL 480 Title I food sales are an important element of the total U.S. economic assistance Program and help fill the large foreign-exchange gap. The Title I program will help meet part of Israel's food needs and strengthen commercial ties that involve nearly \$300 million a year in agricultural exports from the United States to Israel.

Self-help has been a keynote in the Government of Israel's economic policies, especially since the disruptive economic aftereffects of the 1973 war. Among the more noteworthy measures to boost food production and improve distribution are:

ISRAEL

- continuation of adaptive research in plant breeding, especially wheat and maize;
- completion in 1975 of some 110,000 tons of additional flour and feed grain storage capacity in strategic areas of the country;
- continuation of an expanded water resources development program, including the introduction of new types of irrigation that allow greater productivity per unit of water utilization.

Aside from valuing the resource transfer effected by the PL 480 program, Israel places great importance on continuing its PL 480 recipient status, especially in view of our other PL 480 programs in the Middle East.

FY 1978 Program

In FY 1978, A.I.D. requests \$500 million in Supporting Assistance funds to continue to help Israel meet its very substantial financial burdens. Of this amount, \$400 million will be used to finance commodity imports (\$235 million on a grant basis and \$165 million on a concessionary loan basis), and the remaining \$100 million will be provided as a cash grant in consideration of the continuing readjustment costs resulting from the Sinai withdrawal.

In addition to Security Supporting Assistance, 70,000 metric tons of wheat, estimated at \$8.3 million, is programmed for Israel in FY 1978 under the PL 480 Title I program and \$25 million is contemplated for the Housing Investment Guaranty program.

RESOURCE FLOWS			
(in millions of dollars)			
Program	FY 1976* (Actual)	FY 1977 (Estimated)	FY 1978 (Estimated)
A.I.D.**			
Loans		435	160
Grants	490	526	337
Total A.I.D.	490	961	497
P.L. 480***			
Title I	15.5	8.3	8.3
Title II	-	-	-
Total P.L. 480	15.5	8.3	8.3
Total A.I.D. and P.L. 480	505.5	969.3	505.3
*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 millions of dollars)

COUNTRY: ISRAEL

TABLE II

Project Title	Project Number	FY of Initial Obligation	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 of Agreement	Amount Disbursed	Principal Repayments	Interest Collected	Agreement	Expenditures	Agreement	Expenditures	
<u>Program Assistance*</u>																		
<u>Grant</u>																		
Commodity Import Program	271-0605	76	325	325	-	-	-	-	-	-	-	-	-	-	-	-	-	
Commodity Import Program	271-0608	TQ	35	-	-	35	-	-	-	-	-	-	-	-	-	-	-	
Commodity Import Program	271-0610	77	-	-	290	290	-	-	-	-	-	-	-	-	-	-	-	
Commodity Import Program	N/A	78	-	-	-	-	235	235	-	-	-	-	-	-	-	-	-	
Cash grant	271-0606	76	150	150	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash grant	271-0607	TQ	15	15	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash grant	271-0609	77	-	-	200	200	-	-	-	-	-	-	-	-	-	-	-	
Cash grant	N/A	78	-	-	-	-	100	100	-	-	-	-	-	-	-	-	-	
<u>Loan</u>																		
Commodity Import Program	271-0141	76	-	-	-	-	-	-	-	225	-	-	-	-	225	-	-	
Commodity Import Program	271-0142	TQ	-	-	-	-	-	-	-	25	-	-	-	-	25	-	-	
Commodity Import Program	271-0143	77	-	-	-	-	-	-	-	-	-	-	-	245	185	-	60	
Commodity Import Program	N/A	78	-	-	-	-	-	-	-	-	-	-	-	-	-	165	100	
<u>Project Assistance</u>																		
<u>Grant</u>																		
Joint Desalination	271-12-290-001	75	20	.006	-	1.14	-	1.56	-	-	-	-	-	-	-	-	-	
Total			545	490	490	526.14	335	336.56	-	250	-	-	-	245	435	165	160	

*Continuing activity although new project number assigned each year to facilitate accounting of funds

*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 millions of dollars)

COUNTRY: ISRAEL

TABLE III

FISCAL YEAR	TITLE	AMOUNT
1977	Commodity Import Program (FY 1977, Security Supporting Assistance Programs and MESRF, p. 49)	245
1978	Commodity Import Program	165

Country: ISRAEL

CONTINUING ACTIVITY

Table IV

TITLE Commodity Import Program	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 400,000 (235,000 grant, 165,000 loan)		
NUMBER ^S N/A	PRIOR REFERENCE FY 1977 Security Supporting Assistance Programs, p. 46/49	INITIAL OBLIGATION*	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE OF PROJECT
GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/>		FY 1972/1976	FY Continuing	FY Continuing

Purpose: To assist in the stabilization of the Israeli economy by providing foreign exchange to Israel to enable the Government to purchase essential commodity imports from the United States.

Progress to Date: Security Supporting Assistance has been instrumental in enabling the Israeli Government to maintain economic stability. This program continues to be an essential and useful stabilization tool.

To maintain economic stability and growth, Israel must import about twice as much as it exports. Over the last three years, Israel's annual trade gap has risen from \$2.8 billion in 1973 to nearly \$4.0 billion in 1975. The gap is projected to be in the range of \$3.5 billion in 1976. Assistance for commodity imports is therefore very important in helping Israel to meet its overall resource requirements.

Prior to FY 1976, all commodity import assistance was provided on a grant basis. However, it was decided in FY 1976 that part of the program would be financed on a loan basis. This was done in recognition of the improved longer-term economic prospects expected to result from Israel's efforts to expand its exports and restrain imports. Furthermore, our use of an expanded commodity eligibility list for the commodity import program (CIP) enables Israel to reduce the volume of new supplier credits it must open at commercial terms and possibly in foreign countries.

The categories of commodities authorized for financing include chemical products, agricultural equipment and products, pharmaceuticals, textiles, structural steel and metal goods, electrical equipment, paper products, soybeans and other goods. In FY 1976 this list was expanded

to include wheat, corn, sorghum and other grains. In FY 1977 the expanded eligibility list will remain in effect.

The total funding for the FY 1977 CIP grant program is to be \$290 million, and the CIP loan is to be \$245 million.

FY 1978 Program: Two hundred and thirty-five million dollars in Security Supporting Assistance is requested to continue the grant element of the commodity import program for an additional 12 months. Similarly, \$165 million is requested to continue the loan element of the commodity import program for an additional 12 months. The loan funds will be provided on A.I.D.'s concessional terms.

A.I.D.-financed Inputs
(\$ Millions)

	<u>FY 1978</u>
CIP Grant	235
CIP Loan	<u>165</u>
Total	400

*Initial obligation for "grant" portion occurred in FY 1972. "Loan" portion initially obligated in FY 1976.

Country: ISRAEL

CONTINUING ACTIVITY

Table IV

TITLE Program Grant	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 100,000		
NUMBER	PRIOR REFERENCE FY 1977 Security Supporting Assistance Programs, p. 47	INITIAL OBLIGATION FY 1976	ESTIMATED FINAL OBLIGATION To be FY determined	ESTIMATED COMPLETION DATE OF PROJECT To be FY determined
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Purpose: To assist the Government of Israel to meet the continuing readjustment costs resulting from the implementation of the Egypt-Israel interim disengagement agreement of September 4, 1975.

Progress to Date: In FY 1976 \$150 million, in the Transitional Quarter \$15 million, and in FY 1977 \$200 million was programmed to provide Israel with rapidly-available foreign exchange needed to offset demand resulting from expenditures associated with the Sinai withdrawal. In recognition of the special nature of this requirement, these funds were provided on a grant basis. On December 28, 1976, Congress was notified of a \$50 million increase to a new total of \$200 million for the Cash Grant element of the Israel Security Supporting Assistance program in FY 1977.

FY 1978 Program: One hundred million dollars is requested in FY 1978 to continue this special program.

A.I.D.-financed Inputs
(\$ Millions)

	<u>FY 1978</u>
Special Expenditure Grant	100

Israel

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS					TOTAL 1946- 1976†	REPAY- MENTS AND INTEREST 1946- 1976†	TOTAL LESS REPAY- MENTS AND INTEREST
	1973	1974	1975	1976	TQ			
I. ECONOMIC ASSISTANCE - TOTAL	109.8	51.5	353.1	714.4	78.6			
Loans	59.4	-	8.6	239.4	28.6			
Grants	50.4	51.5	344.5	475.0	50.0			
a. A.I.D. and Predecessor Agencies	50.0	50.0	344.5	700.0	75.0			
Loans	-	-	-	225.0	25.0			
Grants	50.0	50.0	344.5	475.0	50.0			
<i>(Security Supporting Assistance)</i>	(50.0)	(50.0)	(324.5)	(700.0)	(75.0)			
b. Food for Peace (PL 480)	59.8	1.5	8.6	14.4	3.6		Not available	
Loans	59.4	-	8.6	14.4	3.6		at time of printing	
Grants	0.4	1.5	-	-	-			
Title I - Total Sales Agreements	59.4	-	8.6	14.4	3.6			
Repayable in U.S. Dollars - Loans	59.4	-	8.6	14.4	3.6			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	0.4	1.5	-	-	-			
Emerg. Relief, Econ. Develop. & World Food Program	-	1.4	-	-	-			
Voluntary Relief Agencies	0.4	0.1	-	-	-			
c. Other Economic Assistance	-	-	-	-	-			
Loans	-	-	-	-	-			
Grants	-	-	-	-	-			
Peace Corps	-	-	-	-	-			
Other	-	-	-	-	-			
II. MILITARY ASSISTANCE - TOTAL	307.5	2,482.7	300.0	1,500.0	200.0			
Credits or Loans	307.5	982.7	200.0	750.0	100.0			
Grants	-	1,500.0	100.0	750.0	100.0			
a. MAP Grants	-	-	-	-	-			
b. Credit Sales under FMS	307.5	982.7	200.0	750.0	100.0			
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-			
d. Transfers from Excess Stocks	-	-	-	-	-			
e. Other Grants ^{a/}	-	1,500.0	100.0	750.0	100.0			
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	417.3	2,534.2	653.1	2,214.4	278.6			
Loans	366.9	982.7	208.6	989.4	128.6			
Grants	50.4	1,551.5	444.5	1,225.0	150.0			
Other U.S. Government Loans and Grants	21.1	47.3	62.4	104.7	12.6			
a. Export-Import Bank Loans	21.1	47.3	62.4	104.7	12.6			
b. All Other Loans	-	-	-	-	NA			

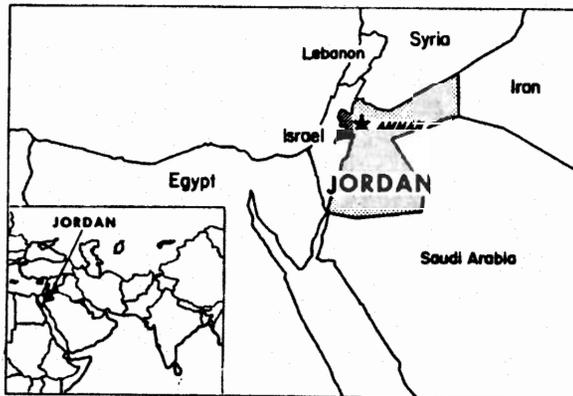
(Millions of Dollars)

TABLE VI

ECONOMIC PROGRAMS OF OTHER DONORS				
A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				
TOTAL	FY 1975	FY 1976	TQ	FY 1946-76†
TOTAL	35.1	7.4	-	311.4
IBRD	35.0	*	-	284.4
IFC	-	7.0	-	10.5
UNDP	0.1	0.4	-	15.3
Other UN	-	-	-	1.2
B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS				
Donor	CY 1974	CY 1975	CY 1969-75	
1. D.A.C. COUNTRIES (Excluding U.S.)				
TOTAL	61.5	64.3	343.0	
Germany	60.0	63.2	336.6	
Switzerland	0.7	0.5	2.6	
Other	0.8	0.6	3.8	
2. O.P.E.C. COUNTRIES (COMMITMENTS)				
TOTAL	-	-	-	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
TOTAL	CY 1975	CY 1976 ^P	CY 1954-76	
TOTAL	-	-	-	

* Less than \$50,000. TQ - Transition Quarter † - As of September 30, 1976. P - Preliminary NA - Not Available.
^{a/} Represents Foreign Military Sales for which payment is waived.

Jordan - GENERAL ECONOMIC AND SOCIAL DATA



BASIC DATA

Population (millions - mid-1975)	2.8
Annual Growth Rate (percent)	3.2
Area (1,000 square miles)	38
Population Density per square mile	73
Agricultural Land as % of Total Area	14
Percent of Labor Force in Agriculture	34
Life Expectancy (years)	55
People per Doctor	3,880
Literacy Rate (percent)	32
Students as Percent of 5-19 Age Group	50
(Primary & Secondary)	
GNP per Capita (dollars - 1974)	430*
Annual Average Growth Rate (percent - 1965-74)	-2.5 ⁺

* - Estimate in IBRD 1976 Annual Report.
 + - Estimate in IBRD 1976 World Atlas.

AGRICULTURE	1972	1973	1974	1975	1976 Est.
Agricultural Production Index (1961-65=100)	134	66	166	72	103
Index per Capita	98	47	114	48	66
Wheat (1,000 M.T.)	256	86	296	50	68
Tomatoes (1,000 M.T.)	189	109	180	190	190
INTERNATIONAL TRADE (\$ millions)					
Total Exports (f.o.b.)	48	58	155	153	190
Phosphates	9	12	61	61	70
Tomatoes	2	3	6	4	3
Total Imports (c.i.f.)	274	331	488	732	830
Trade Balance	-226	-273	-333	-579	640
INTERNATIONAL RESERVES (\$ millions) ^a					
Official Reserves	270	312	350	486	494(Nov.)
Commercial Bank Holdings	10	20	25	38	61(Oct.)
CONSUMER PRICE INDEX (1970-100)	113	125	149	167	190
(Amman)					
			- million Dollar Equivalents -		
CENTRAL GOVERNMENT FINANCES ^b (FY Beginning April 1)	1972	1973	1974	1975	
Total Expenditures	311	367	467	642	
(Defense Expenditures)	(123)	(132)	(139)	(150)	
(As % of Total Expenditures)	(40%)	(36%)	(30%)	(23%)	
(Capital Outlays)	(69)	(109)	(134)	(250)	
Total Domestic Revenues	133	145	207	265	
Deficit (-) or Surplus (+)	-178	-222	260	377	
FY 1975 U.S. ECONOMIC ASSISTANCE					
a. As % of Country Central Government Expenditures					16%
b. As % of Country Imports of Goods & Services					11%
SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT AS % OF GOODS AND NON-FACTOR SERVICES (1974)					4.9%

a - Gross basis, end of period. b-- Current price data converted at \$3.13 per Jordanian dinar.

JORDAN

Objective of U.S. Assistance

The objective of U.S. assistance is to help the Government of Jordan continue its role as a moderating political force in the Middle East.

U.S. assistance supports Jordan's efforts to develop its economy and sustain internal stability, needed for it to continue its moderating role.

Political and Economic Setting

Jordan occupies a strategic area of the Middle East. It has been and continues to be willing to exert a moderating influence on its neighbors in that volatile region, which is of crucial importance to United States efforts to bring a lasting peace to the Middle East. Jordan's ability to maintain its policy is dependent on the maintenance of internal economic and political stability and its credibility in defending itself. Jordan's lack of resources and its need for considerable outside assistance make it vulnerable to a variety of destabilizing internal and external influences.

U.S. assistance is required to help Jordan diversify its economy and maintain a sufficient degree of economic independence. Jordan has a population of almost three million, a 3.2% annual population growth rate, and an annual per capita income of about \$430. Jordan has one of the highest levels of literacy and trained manpower in the area. As a result, demand for Jordanian skilled and professional labor in the Gulf States has led to a manpower shortage in Jordan that is adversely affecting Jordan's ability to carry out its development programs.

The country's natural resources are limited mainly to phosphates, potash, bromine and possibly some copper. Jordan suffers from a shortage of water and erratic rainfall, producing great variances in the levels and quality of agricultural production particularly its principal staple, wheat.

Significant progress has been made in Jordan's development efforts, but much remains to be done. Since the 1973 war

Jordan's national income has increased by 6% a year; exports doubled (from \$72.5 million in 1973 to \$146.6 million in 1975); and domestic investments have increased to 31% of national income.

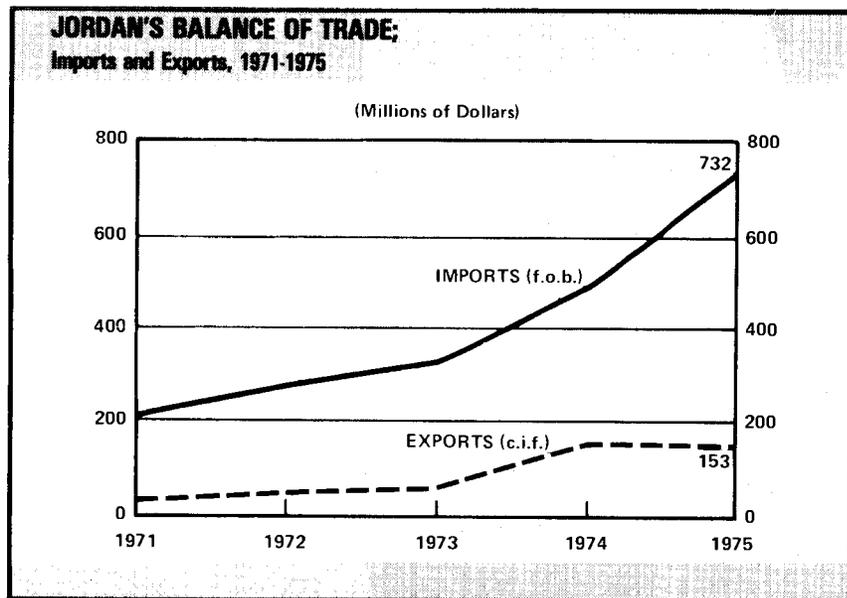
SECURITY SUPPORTING ASSISTANCE PROGRAM SUMMARY (In millions of dollars)				
	FY 1976 Actual	TQ Actual	FY 1977 Estimated	FY 1978 Proposed
Budgetary Support	37.0	66.0	45.0	40.0
Loans for Development	7.0	19.0	20.5	15.0
Technical Assistance	<u>2.35</u>	<u>1.15</u>	<u>4.5</u>	<u>5.0</u>
	46.35	86.15	70.0	60.0

Jordan's new Five-Year Plan (1976-1980) calls for:

- an annual national income growth rate of 12%;
- an increase from 50% to 70% of the part of the annual budget covered by domestic revenues;
- a reduction in the trade deficit from 45% to 24% of projected GNP.

The plan also envisages investments of some \$2.3 billion over the five-year period, mainly in development of water and mineral resources. While these targets seem extremely ambitious, Jordan's overall economic performance in the near term should continue strong.

JORDAN



Current Program Activities

Budgetary support to help Jordan meet essential civilian outlays continues to be our major emphasis. However, the level of budget support will continue to decline relative to past levels while increased attention will be given to priority economic development activities.

In recent years (1973-1977), A.I.D. capital and technical assistance inputs have focused, both directly and indirectly, on the agricultural sector. Five loan-funded irrigation and road capital projects are assisting in the establishment of infrastructure needed to support in-

creased development in the Jordan Valley:

- One of the two irrigation projects, an 18-km extension of the East Ghor Canal started in March 1975, is now 16% completed.
- The second project, a canal diversion structure and pipeline to bring additional areas not serviced by the main canal under cultivation, started in late 1975, is 8% completed.
- The third project, installation of portable on-farm sprinkler equipment to distribute and apply water from a fixed-pipe system to an estimated 3,000 farms in the Jordan Valley, is expected to begin in FY 1977.
- The fourth project is the improvement of the main north-south highway through the Valley; this road will facilitate heavier traffic generated as a result of implementation of the Jordan Valley Development Plan, especially the expansion of the irrigated land area.
- The fifth project is a feasibility study financed under an FY 1976 loan, of a dam on the Yarmouk River which, if built, would provide a regulated flow of irrigation water to the Jordan Valley on a year-round basis. The feasibility study report is expected to be completed in February 1977.

Concurrently, other technical assistance projects in the agriculture sector have been initiated at the national level. They range from technical assistance in agricultural planning and crop research to the training of cadre and farmers in the utilization of improved agriculture techniques.

Other significant activities now being implemented include:

- a feasibility study on the proposed Maqarin Dam;

JORDAN

- a loan for researching the most economic means for recovering and producing various grades of potash;
- two loans providing financing for road construction and improvement;
- one loan for school construction.

Implementation of these projects is actively underway.

FY 1978 Program

The U.S. assistance program proposed for FY 1978 includes:

- Budgetary Support - \$40 million to supplement Jordanian resources needed for essential civilian outlays;
- Capital Loans - \$15 million for new development activities, including:
 - ** \$8 million for Rural Development in the Jordan Valley;
 - ** \$7 million for Aqaba Water and Sewerage.

Loans are repayable in U.S. dollars over 40 years, including a grace period of 10 years, at an annual rate of 2% during the grace period and 3% for the remainder. Source of procurement will be primarily in the United States and Jordan.

- Grant Project Assistance - \$5.0 million to finance technical assistance programs in four priority development areas:
 - ** Food Production and Nutrition - \$1,190,000 for three projects which are to assist Jordan in increasing its agricultural production. Two of the projects will be concentrated

primarily in the Jordan Valley, potentially the most productive agricultural area of the country; the third strengthens the Jordan University Faculty of Agriculture.

- ** Health - \$500,000 for training and advisory assistance to support expansion of health services to rural and other under-served areas.
- ** Education and Human Resources Development - \$1,510,000 to finance two projects for training Jordanian government officials in a number of areas central to implementation of Jordan's development plans. Training in tax administration, health, and education, project design and implementation procedures receives high priority and enhances the Government of Jordan's ability to prepare development projects. Establishment of training centers and the training of vocational teaching professionals will continue to be supported to help meet labor goals of Jordan's Five-Year Plan and partially offset the drain of Jordanian manpower to neighboring Arab States.
- ** Selected Development Programs - \$1,800,000 for two projects which provide technical advisors and assistance in project planning and development, and feasibility studies. This aid is concentrated in areas that offer high potential or quick yields on investments, such as minerals development.

ADDITIONAL PROGRAM DATA			
Category	FY 1976 (Actual)	FY 1977 (Estimated)	FY 1978 (Proposed)
A.I.D. Personnel ^a			
Direct Hire ^b	12	13	20
PASA ^c	2	3	3
Contract	1	2	2
Total	15	18	25
Participants ^d			
Noncontract	35	47	30
Contract	3	21	31
Total	38	68	61

^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	\$
<i>Title I</i>						
Wheat	81.9	11,839	50	5,900	50	5,900
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total		11,839		5,900		5,900
<i>Title II</i>						
Voluntary Agencies ..		549		417		251
World Food Programs ..		1,360		1,517		1,508
Gov't.-to-Gov't.		-		-		-
Title II Total		1,909		1,934		1,759
Total P.L. 480		13,748		7,834		7,659

*Includes Transition Quarter.

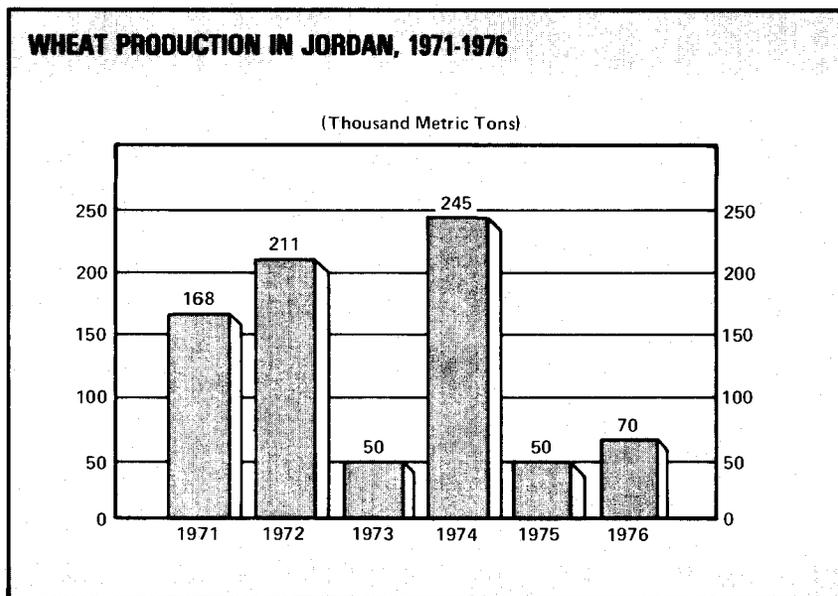
Title I

In FY 1978, we propose to provide to Jordan 50,000 metric tons of wheat, valued at \$5.9 million, to supplement indigenous production of this staple food. We also will continue to utilize this program to support Jordanian agricultural and nutrition goals by using proceeds from the sales of wheat to support a number of agricultural sector activities, such as agricultural credit.

Concurrently Jordan is working to increase agricultural production:

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- Applied agricultural research capabilities are being strengthened.
- Technology for dryland crops to increase incomes and outputs of small farmers living in arid regions are being improved.
- Storage and handling facilities to enhance the marketing system for cereals are being expanded.
- Credit to small farmers is being increased.
- Food marketing through investment in food handling and storage facilities is being improved. This includes the stronger application of grades and standards, and more efficient dissemination of market news to consumers and producers.
- Agricultural extension services are being strengthened.



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Title II

A modest Title II program will continue; \$1,759,000 in commodities is requested in FY 1978 mainly for contribution to the World Food Program, to provide support for 44,500 recipients in food-for-work, and for maternal and child health activities. The experience gained in our bilateral health program will be used to develop guidelines for Private Voluntary Organization efforts.

RESOURCE FLOWS <i>(In thousands of dollars)</i>			
Program	FY 1976* (Actual)	FY 1977 (Estimated)	FY 1978 (Estimated)
A.I.D.**			
Loans	7,339	27,003	44,119
Grants	104,377	47,323	45,660
Total A.I.D.	111,716	74,326	89,779
P.L. 480***			
Title I	11,839	5,900	5,900
Title II	1,909	1,934	1,759
Total P.L. 480	13,748	7,834	7,659
Total A.I.D. and P.L. 480	125,464	82,160	97,438
<i>*Includes Transition Quarter. **A.I.D. levels represent actual and estimated expenditures. ***P.L. 480 levels represent actual and estimated value of shipments.</i>			

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

COUNTRY: JORDAN

TABLE II

Project Title	Project Number	FY of Initial Obligation	Grant						Loan**									
			Through 9/30/76		Estimated FY77		Proposed FY78		Future Year Obligations	Amount of Agreement	Through 9/30/76			Estimated FY 77		Proposed FY 78		
			Obligations	Expenditures	Obligations	Expenditures	Obligations	Expenditures			Amount Disbursed	Principal Repayments	Interest Collected	Agreement	Expenditures	Agreement	Expenditures	
Budgetary Support	*	-	1971	325,500	325,500	45,000	45,000	40,000	40,000	-								
TECHNICAL ASSISTANCE																		
Developmental Administration Training	*	278-0146	1970	3,311	2,076	300	352	510	500									
Faculty of Agriculture Development	*	278-0178	1975	1,150	493	639	592	470	750	-								
Village Development Advisory Services	*	278-0183	1975	335	106	-	119	-	110	-								
Technical Services Feasibility Studies	*	278-0181	1976	1,450	42	1,500	500	1,500	1,450	50								
Jordan Valley Farmers Association	*	278-0186	1977	-	-	541	200	420	650	1,039								
Water Management Technology	*	278-0187	1977	-	-	520	260	300	300	340								
Adult Vocational Training	*	278-0201	1977	-	-	500	250	1,000	1,000	2,100								
Health Services	*	278-0208	1977	-	-	500	50	500	700	1,000								
Minerals	*	278-0202	1977	-	-	-	-	300	200	100								
LOANS FOR DEVELOPMENT																		
East Ghor Canal Extension		278-0175	1973							10,000	4,135	-	30.87		3,500			2,465
Yarmouk-Dead Sea Road		278-0176	1975							2,900	1,952	-	11.26		600			348
Zarqa Triangle Irrigation		278-0177	1975							4,500	1,969	-	-		1,500			1,031
Ma'an-Quweria Highway		278-0192	1975							10,000	875	-	-		3,000			6,125
Village Development I		278-0183	1975							8,650	-	-	-		4,000			4,650
Maqarin Pre-Investment Studies		278-0188	1976							1,000	97	-	-		903			-
Pilot Potash Project		278-0189	1976							6,000	-	-	-		3,500			2,500
School Construction I		278-0190	1976							7,000	-	-	-		1,000			6,000
Roads Improvement		278-0191	1976							4,000	-	-	-		1,000			3,000
Sprinkler Equipment		278-0185	1976							8,000	-	-	-		4,000			4,000
Maqarin Dam Design		278-0200	1977												5,000			3,000
Yarmouk-Dead Sea Road Add-On		278-0196	1977												1,000			-
Aqaba Grain Storage		278-0199	1977												9,000			3,500
Village Development I Add-On		278-0183	1977												5,500			5,000
Village Development II	*	278-0205	1978															-
Aqaba Water and Sewerage	*	278-0206	1978															8,000
																		7,000
																		1,500
																		1,000
Total				331,746	328,217	49,500	47,323	45,000	45,660	4,629	62,050	9,028	-	42.13	20,500	27,003	15,000	44,119

*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: JORDAN

(In thousands of dollars)

TABLE III

FISCAL YEAR	TITLE	AMOUNT
1977	Yarmouk-Dead Sea Road Add-On (FY 1977 Security Supporting Assistance Programs and Middle East Special Requirements Fund, p. 71)	1,000
1977	Maqarin Dam Design (FY 1977 Security Supporting Assistance Programs and Middle East Special Requirements Fund, p. 75)*	5,000
1977	Aqaba Grain Storage* The purpose is to expand grain handling capacity at the Port of Aqaba. The loan will help finance the construction of a 30,000 metric ton facility.	9,000
1977	Village Development I Add-On* The purpose is to provide financing for cost overruns on the original project resulting from inflation, and for the costs of additional facilities to include classrooms, clinics, domestic water supplies and village streets	<u>5,500</u>
		20,500
1978	Aqaba Water and Sewerage	7,000
1978	Village Development II	<u>8,000</u>
		15,000
	*Notification to be transmitted	

CONTINUING ACTIVITY

Table IV

Country: JORDAN

TITLE Budgetary Support		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 78 40,000		
NUMBER N/A		PRIOR REFERENCE FY 1977 Security Supporting Assistance Programs, p. 64	INITIAL OBLIGATION FY 1971	ESTIMATED FINAL OBLIGATION FY Continuing	ESTIMATED COMPLETION DATE OF PROJECT FY Continuing
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>				

Purpose: To enable the Jordan Government to maintain an essential level of domestic outlays, thereby enhancing economic and political stability, through the provision of budget support.

Progress to Date: Prior to the 1967 Arab-Israeli War, Jordan had achieved an annual economic growth rate of about 10% with the help of development assistance from the United States and other donors. Following the war much of Jordan's more productive territory was occupied by Israel, and most of Jordan's traditional sources of foreign exchange, such as tourism, were lost. Loss of revenue and other economic disruptions initially were offset to a large extent by budget support payments from Jordan's Arab neighbors under the so-called "Khartoum Agreement".

However, the growing military strength of the Arab guerrillas led them to challenge the Jordan Government, and in September 1970, King Hussein successfully pressed a campaign against the fedayeen which resulted in a cessation of firing along the Israeli-Jordan border and reestablished King Hussein's control over the East Bank.

This was a favorable development in the Middle East situation from the United States point of view, but was attained at considerable economic cost to Jordan, as it prompted several Arab donors to halt their substantial cash subsidies. In the wake of this fighting, the United States undertook a supporting assistance program to bolster Jordan's economy and enable the Government of Jordan to maintain a certain measure of economic independence. Budgetary support is an essential element of this program.

Since then the United States has provided \$320.5 million in budget support, or an average of \$53.5 million annually. This represents an average of 13% of Jordan's civilian budgetary expenditures since 1972. Jordanian domestic revenues

have been rising, which, combined with needed budgetary stringency, has permitted the gradual reduction of United States budget support during the past several years. United States budget support reached its peak in FY 1975 at a level of \$67.5 million, was \$52.0 million in 1976 (\$15.0 million of which actually was obligated in the Transition Quarter), \$51.0 million in the Transition Quarter, \$45.0 million (estimate) in FY 1977, and will undergo a further reduction this year.

Other Donor Support: As a result of the November 1974 Rabat Summit Conference, Arab oil-producing states pledged up to \$300 million a year to Jordan in economic and military assistance. However, future annual payments may be considerably less than the amount pledged, and the bulk of these funds are expected to go for military equipment purchases. Thus, there continues to be a need for budget support from the United States until Jordan's narrow economic base is expanded and developed to the point where it can yield adequate revenues to cover Jordan's national budgetary requirements.

FY 1978 Program: A total of \$40 million in Security Supporting Assistance funding is requested to continue this program during FY 1978.

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

	<u>FY 78</u>
Budget Support	40,000

Country: JORDAN

CONTINUING ACTIVITY

Table IV

TITLE Faculty of Agriculture Development	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 470		
NUMBER 278-0178	PRIOR REFERENCE FY 1977 Security Supporting Assistance Programs, p.56	INITIAL OBLIGATION FY 1975	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1978
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Purpose: To strengthen the capability of the Faculty of Agriculture of the University of Jordan to plan and execute agriculture production research projects and prepare appropriate extension material for the dissemination of successful research results.

<u>Major Outputs:</u>	<u>9/30/76</u>	<u>FY 77</u>	<u>FY 78</u>
	<i>(Cumulative as of end of FY)</i>		
Research projects established	7	11	14
Extension programs established	-	7	12
Farmers trained	-	-	200
Participants joining faculty	-	10	23
Students enrolled in courses	150	350	550
Additions to curriculum (new courses)	6	18	18

Host Government and Other Donors:

Government of Jordan	Physical facilities and equipment; land; administrative and technical personnel; in-country travel and equipment costs for contractor; and participant salaries.
United Kingdom	One poultry technician and academic training to the Ph.D level for one participant in animal science.

Progress to Date: Contractor personnel began arriving in early FY 1976, and participant training for prospective Faculty of Agriculture staff has begun. Six Ph.D candidates have enrolled in United States universities to date,

and another seven are scheduled to begin training in FY 1977. Ten other Faculty members have received short-term specialized training in the United States and have returned to the University.

The selection and establishment of research programs by the Faculty is proceeding, and agreement is being developed with the Ministry of Agriculture on priorities for research programs. Irrigation research, in support of the Jordan Valley Commission's planning activities in the Valley, was initiated in early FY 1977.

The staff of the Faculty of Agriculture includes 15 Jordanian professionals and three specialists under the Washington State contract. The staff will increase with the return of participants and by continued recruitment. As new staff are appointed they are being assisted in the initiation of their research programs by short-term specialists provided under the Washington State contract. As research results are compiled and evaluated, the Washington State University specialists will provide further assistance in developing appropriate extension materials.

An evaluation of the project is scheduled for FY 1977.

FY 1978 Program: In FY 1978 pilot extension activities will be undertaken in wheat production and irrigation technology, and two United States short-term contract specialists in agriculture economics and marketing will initiate research programs in those subject matter fields. \$470,000 is requested for continuing participant and contract technician costs to support commodities such as laboratory equipment.

Country: JORDAN

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Faculty of Agriculture Development	Security Supporting Assistance	FY 78 470		
NUMBER 278-0178	PRIOR REFERENCE FY 1977 Security Supporting Assistance Programs, p. 56	INITIAL OBLIGATION FY 1975	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1978
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

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

	<u>FY 78</u>
Technicians	240
Third Country Nationals	5
Participants	110
Commodities	<u>115</u>
Total	470

CONTINUING ACTIVITY

Table IV

Country: JORDAN

TITLE	Technical Services and Feasibility Studies	FUNDS	Security Supporting Assistance			
		PROPOSED OBLIGATION (In thousands of dollars)				
		FY 78 1,500				
NUMBER	278-0181	PRIOR REFERENCE	FY 1977 Security Supporting Assistance Programs, p.59	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE OF PROJECT
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>			FY 1976	FY 1978	FY 1980

Purpose: To assist the Government of Jordan in the formulation, implementation, and evaluation of Jordanian development activities of high priority within their 1976-1980 development plan.

FY 1978 Program: Grant funding of \$1,500,000 is requested to finance the foreign exchange and local currency costs of additional technical assistance services of United States and Jordanian consultants and institutions.

<u>Major Outputs:</u>	<u>9/30/76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>A.I.D.-financed Inputs</u>
	(Cumulative as of end of FY)			(\$ Thousands)
Studies and analyses	3	7	10	<u>FY 78</u>
<u>Host Country and Other Donors:</u>				Contract services
Government of Jordan				1,500
				Logistical support and in-kind services - \$300,000 equivalent.

Progress to Date: Most of the investment programs and projects included in Jordan's development plan will require outside financial assistance. The Government of Jordan must be in a position to provide potential donors with adequate technical, economic, and financial information to permit an assessment of those projects and programs for which financing is sought.

Studies undertaken thus far under the initial 1976 grant include: a feasibility study for Aqaba grain storage; a roads master plan for the Ministry of Public Works; and a Natural Resources Authority Five-Year Plan. Consultants have been provided for: telecommunications management; development of proposed mining geology activities including geothermal resources; rural electrification; health services; and services to the National Planning Council.

Studies tentatively identified for the FY 1977 grant include: Amman urban planning; health services; adult vocational training; Aqaba water and sewerage; highway maintenance; Jordan Valley agricultural and social development; and central government fiscal policies.

CONTINUING ACTIVITY

Table IV

Country: JORDAN

TITLE Jordan Valley Farmers Association*	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 420		
NUMBER 278-0186	PRIOR REFERENCE FY 1977 Security Supporting Assistance Programs, p.60.	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Purpose: To help establish a Farmers Association in the Jordan Valley capable of providing farmers with agribusiness and technical assistance services and an effective voice in agriculture production policy decisions.

fining the policy, organizational and functional problems and possibilities inherent in a new institution of this sort. The design for the technical assistance project, to begin in FY 1977, is based upon the consultant's findings.

Major Outputs

FY 77 FY 78
(Cumulative as of end of FY)

Membership	3,800	4,000
Directors elected	10	10
Key staff employed	8	15
Key staff trained	8	15
Farm leadership training seminars held	-	12
Credit extended (\$000)	750	2,250
Agribusiness revenues (\$000)	225	600
Members receiving farm management assistance	2,000	3,500

FY 1978 Program: U.S. technicians and short-term specialists will continue to provide technical assistance to the Farmers Association in three important areas: marketing, financial management, and member relations.

Leadership training for key staff, directors, and area councilmen will be provided in-country. Participant training in the United States on the operations of United States cooperatives will be conducted for selected JVFA leadership. Cooperatives' membership training will continue in Jordan through farmer meetings and personal contacts between farmers and association staff.

Host Country and Other Donors:

Government of Jordan	\$2,000,000 equivalent - for Jordan Valley Farmers Association (JVFA) staff, administrative facilities and program supporting funds.
Netherlands	\$2,200,000 equivalent - for marketing centers to be constructed in 1977.

Farmer management assistance and agribusiness seminars will begin during FY 1978. Commodities essential to support these activities will consist of: (1) prototype equipment, audio-visual and member service supplies; and (2) other items required to facilitate the establishment of modern techniques in: compiling market information for the benefit of association members; bookkeeping and other record maintenance by the association headquarters and operating units; and field service operations provided by the association to the individual members. The increase of \$500,000 in total funding costs reflects the higher technical assistance level request by the Government of Jordan to ensure the implementation of improved member services and acquisition of appropriate business management technology in the establishment of the JVFA.

Progress to Date: The JVFA was organized in 1976. Its Board of Directors and Area Councils have been elected, and the positions of Acting Director-General and Research Coordinator have been established. A.I.D. provided a consultant to the Farmers Association to assist its leadership in de-

*Formerly Farm Cooperative Development

Country: JORDAN

CONTINUING ACTIVITY

Table IV

TITLE Jordan Valley Farmers Association	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 420		
NUMBER 278-0186	PRIOR REFERENCE FY 1977 Security Supporting Assistance Programs, p. 60	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

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

	<u>FY 78</u>
Technicians	343
Participants	63
Commodities	<u>14</u>
Total	420

Country: JORDAN

CONTINUING ACTIVITY

Table IV

TITLE Water Management Technology	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	300	
NUMBER 278-0187	PRIOR REFERENCE Advice of Program	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	Change to be transmitted	FY 1977	FY 1979	OF PROJECT FY 1979

Purpose: To establish efficient practices of irrigating with sprinkler equipment in the Jordan Valley.

supply system and their acquisition of sprinkler equipment. Two additional staff members will be provided specialized participant training, one in research techniques and one in training methods. An A.I.D.-financed consultant and three short-term specialists will assist the Government of Jordan and the Jordan Valley Commission staff in planning and executing research and training activities.

Major Outputs:

	FY 77	FY 78
	(Cumulative as of end of FY)	

Adaptive research plots functioning	4	4
Training units established	5	5
Farmers trained	200	1,700
Farmers using equipment	650	2,400
Area under sprinkler (hectares)	5,000	9,300

The research and training equipment purchased under this project is needed to implement necessary improvements and refinements identified during start-up operations.

Host Country and Other Donors:

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

Government of Jordan \$1,250,000 equivalent for staff, sites for research, and training operations.

	FY 78
Consultants and short-term specialists	172
Research and training equipment	78
Participants	<u>50</u>
Total	300

Progress to Date: The project was designed to provide for technology adaption and farmer training in support of the equipment provided under FY 1976 sprinkler irrigation equipment loan. An initial obligation of \$520,000 is planned in FY 1977. The project is expected to start in late FY 1977 with the establishment of research and training programs. Four staff members for the research and training operations will be selected for specialized participant training in FY 1977.

FY 1978 Program: Research activities are to be conducted in FY 1978 to determine optimum practices for sprinkler equipment and to help formulate a handbook of operator techniques. Special attention will be given to identification of operating problems that require further study by the Faculty of Agriculture of Jordan University. The farmer training program in FY 1978 will provide training for farmers upon completion of construction of the water

CONTINUING ACTIVITY

Table IV

Country: JORDAN

TITLE Adult Vocational Training	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	1,000	
NUMBER 278-0201	PRIOR REFERENCE Advice of Program	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION.	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	Change to be transmitted	FY 1977	FY 1979	OF PROJECT FY 1981

Purpose: To assist Jordan's newly formed Vocational Training Corporation (VTC) in organizing and establishing a coordinated vocational manpower training program capable of effectively meeting Jordan's growing needs for skilled and semi-skilled labor.

technical advisors, will have defined the skills areas and training techniques to be used by the corporation, indicated the facilities required for developing the training programs, and established a permanent system for determining its training requirements.

Major Outputs:

	<u>FY 77</u>	<u>FY 78</u>
	(Cumulative as of end of FY)	

Training centers established or improved	2	5
Persons with skills upgraded	1,000	4,000
Persons trained for new vocations	-	3,000
Teaching cadre trained	14	100

FY 1978 Program: Once preliminary studies have been completed and financing arranged, contracts for construction/modification and equipping of training centers will be negotiated. By the end of FY 1978, the training centers are expected to be at least partially complete. Concurrently, United States technicians will assist the VTC with a limited examination of the educational training sector, guidance on how to carry out training and the techniques for training instructors, and the proper utilization of equipment.

Host Country and Other Donors:

Government of Jordan \$7.8 million equivalent over five years (1976-1980), with assistance from the private sector; salaries of cadre and participants; land acquisition; etc.

A three-week observation tour of short-term training institutions in the U.S. and Costa Rica will be arranged initially for the three high-level members of the Board of Directors of the VTC, and later for two key personnel of the training staff. Costa Rica's National Apprenticeship Institute (INA) is believed to be an excellent functioning example of the kind of institution stressing the type of short-term, on-the-job and non-degree training that the Jordanians hope to emphasize. \$1,000,000 will be required for the FY 1978 program.

UNDP Technical assistance in electrical engineering trades.

UNDP/ILO Advisory services for prevocational training in youth centers; advisory services and training in Department of Industrial Education of Ministry of Education.

Iran \$500,000 equivalent loan (1973) for vocational schools.

A.I.D.-finance Inputs
(\$ Thousands)

	<u>FY 78</u>
Construction of centers/commodities	750
Contract services	200
Participant training, including in-country	<u>50</u>
Total	1,000

Progress to Date: By the third quarter of FY 1977 it is expected that the VTC, with the help of United States contract

CONTINUING ACTIVITY

Table IV

Country: JORDAN

TITLE Health Services	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 500		
NUMBER 278-0208	PRIOR REFERENCE Advice of Program Change to be transmitted	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Purpose: To assist the Government of Jordan improve the delivery of health services, particularly to the urban and rural poor, with particular attention to primary health-care needs.

Major Outputs:

FY 77 FY 78
(Cumulative as of end of FY)

Trained staff

a. Management and planning	6	12
b. MCH auxiliary workers	35	75
c. Other primary care auxiliary workers	40	95
d. Retrained technicians	40	90
e. Data analysts and field epidemiologists	7	14

Health centers and dispensaries renovated

6 10

People being served

80,000 150,000

Host Country and Other Donors:

Government of Jordan Salaries and in-country expenses for staff and construction.

UNICEF Cash grants and equipment for paramedical institutes; health education; school preventive health program; and water supplies.

Progress to Date: During the Transition Quarter, the Government of Jordan requested United States assistance in assessing the effectiveness of the several existing public and private health sector programs, and in identifying alternative approaches and related costs for improving the

current systems. During November 1976-January 1977, United States health experts reviewed the health situation in Jordan and made recommendations on alternative approaches. It is expected that A.I.D. assistance will be requested in drafting a five-year comprehensive plan for improved health services delivery. This plan should be completed by mid-FY 1977, and by the summer of 1977 a multi-disciplinary team of United States health experts should be in place in Jordan to assist in implementing the plan.

FY 1978 Program: The \$500,000 requested for FY 1978 will finance the continuation of this technical advisory assistance. United States training will be provided for selected Jordanian officials and health personnel in Public Health administration; maternal-child health-services delivery; primary health-care delivery; and data collection and analysis. In-country training, to be financed by the Government of Jordan, will focus on strengthening the capabilities of auxiliary medical personnel such as sanitarians, laboratory technicians and other paramedical personnel, and upgrading the abilities of field epidemiologists and central analytical staff. This training should permit implementation of the selected new approaches in several areas of the country by early FY 1978. Equipment will be provided to support training and to establish modern low-cost techniques in the delivery system, particularly in the maternal-child health area, where the introduction of patient record systems, weight-height charts, baby kits, etc. is expected to have a major impact. Some small scale renovation of existing clinics and health centers also may be necessary.

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

Contract services for systems analysis, design of training programs, and collection of basic data

FY 78

300

Country: JORDAN

CONTINUING ACTIVITY

Table IV

TITLE Health Services	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	500	
NUMBER 278-0208	PRIOR REFERENCE Advice of Program Change to be transmitted	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Training in United States

150

Equipment and renovations

50

Total

500

Country: JORDAN

NEW ACTIVITY

Table V

TITLE Minerals Development	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	300	
NUMBER 278-0202		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1980
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Goal: To improve Jordan's balance of payments.

Purpose: To increase exploitation of Jordan's natural resources for commercial export.

Background: Jordan traditionally has been heavily dependent on external sources to help finance its chronic trade deficit and to provide a significant portion of its annual budget. The country's potential for earning foreign exchange through exports is limited. Currently, phosphates are Jordan's leading export and foreign-exchange revenue producer. Phosphates, however, are subject to sharp price fluctuations in the international market and are thus an unreliable source of revenue.

Overall, Jordan's minerals and mining sector is still in its infancy, but a number of minerals have been identified as having commercial potential. Evidence of Jordanian interest in undertaking minerals development is reflected by the fact that almost 50% of expenditures in the 1976-1980 Five-Year Plan are for minerals development or facilities related to the minerals sector. At present, additional studies are needed to confirm Jordan's mineral potential and, if proven, to interest both private investors and foreign donors in exploitation of that potential.

During 1977, a PASA team from the United States Geological Survey (USGS) (funded under Project 278-0181) will assist the Government of Jordan's National Resources Authority (NRA) to: (1) develop a Five-year work plan to include mineral exploration; (2) review Jordan's geothermal resources and potential; and (3) resolve specific NRA technical or operational problems.

Assuming the findings of the NRA/USGS study are favorable, the Government of Jordan will be in a position to move forward in exploiting its commercial mineral resources.

This project will assist in implementing the work plan developed by the Government of Jordan and the USGS PASA team.

Major Outputs:

	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
	(Cumulative as of end of FY)		

Investigations undertaken	2	5	6
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Host Country and Other Donors:

Government of Jordan	Office space; counterparts for United States technicians; participant trainees; country ground transportation; and laboratory facilities. Total estimated contribution: \$160,000 equivalent.
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FY 1978 Program: Experts will undertake the priority investigations identified in the Five-year Plan. \$300,000 will be required to finance these services.

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

	<u>FY 78</u>	<u>All Years</u>
Consultants	300	825

NEW ACTIVITY

Table V

Country: JORDAN				
TITLE Village Development II	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 278-0205		FY 78	8,000	
GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: To improve the productivity and quality of life of rural inhabitants in the Jordan Valley.

Purpose: To provide social infrastructure necessary to attract and provide services for the Valley population, and to initiate a pilot agricultural credit program.

Background: The Jordan Valley is virtually the only area in Jordan capable of providing, with irrigation, high-value fruits and vegetables for domestic consumption and export. The Government of Jordan's and donors' investments in agricultural development, including A.I.D.'s, have accordingly been concentrated in the Valley. A related requirement is the infrastructure and services to improve both the well-being and the productivity of Valley inhabitants.

Under a FY 1975 loan, the United States is assisting in financing in the Valley: (a) the construction and furnishing of health, education and municipal facilities; (b) water distribution systems; (c) selected farm roads and village streets; (d) surveying, grading and leveling of housing plots; and (e) a mortgage lending program for new and improved housing. A construction contract was awarded to a Korean firm in November 1976. These facilities will be provided in 25 planned villages. The Jordan Valley Commission has planned 36 villages for development, with technical assistance funded by the United States. Implementation also has been supported by A.I.D.'s provision of engineering and architectural services and assistance in establishing the lending program for housing.

The proposed project, to be supported by technical assistance partially funded from the FY 1978 Technical Services grant project, will assist in providing: (a) additional service and staff facilities for two or three additional planned villages; (b) extension of needed services such as streets and domestic water supply in the planned villages; and (c) agricultural credit for: (1) working capital for the Jordan

Valley Farmers Association (JVFA) to acquire and market members' produce; (2) seasonal credit to JVFA members to meet short-term production needs; and (3) members' medium and long-term credit requirements.

Major Outputs:

	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
	(Cumulative as of end of FY)		

Construction:

Sites leveled	100	400	900
Schools completed	2	4	6
Municipal buildings	0	1	2
Clinics	0	1	2
Village Streets (M ²)	5,000	10,000	20,000
Water Distribution (linear meters)	10,000	20,000	30,000

Credit:

Capital to acquire and market members' produce (\$)	250,000	500,000	750,000
Short-term credit funded (\$)	200,000	400,000	600,000
Long-term credit funded (\$)	50,000	100,000	150,000

Host Country and Other Donors:

Government of Jordan	Force account construction of streets and installation of water systems; medical equipment and furnishings for school and municipal buildings; supervision of water installation system; and other costs. Estimated contribution - \$1.5 million equivalent.
KFW (West Germany)	A U.S. \$4.11 equivalent mortgage lending program identical to A.I.D.'s; a high-tension electrical transmission system in the Valley and a low-voltage distribution network for 23 settlements.

Country: JORDAN

NEW ACTIVITY

Table V

TITLE Village Development II	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 278-0205		FY 78	8,000	
GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

and domestic water supply projects
for six villages.

Arab Fund

King Talal Dam.

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

	<u>FY 78</u>
Construction materials, equipment and contract services	5,000
Agriculture credit loans	<u>3,000</u>
Total	8,000

Country: JORDAN

NEW ACTIVITY

Table V

TITLE Aqaba Water and Sewerage	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 278-0206		FY 78 7,000		
GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Goal: To improve the health and quality of life for residents of Aqaba.

Purpose: To assist the Government of Jordan in the provision of adequate potable water and sewerage systems for Aqaba.

Background: Recent developments in the Middle East have resulted in increased demand for capital goods and commodities in several Arab countries. As a result, Aqaba, Jordan's only seaport, is currently required to handle three times the tonnage of cargo handled in 1975. During the same period Aqaba's labor force, including Jordanian and other Arab and foreign labor, has doubled. This has severely strained existing city facilities, including utilities and public services. In addition, the demand for housing in Aqaba exceeds the supply.

A master plan for the development of Aqaba was prepared by a joint United States-Lebanese consulting group, financed by the World Bank and the Government of Jordan. A \$33 million water supply project currently is being planned, which will provide storage and transmission to Aqaba and may be jointly financed by the United Kingdom and the Arab Fund. The A.I.D.-financed portion of the total water system will assist the Government of Jordan in providing initial improvements to the potable water distribution system. After completion of the improvements under this project the distribution system will be expanded as required to meet the projected growth of Aqaba. The magnitude and size of the distribution and sewerage systems to be improved and installed under this project will be determined after detailed study and design. A feasibility study will be financed by A.I.D. under the Technical Services grant project.

<u>Major Outputs:</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
Water distribution system installed	-	x	x
Sewerage system installed	-	x	x
Population being served	-	50,000	100,000

Host Country and Other Donors:

Government of Jordan Contribution based on estimated 75/25 split, \$3.70 million equivalent.

FY 1978 Program: The study *inter alia* will provide the basis for the estimates of the dollar and local currency components of the first stage of expansion of the water distribution and sewerage disposal systems. This project will provide necessary equipment and materials, engineering and construction services for expansion and improvement of the distribution and sewerage system, estimated to cost \$10.7 million.

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

	<u>FY 78</u>
Equipment and materials	6,000
Engineering contract services	<u>1,000</u>
Total	7,000

Jordan

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS					TOTAL 1946- 1976†	REPAY- MENTS AND INTEREST 1946- 1976†	TOTAL LESS REPAY- MENTS AND INTEREST
	1973	1974	1975	1976	TQ			
I. ECONOMIC ASSISTANCE - TOTAL	71.1	64.5	99.3	61.5	86.2			
Loans	15.9	15.6	25.0	18.6	19.0			
Grants	55.2	48.9	74.3	42.9	67.2			
a. A.I.D. and Predecessor Agencies	61.0	53.2	87.5	46.4	86.2			
Loans	10.0	7.4	18.6	7.0	19.0			
Grants	51.0	45.8	68.9	39.4	67.2			
(Security Supporting Assistance)	(50.0)	(45.0)	(87.5)	(46.4)	(86.2)			
b. Food for Peace (PL 480)	10.1	11.3	11.6	15.1	-		Not available at time of printing	
Loans	5.9	8.2	6.4	11.6	-			
Grants	4.2	3.1	5.2	3.5	-			
Title I - Total Sales Agreements	5.9	8.2	6.4	11.6	-			
Repayable in U.S. Dollars - Loans	5.9	8.2	6.4	11.6	-			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	4.2	3.1	5.2	3.5 ^{a/}	-			
Emerg. Relief, Econ. Develop. & World Food Program	3.2	2.0	3.4	1.4	-			
Voluntary Relief Agencies	1.0	1.1	1.8	2.1	-			
c. Other Economic Assistance	-	-	0.2	-	-			
Loans	-	-	-	-	-			
Grants	-	-	0.2	-	-			
Peace Corps	-	-	-	-	-			
Other	-	-	0.2	-	-			
II. MILITARY ASSISTANCE - TOTAL	54.8	45.7	104.6	138.3	*			
Credits or Loans	-	-	30.0	82.5	-			
Grants	54.8	45.7	74.6	55.8	*			
a. MAP Grants	36.0	40.5	69.9	55.8	-			
b. Credit Sales under FMS	-	-	30.0	82.5	-			
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-			
d. Transfers from Excess Stocks	18.8	5.2	4.7	-	-			
e. Other Grants	-	-	-	-	-			
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	125.9	110.2	203.9	199.8	86.2			
Loans	15.9	15.6	55.0	101.1	19.0			
Grants	110.0	94.6	148.9	98.7	67.2			
Other U.S. Government Loans and Grants	6.6	7.9	-	-	-			
a. Export-Import Bank Loans	5.9	3.9	-	-	-			
b. All Other Loans	0.7	4.0	-	-	NA			

(Millions of Dollars)

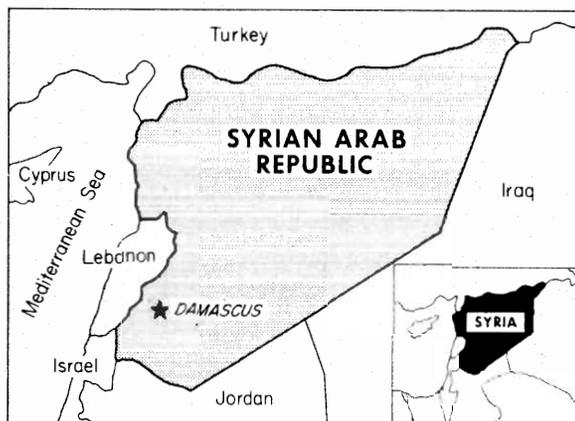
TABLE VI

ECONOMIC PROGRAMS OF OTHER DONORS				
A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				
TOTAL	FY 1975	FY 1976	TQ	FY 1946-76†
	18.5	7.0	10.0	109.8
IFC	3.2	-	-	5.0
IDA	13.5	6.0	10.0	69.8
UNDP	1.8	0.8	-	30.5
Other UN	-	0.2	-	4.5
B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS				
Donor	CY 1974	CY 1975	CY 1969-75	
1. D.A.C. COUNTRIES (Excluding U.S.)				
TOTAL	24.0	37.5	127.4	
Germany	19.5	18.8	74.0	
U.K.	2.5	15.4	44.3	
Denmark	1.6	2.3	5.6	
Other	0.4	1.0	3.5	
2. O.P.E.C. COUNTRIES (COMMITMENTS)				
TOTAL	192.3	267.5		
Kuwait	94.2	36.1		
Qatar	18.5	44.0		
Saudi Arabia	47.7	90.0		
UAE	28.7	83.4		
Other	3.2	14.0		
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
TOTAL	CY 1975	CY 1976 ^P	CY 1964-76	
	-	-	-	

*Less than \$50,000. TQ - Transition Quarter † - As of September 30, 1976. P - Preliminary. UAE - United Arab Emirates. NA - Not Available.

a/ Includes the transition quarter.

Syria - GENERAL ECONOMIC AND SOCIAL DATA



BASIC DATA

Population (millions - mid-1976)	7.6
Annual Growth Rate (percent)	3.3
Area (1,000 square miles)	71
Population Density per square mile	105
Agricultural Land as % of Total Area	67
Percent of Labor Force in Agriculture	51
Life Expectancy (years)	54
People per Doctor	3,490
Literacy Rate (percent)	40
Students as Percent of 5-19 Age Group	57
(Primary & Secondary)	
GNP per Capita (dollars - 1974)	560*
Annual Average Growth Rate (percent - 1965-74)	4.2+

* - Estimate in IBRD 1976 Annual Report.

+ - Estimate in IBRD 1976 World Atlas.

AGRICULTURE	1972	1973	1974	1975	1976 Est.
Agricultural Production Index (1961-65=100)	127	73	124	124	120
Index per Capita	95	53	87	84	79
Food Production Index (1961-65=100)	138	62	138	133	129
Index per Capita	103	45	97	90	85
Wheat (1,000 M.T.)	1,808	993	1,630	1,550	1,600
INTERNATIONAL TRADE (\$ millions)					
Total Exports (f.o.b.)	287	351	784	930	1,190
Crude Petroleum	52	76	432	642	840
Total Imports (c.i.f.)	545	613	1,230	1,685	2,000
Trade Balance	-258	-262	-446	-755	-810
INTERNATIONAL RESERVES (\$ millions) ^a					
Official Reserves	135	412	500	735	459 (Sept.)
Commercial Bank Holdings	22	33	62	88	39 "
CONSUMER PRICE INDEX (1970=100)					
(Damascus)	106	127	146	170	190

- Million Dollar Equivalents -

CENTRAL GOVERNMENT FINANCES ^b (FY Ending Dec. 31)	1972	1973	1974	1975
Total Expenditures	117	897	1,507	2,612
(Defense Expenditures)	(213)	(399)	(455)	(886)
(As % of Total Expenditures)	(30%)	(45%)	(30%)	(34%)
(Capital Outlays)	(261)	(295)	(643)	(1,462)
Total Domestic Revenues	521	719	1,152	1,784
Deficit (-) or Surplus (+)	-196	-178	-355	-828
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)				
				4.9%

a - Gross basis, end of period. b - Current price data converted at 3.723 Syrian pounds per U.S. dollar.

SYRIA

Objectives of U.S. Assistance

Syria appears to be committed to a negotiated peace with Israel. This serves major U.S. policy interests in this critical area of the world. U. S. policy seeks to re-
inforce Syrian initiatives to pursue a peaceful path to a general settlement and to strengthen U.S.-Syrian cooperation and mutual trust which is essential to the continued progress towards peace.

U. S. economic assistance to Syria is a tangible and lasting demonstration of the importance the United States places on Syria's positive role in the Middle East, and:

- provides both real and symbolic evidence of our support of Syria's efforts to resolve its economic and social problems;
- conveys an understanding of the economic stress placed on Syria by the influx of refugees from Lebanon;
- encourages already significantly expanding commercial relations between the United States and Syria.

Syria, for its part, has demonstrated a desire to improve U.S.-Syrian relations by:

- increasing imports from the U.S.;
- announcing its intention to streamline the bureaucracy to facilitate implementation of U.S.-assisted projects;
- taking the initiative to establish wider U.S.-Syrian cultural relations;
- entering into an OPIC agreement and agreeing in principle to the negotiated settlement of outstanding U.S.-Syrian private and governmental claims.

Political and Economic Setting

The United States and Syria reestablished diplomatic relations in 1974. U.S. assistance to Syria resumed in FY 1975 with an \$83 million program funded from the Middle East Special Requirements Fund.

SECURITY SUPPORTING ASSISTANCE PROGRAM SUMMARY (In millions of dollars)				
	FY 1976 Actual	TQ Actual	FY 1977 Estimated	FY 1978 Proposed
Loans	14.5	78.5	78.0	73.0
Technical Assistance	2.0	0.0	2.0	2.0
Total	16.5	78.5	80.0	75.0

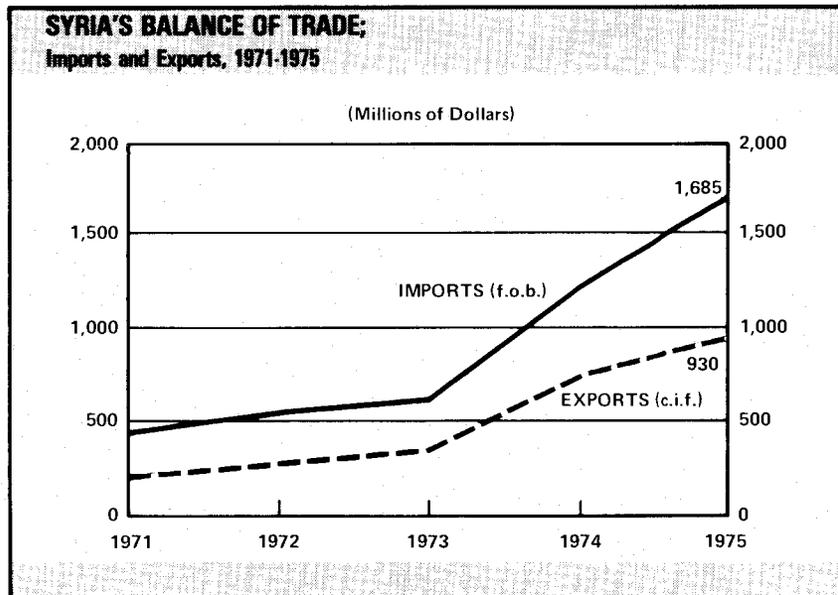
The Syrian economy is essentially a centrally regulated one, although current government policy attempts to define an expanded role for the private sector. While the economy generally has recovered from the effects of the 1973 October War, there has been no significant growth in agriculture and food production levels over the period 1964-1974.

Syria's socio-economic situation is characterized by:

- per capita GNP of \$560 (See Editorial Notes in summary volume for explanation of methodology which accounts for substantial increase in Syrian per capita GNP);
- an agriculture sector which was 15% of national income in 1975; industry and mining (including petroleum), which was 28% and services which was 57%;

SYRIA

- Government current and investment expenditures which are one half of GNP;
- state-owned manufacturing and mining operations as well as banks and public utilities;
- 50% of the labor force engaged in agriculture, and a substantial part of the balance of the labor force indirectly dependent on agriculture for its livelihood;
- a foreign trade sector which has expanded rapidly over the last few years, with both imports and exports more than tripling since the early 1970s. (During this period, Syria ran a large trade deficit ranging from just over \$150 million in 1972 to almost \$600 million in 1975.)



With the Lebanon situation stabilizing, Syria appears likely to resume a high rate of growth. During the 1970-1975 period, real GNP growth averaged more than 10% annually. If, as seems likely, assistance flows from the Arab states are restored and peace is maintained in Lebanon, a real growth rate approaching 10% again could be achieved.

Syria's Fourth Five-Year Development Plan (1976-1980) stresses:

- increased agricultural production through expanded irrigation, land development, and introduction of modern agricultural technology;
- wider diversification of the economy by encouragement of the manufacturing sector through:
 - ** creation of agro-industrial establishments;
 - ** expansion of mining and extractive activities,
 - ** strengthening of the services sector (water, power, transportation and communications).

Current Program Activities

The U.S. aid program has been designed to support selected priority projects in Syria's development program. Since the inception of the A.I.D. program in FY 1975, some 41% of the U.S. assistance has been in the agriculture sector, which has top priority in Syria's development plans. U.S. assistance in this sector has included loans to finance the import of agricultural machinery and equipment, and grant technical assistance in agricultural research and production techniques to strengthen Syria's institutional infrastructure.

Public works projects receiving A.I.D. support include the financing of a new highway from Damascus to Dera'a on the Jordanian border. Among its expected benefits, this highway will stimulate rural development along its path

SYRIA

and facilitate the marketing of farm output domestically and for export.

Another element of the public investment activity is the Damascus municipal water supply system. When completed in 1983, it will supply the entire city with potable water.

During the last year several projects relating to human resources development have been initiated, including improved health delivery systems in rural areas and for the urban poor, and the training of health personnel for public health programs.

Another important element of the new aid relationship has been the exposure of Syrian technicians and policy-level officers to U.S. technology and management expertise.

This has been accomplished through a participant training program, which was one of the first Syrian aid requests. By the end of FY 1976, more than 85 Syrian officials had received specialized training in the U.S. under this program. A.I.D., in addition, is assisting the Syrian Government to establish an English Language Training Center. It provides intensive English language training to prepare technicians and senior-level Syrian officials for their training in the United States. At the same time, the U.S. English instructors are training Syrian counterparts as teachers of English so that Syrian instructors will be prepared to assume responsibility for continuing the program at the end of the five-year project.

In order to facilitate program development, U.S. experts have been provided to assist the Syrians to identify loan and technical assistance projects in many different sectors. Feasibility and technical studies have included road, water, agriculture, vocational training and meteorological projects, among others.

The aid program has been a learning experience for the Syrians on U.S. Government contracting and procurement

policies, which frequently differ substantially from normal Syrian practices. As a consequence, activities tended to proceed somewhat slowly during the initial start-up phase of the program. However, this phase is largely past, and implementation of the aid program is proceeding satisfactorily.

FY 1978 Program

A total of \$75 million is requested in FY 1978 to continue the U.S. economic assistance program to Syria. Of this amount, \$73 million will be used for capital project loans (2% for 10 years, 3% for remaining 30 years) and \$2 million will be provided on a grant basis for technical assistance activities. Loan and grant funds will be applied to the procurement of goods and services primarily from U. S. sources.

Capital Projects (\$73 Million)

- Akkar Plain, \$13.0 million loan to finance the construction of an irrigation system serving 55,000 acres and to introduce applicable modern agricultural systems for the production of citrus fruits and vegetables, and other food commodities for domestic consumption and for export. More than 4,400 farm families will be reached by the proposed project. The project will include construction of primary and secondary canals, service roads and extension services.
- Tartous-Lattakia Highway \$60 million loan. The Syrian Government has requested A.I.D. to consider this project. A technical and economic feasibility study of the project will be initiated in January 1977 and the project will be ready for implementation by early 1978.

SYRIA

Technical Assistance (\$2.0 million)

- Agriculture Research & Production - a \$150,000 grant to continue efforts begun in FY 1977 to strengthen the institutional infrastructure needed for investigative and adaptive research and development at agricultural field stations. The United States will provide technical assistance to strengthen the delivery capacity of the extension service, advanced training of agricultural research personnel, and assistance in establishing linkages with international agricultural research groups.
- Development of Health Services - \$50,000 grant to complete the funding of this project to provide U.S. technical assistance in health planning, medical equipment maintenance and participant services in support of the Ministry of Health's objective of improving its capacity to deliver health services to the rural population and the urban poor.
- Technical Health Institute - \$125,000 to continue expert and commodity assistance to the Institute to train paramedical personnel in support of the Health Services Project.
- Nutrition - \$125,000 grant for the development of a national nutrition and supplementary child feeding program. The long-range objective of this project is to increase caloric consumption among pre-school age children and pregnant and nursing mothers through improved nutritional education and planning.
- General Participant Training - \$850,000 grant to continue financing the cost of short- and long-term training of Syrian officials at both the technical and the policy levels. The training is to be performed in the U.S. at technical, industrial, and other facilities. It will be designed to improve the skills of the trainees in selected development fields to permit them to become acquainted with U. S. technology.
- English Language Training Center - \$350,000 grant to continue financing for the services of U. S. teachers of English as a foreign language, plus books and equipment for the English Language Center provided by the Syrian Government. The objective of the project is: to provide advanced English language training for Syrian officials preparing to go to the U.S. for A.I.D.-sponsored training in a variety of fields and Syrian officials needing English in the performance of their official functions; to prepare Syrians designated to become teachers of English as a foreign language to replace U. S. contract personnel.
- Technical Services and Feasibility Studies, Phase II - \$350,000 grant financing to continue providing:
 - ** U.S. experts and consultants for project development in those priority sectors for which the Syrian Government has requested U. S. assistance such as agriculture, agribusiness, city and regional planning and other development activities.

SYRIA

ADDITIONAL PROGRAM DATA			
Category	FY 1976 (Actual)	FY 1977 (Estimated)	FY 1978 (Proposed)
A.I.D. Personnel ^a		-	-
Direct Hire ^b	10	13	16
PASA ^c	0	0	0
Contract	0	17	23
Total	10	30	39
Participants ^d			
Noncontract	90	110	85
Contract	-	-	-
Total	90	110	85

^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

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

Program	FY 1976* (Actual)		FY 1977 (Estimated)		FY 1978 (Projected)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat	67.5	8,802				
Rice	41.9	13,546	35.0	8,800	35.0	9,300
Feedgrains						
Vegoil	2.4	1,322	2.0	1,400	4.0	2,300
Non-food	1.2	400	1.2	4,800	1.0	4,000
Title I Total		24,070		15,000		15,600
<i>Title II</i>						
Voluntary Agencies ..						
World Food Programs ..		225		2,924		3,575
Gov't.-to-Gov't.						
Title II Total		225		2,924		3,575
Total P.L. 480		24,295		17,924		19,175

*Includes Transition Quarter.

Title I

In addition to Security Supporting Assistance in FY 1978, P.L. 480 Title I food aid is an important element of the overall U.S. assistance program in Syria. Shortfalls continue even during good crop years between domestic production of grains and consumption needs. The need for U.S. agricultural commodities is further accentuated by the increase in population, continuing rural to urban migration, and recent inflows of refugees from Lebanon. Proceeds from the sale of Title I commodities are used for self-help projects -- for example, for construction of grain silos, refrigerated storehouses and research/dissemination of information on high-yielding varieties of wheat and other food crops, livestock, irrigation projects, among others.

SYRIA

Title II

Title II food aid has been directed to Syria through the Food-for-Work programs of the World Food Program (WFP).

WFP projects in Syria date from 1963; however, from 1967 through 1974, during the break in diplomatic relations between the U.S. and Syria, U.S. contributions to the Syria WFP program were discontinued.

Since the resumption of U.S. relations with Syria, U.S. contributions through WFP have been valued at U.S. \$191,000 in FY 1975 and \$225,000 in FY 1976, for a total of \$416,000. A substantial increase in U.S. contributions to WFP is planned in FY 1977 (\$2.9 million and FY 1978 (\$3.6 million).

WFP activities in Syria have centered on increasing agricultural productivity through expansion of the area under irrigation in the Balikh and Euphrates Basin. Approximately 260,000 recipients will receive supplementary rations over a period of five years.

RESOURCE FLOWS			
<i>(In thousands of dollars)</i>			
Program	FY 1976* (Actual)	FY 1977 (Estimated)	FY 1978 (Estimated)
A.I.D.**			
Loans	0	41,600	60,000
Grants	690	6,220	2,965
Total A.I.D.	690	47,820	62,965
P.L. 480***			
Title I	24,070	15,000	15,600
Title II	225	2,924	3,575
Total P.L. 480	24,295	17,924	19,175
Total A.I.D. and P.L. 480	24,985	65,744	82,140

*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: SYRIA

TABLE II

Project Title	Project Number	FY of Initial Obligation	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 of Agreement	Amount Disbursed	Principal Repayments	Interest Collected	Agreement	Expenditures	Agreement	Expenditures
<u>Loans</u>																	
Agricultural Production (Agr. Mach. & Prod. Inputs I)	276-0007	1975	-	-	-	-	-	-	-	30,000	-	-	-	-	30,000	-	-
Damascus Water Supply I	276-0008	1975	-	-	-	-	-	-	-	48,000	-	-	-	-	500	-	10,000
Damascus Water Supply II	276-0010	1976	-	-	-	-	-	-	-	14,500	-	-	-	-	200	-	3,000
Euphrates Basin Irrigation Maintenance Loan	276-0011	1976	-	-	-	-	-	-	-	17,600	-	-	-	-	300	-	8,000
Damascus-Dera'a Highway	276-0012	1976	-	-	-	-	-	-	-	45,900	-	-	-	-	600	-	14,000
TQ-Basic Imports & Production Loan	276-0013	1976	-	-	-	-	-	-	-	15,000	-	-	-	-	10,000	-	5,000
Agricultural Development (Agricultural Machinery and Production InputsII)	276-0014	1977	-	-	-	-	-	-	-	-	-	-	-	55,000	-	-	15,000
Rural Electrification	276-0018	1977	-	-	-	-	-	-	-	-	-	-	-	18,000	-	-	3,000
Euphrates Basin Maintenance Amendment	276-0011	1977	-	-	-	-	-	-	-	-	-	-	-	5,000	-	-	2,000
Akkar Plain	* 276-0016	1978	-	-	-	-	-	-	-	-	-	-	-	-	-	13,000	-
Tartous-Lattakia Highway	* 276-0017	1978	-	-	-	-	-	-	-	-	-	-	-	-	-	60,000	-
<u>Technical Assistance Grants</u>																	
Technical Services & Feasibility Studies (I)	276-0001	1975	4,000	72	-	3,928	-	-	-	-	-	-	-	-	-	-	-
General Participant Training	* 276-0004	1975	2,250	618	1,100	1,417	850	1,465	750	-	-	-	-	-	-	-	-
English Language Training	* 276-0002	1976	350	-	400	450	350	600	212	-	-	-	-	-	-	-	-
Development of Health Services	* 276-0006	1976	400	-	300	375	50	375	-	-	-	-	-	-	-	-	-
Technical Health Institute	* 276-0019	1977	-	-	200	50	125	225	200	-	-	-	-	-	-	-	-
Technical Services & Feasibility Studies, Phase II	* 276-0005	1978	-	-	-	-	350	200	-	-	-	-	-	-	-	-	-
Agricultural Research & Production	* 276-0003	1978	-	-	-	-	150	75	200	-	-	-	-	-	-	-	-
National Nutrition and Supplemental Child Feeding	* 276-0015	1978	-	-	-	-	125	25	200	-	-	-	-	-	-	-	-
Total			7,000	690	2,000	6,220	2,000	2,965	1,562	171,000	-	-	-	78,000	41,600	73,000	60,000

*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.

SUMMARY OF LOAN AUTHORIZATIONS
Estimated FY 1977 - Proposed FY 1978

COUNTRY: SYRIA

(In thousands of dollars)

TABLE III

FISCAL YEAR	TITLE	AMOUNT
1977	Rural Electrification (FY 1977, Security Supporting Assistance Programs, pg. 92.)	18,000
1977	Agricultural Development (Agricultural Machinery and Production Inputs) (FY 1977, Security Supporting Assistance Programs, pg. 91.)	55,000
1977	Euphrates Basin Irrigation Maintenance, Amendment* In FY 1976, A.I.D. made a loan of \$17.6 million to the Syrian Government in support of a Ministry of Euphrates Dam project to procure equipment maintenance machinery (tool shops, tools, machine tools) and some equipment in support of a technical assistance project to train employees of the ministry in equipment operation and maintenance. Following careful review of the proposed project, agreement has been reached between the Ministry and the A.I.D. Field Mission that additional equipment will be required for this project.	5,000
1978	Akkar Plain	13,000
1978	Tartous-Lattakia Highway	60,000
	*Notification to be transmitted	

Country: SYRIA

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
English Language Training	Security Supporting Assistance	350	FY 1980	FY 1982
NUMBER 276-0002	PRIOR REFERENCE FY 1977 Security Supporting Assistance Programs,	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	p. 83.	FY 1976	FY 1980	FY 1982

Purpose: To assist the Syrian Government to establish an English Language Training Center (ELTC) in order: to improve the English proficiency of potential A.I.D.-sponsored participant trainees and selected Syrian Government officials who need English in their work; and to prepare Syrians as teachers of English to replace U.S. contract personnel of the ELTC and to teach in language programs.

Major Outputs: 9/30/76 FY 77 FY 78
(Cumulative as of end of FY)

Syrian counterparts trained to replace ELTC contract personnel			
Completed	-	0	7
In Training	-	7	7
Syrian instructors trained for Ministry Language Centers			
Completed	-	0	14
In Training	-	6	6
Syrians receiving English language training	100		968

Host Country and Other Donors:

Syrian Government: Provides space, financial and administrative support for ELTC, and teachers to replace the American contract personnel.

Progress to Date: This project was initiated in late FY 1976 and the grant was ratified by the Syrian Government in early 1977. Implementation documents have been prepared and approved by the Ministry of State for Planning Affairs.

FY 1978 Program: A.I.D. proposes to provide \$350,000 in FY 1978. A.I.D. support will begin to decrease in FY 1979, at which time it is planned that Syrian counterparts will begin assuming responsibility for the project. The project will be turned over completely to Syrian counterparts by FY 1982.

<u>A.I.D.-financed Inputs</u>		
(\$ Thousands)		<u>FY 78</u>
U. S. contract English instructors and an equipment maintenance specialist		295
Commodities - books, tapes, teaching materials		10
10 participants in U.S. for training as teachers of English as a foreign language (short and long-term training)		<u>45</u>
Total		350

Country: SYRIA

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE OF PROJECT
General Participant Training	Security Supporting Assistance	850	FY Continuing	FY Continuing
NUMBER 276-0004	PRIOR REFERENCE FY 1977 Security Supporting Assistance Programs, p. 82	INITIAL OBLIGATION FY 1975	ESTIMATED FINAL OBLIGATION FY Continuing	ESTIMATED COMPLETION DATE OF PROJECT FY Continuing
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Purpose: To provide specialized training in the United States for key Syrian technicians and government officials. The focus of the project is on practical and technical skills and methods applications rather than on academic disciplines or degree-type training.

Major Outputs:

	<u>9/30/76</u>	<u>FY 77</u>	<u>FY 78</u>
	(Cumulative as of end of FY)		
<u>Food and Nutrition</u>			
Participants Trained	1	16	35
Participants in Training	12	17	12
<u>Health</u>			
Participants Trained	4	8	13
Participants in Training	1	7	7
<u>Education and Human Resources Development</u>			
Participants Trained	1	6	16
Participants in Training	3	8	6
<u>Selected Development Activities</u>			
Participants Trained	34	96	163
Participants in Training	29	39	25

Host Country and Other Donors:

Syrian Government: Participants' salaries while in training, and payment of all internal travel and local costs.

UNDP: Fellowships financed by UNDP and administered by its specialized agencies supportive of the objectives of this project.

Progress to Date: By January 1, 1977, more than 85 participants will have completed training. These officials, from both technical and policy levels in more than 17 ministries and bureaus, will have worked, observed and studied in the United States, in both the private and public sectors. Training has centered primarily on the practical, with emphasis on applied technology to improve industrial and agricultural productivity.

FY 1978 Program: The FY 1978 program will continue to be directed toward long-term and short-term training in priority sectors, particularly agricultural and industrial development, with particular emphasis on enhancing the skills of Syrian middle-level technicians and policy makers who will be influential in the Syrian development process. An English language training program will be provided in Syria under Project 276-0002. Training time in the U.S. will be limited to actual program.

AID-financed Inputs
(Thousands)

FY 78

Syrians trained in the United States in various fields (see outputs).

850

Country: SYRIA

CONTINUING ACTIVITY

Table IV

TITLE Development of Health Services	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 76	50	
NUMBER 276-0006	PRIOR REFERENCE FY 1977 Security Supporting Assistance Programs, p. 84.	INITIAL OBLIGATION FY 1976	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Purpose: To develop the capabilities of the Ministry of Health (MOH) in policy analysis, planning, programming and evaluation within the health sector; medical and hospital equipment maintenance and repair; and health data collection and data analyses.

<u>Major Outputs:</u>	<u>9/30/76</u>	<u>FY 77</u>	<u>FY 78</u>
	<i>(Cumulative as of end of FY)</i>		
Personnel trained in health planning in the U.S.			
Short term	-	4	8
Long term	-	2	4
Central planning unit established in MOH	-	0	1
Personnel trained for weekly health survey	-	0	26
Survey staff upgraded (short-term U.S. training)	-	2	2
Health survey design, data collection/analysis/evaluation completed	-	x	x
MOH maintenance and repair unit established	-	4	4
Maintenance and repair system covering the southern region established	-	-	1

	<u>9/30/76</u>	<u>FY 77</u>	<u>FY 78</u>
Baseline inventory of equipment completed	-	1	1
Central workshop and two mobile vans for repairs functioning	-	-	x
Reduction of deadlined equipment (%)	-	-	15%

Host Country and Other Donors:

Syrian Government - MOH personnel and facilities, budgetary support, transportation, office space, equipment and computer time.

WHO - Fellowships for special training.

Progress to Date: The FY 1977 Congressional Presentation cited a comprehensive health/family planning/nutrition project. After a month's intensive review a team of experts recommended beginning with an initial project to strengthen the Ministry of Health's ability to carry out more specifically targeted health, nutrition, and family planning activities. Separate auxiliary personnel training and nutrition projects are planned for FY 1977 and FY 1978, respectively.

Initial obligation was at the end of FY 1976. Following Syrian Government ratification of the project, contract personnel are scheduled to arrive to start work in April 1977.

SYRIA

CONTINUING ACTIVITY

Continuation Sheet

TITLE Development of Health Services	NUMBER 276-0006
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FY 1978 Program: Funds will be provided for training of health planning personnel.

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

	<u>FY 78</u>
Short and long-term training in health planning for six participants	50

Country: SYRIA

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY 1980
Technical Health Institute	Security Supporting Assistance	125		
NUMBER 276-0019	PRIOR REFERENCE FY 1977 Security Supporting Assistance Programs, p. 84	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY 1980
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Purpose: To assist the Syrian Government's Ministry of Health in upgrading and expanding the training of auxiliary medical personnel.

Major Outputs:

9/30/76 FY 77 FY 78
(Cumulative as of end of FY 78)

Full-time Institute director on board	-	-	1
Management system upgraded	-	1	1
Full-time teaching faculty established and trained	-	10	25
Curricula revised and upgraded	-	2	5
Reference library established	-	-	1
Teaching laboratories established	-	-	2
Audio-visual technicians trained	-	-	1

Progress to Date: This activity was originally a part of the Development of Health/Family Planning/Nutrition Services project presented in the FY 1977 Congressional Presentation, but was held up during its development to permit a WHO review of their activities in this area. AID will be working closely with WHO during project implementation.

The present Technical Health Institute was established with WHO assistance in 1961-1962. It presently has the capacity to train approximately 100 middle-level technicians and auxiliary health personnel a year in such fields as pharmacy, medical technology, anaesthesiology and environmental health. The Syrian Government now wishes to expand and upgrade this Institute to be able to provide most of the paramedical personnel needed in the various health centers, clinics and other medical facilities throughout the country.

A new seven-story building to house this expanded Institute is nearing completion, and WHO has assisted in the drawing up of necessary equipment lists. The Syrian Government is selecting 25 graduates from the Institute for teacher training in the United States. They will become the permanent full-time teaching faculty of the Institute.

Host Country and Other Donors:

Government of Syria - Ministry personnel, facilities and various operational costs.

WHO - Technical instructors in related field.

TITLE Technical Health Institute	NUMBER 276-0019
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In FY 1977, A.I.D. will begin providing technical assistance in: revising and upgrading of the Institute's curricula and management/administration system; establishing a reference library with facilities for reproduction of teaching material; and installation and use of audio-visual and laboratory equipment to meet the annual output targets.

FY 1978 Program: A.I.D. will continue to provide one advisor for a full year and some short-term assistance, as required, to develop curriculum materials and to provide teaching aids.

<u>A. I. D. -financed Inputs</u> (\$ Thousands)	<u>FY 78</u>
U.S. contract education and short-term advisors	70
Short and long-term training in the U.S. for 15 Syrians in various paramedical subjects	45
Commodities	<u>10</u>
Total	125

Country: SYRIA

NEW ACTIVITY

Table V

TITLE Akkar Plain	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 13,000		
NUMBER 270-0016		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1982
GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>				

Goal: To increase Syria's agricultural production of high-value crops (citrus and vegetables) for domestic consumption and export.

Purpose: To expand the irrigation system in the Akkar Plain with corresponding improvements in inputs, adaptive research and supporting infrastructure (farm-to-market roads, etc.).

Background: An A.I.D.-financed prefeasibility study of the agricultural potential of the Akkar Plain, an area of 55,000 acres located on Syria's Mediterranean coast, concluded that its development is technically feasible and economically justified. The principal elements of the project are development and dissemination of new production technologies suitable for the specific conditions of the area, and construction of an irrigation and drainage system utilizing impounded water, well water, and diverting part of the flow of the El Kebir Janoubi River which forms the Syrian-Lebanese border. When completed, the project will benefit the rural poor in the project area through increased employment and income opportunities.

<u>Major Outputs:</u>	<u>FY 78</u>	<u>All Years</u>
Acres of land irrigated		55,000
Wells drilled		150
Kilometer roads improved		30
Counterparts trained in Syria (on-the-job)	2	20

*Including improvements in existing irrigated areas

Host Country and Other Donors: The Syrian Government will provide all local currency costs, counterparts and trainees.

FY 1978 Program: Construction will be initiated for surface water impoundment and distribution, for irrigation wells and distribution canals and for drainage and other civil works. Field trials and demonstrations will also be started for selected crops. The construction and adaptive research programs continue through the four years of the project. Participant training will be provided for the extension service and other manpower development through the General Participant Training Project.

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

	<u>FY 78</u>
Contracts for design and supervision of construction	2,000
Construction contracts	<u>11,000</u>
Total	13,000

Country: SYRIA

NEW ACTIVITY

Table V

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Tartous-Lattakia Highway	Security Supporting Assistance	FY 78	60,000	
NUMBER 276-0017		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1982
GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>				

Goal: To facilitate increased Syrian interregional and international trade.

Purpose: To facilitate the movement of goods to and from Syria's major port cities.

Background: Syria is trying to develop a balanced agricultural and industrial economy with a wide geographical dispersal of production. This factor, together with Syria's location as a crossroads and the vast increase in income of the Arab oil producers, has resulted in a much expanded transit trade through Syria to Iraq, Jordan and the Gulf States. The existing highway between the major port cities of Tartous and Lattakia is inadequate to handle efficiently the greatly increased traffic volume generated by the above factors. Therefore, the Syrian Government has assigned high priority to the construction of a new highway between Tartous and Lattakia (approximately 90 kms.) and has expressed interest in A.I.D.'s financial assistance for its construction. A.I.D. and the Syrian Arab Republic are planning a project feasibility study in FY 1977. Assuming a positive finding, the proposed loan would finance the foreign exchange costs for engineering (including final design and construction supervision) and construction services. The total cost of the project is presently estimated at \$90 million, of which \$60 million is foreign exchange.

<u>Major Outputs:</u>	<u>FY 78</u>	<u>All Years</u>
Final Design	10%	x
Supervision of Construction	-	x
Construction of Highway and bridges (kms)	-	90

Host Country and Other Donors: The Syrian Government - Local government personnel and labor for the project, and local currency costs of construction; the estimated total amount is \$30 million equivalent.

FY 1978 Program: The proposed loan will finance the U.S. dollar cost of the final design, construction supervision and construction of the Tartous-Lattakia highway.

A.I.D.-Financed Inputs
(\$ Thousands)

Engineering design	<u>FY 78</u> 1,500
Construction supervision	2,500
Construction services (90 kms. of highway including related culverts, bridges, and drainage structures).	<u>56,000</u>
Total	<u>60,000</u>

Country: SYRIA

NEW ACTIVITY

Table V

TITLE Technical Services and Feasibility Studies II	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 276-0005		FY 78	350	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Goal: To improve project identification, selection, design and evaluation of development activities in Syria.

Purpose: To provide short-term consultant services for preparation of sector assessments and pre-feasibility and feasibility studies. The project will also fund other project development-related work and short-term advisory services.

Background: This project will provide some of the economic and technical planning and analysis expertise needed to implement the Syrian Government's Fourth Five-Year Plan (1976-80). Activities are implemented through use of PASA arrangements and contracts with U.S. firms, universities and individuals.

The first Technical Services and Feasibility Studies grant of \$4.0 million, signed in 1975, is expected to be fully committed during FY 1977. This initial project financed a number of project development activities and studies, including two major agricultural projects, urban planning, vocational training, health services, and other areas.

Major Outputs

	<u>FY 78</u>	<u>All Years</u>
	(Cumulative as of end of FY)	

Rural Electrification Project Study and short-term technical assistance	1	2
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Major Outputs

	<u>FY 78</u>	<u>All Years</u>
	(Cumulative as of end of FY)	

Akkar Plain Project Study & Short-Term Technical Assistance	1	2
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Poultry Development Project - Technical Assistance Support Activities	-	1
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Euphrates Basin Irrigation Maintenance - Technical Assistance Support	-	1
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Host Country and Other Donors:

Syrian Government	Counterpart personnel, budget, surface transportation
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FY 1978 Program: Efforts will be focussed on developing and conducting pre-feasibility studies for project identification in such fields as agriculture, small industries, rural electrification, and transport.

	<u>A.I.D.-financed Inputs</u>	
	(\$ Thousands)	
	<u>FY 78</u>	<u>All Years</u>

U. S. Contract Advisors for short and long-term assignments	350	350
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Country: SYRIA

NEW ACTIVITY

Table V

TITLE Agricultural Research and Production	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 276-0003		FY 78 150		
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Goal: To increase Syria's agricultural output and productivity through the development and application of new and improved production technologies.

Purpose: To improve Syria's institutional capacity to carry out investigative and adaptive research and extension programs in agricultural production technologies.

Background: The Government of Syria has plans for several major agricultural projects that require significant changes in present agriculture production systems if targeted outputs and benefits are to be achieved. The results being achieved by the international research centers in their recently expanded attention to improved production-oriented technological systems for conditions similar to those in Syria suggest that there may be important benefits from establishing an effective national adaptive research program in Syria. Implementing such a program will require up-grading present research facilities and staff and developing a well-coordinated national research program in adaptive research. It will also require an investigative research component to identify the major constraints to increased production (the conditions on which adaptive research efforts must focus). Finally, to reach the target, the means (extension/demonstration) for bringing about the adoption of these improved systems by Syrian farmers will need to be strengthened.

Major Outputs:

	FY 78	FY 79	FY 80
	(Cumulative as of end of FY)		
Research staff in training			
Senior scientists (post graduate)	-	1	1
Ph.D. candidates (abroad)	1	1	1
Junior scientists(abroad)	1	2	2

FY 78 FY 79 FY 80
(Cumulative as of end of FY)

Research stations receiving commodity assistance	-	3	5
Research/extension programs underway			
Investigative research studies	-	3	8
Adaptive research initiatives	-	5	12
Demonstration/advisory activities	-	-	8
Linkages established with international research centers (ICARDA, ICRISAT)	-	2	2

Host Country and Other Donors:

Government of Syria: Counterpart staff, local currency budgetary support, land and facilities of research stations

UNDP and Specialized Agencies - Expert assistance in related activities (farm-surveys, base-line investigations and analysis, extension, materials development).

FY 1978 Program: Although included in prior year Congressional Presentations, implementation of this project has been deferred pending completion of A.I.D. assistance to the Ministry of Agriculture and related agencies in identifying agricultural research needs and the means for addressing them. The first priority in FY 1978 will be the initiation of manpower development through participant training. One senior and three junior scientists will begin studies in the U.S.; also during FY 1978, A.I.D. will undertake an appraisal of research equipment and facility improvements required for the priority crop production investigations.

SYRIA

NEW ACTIVITY

Continuation Sheet

TITLE Agricultural Research and Production	NUMBER 276-0003
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A.I.D.-financed Inputs
(\$ Thousands)

	<u>FY 78</u>	<u>All Years</u>
U. S. contract advisors	75	125
Short-term agricultural research advisors and extension specialists		
Participants	50	50
Participants for academic training, 1 year or more		
Commodities	<u>25</u>	<u>25</u>
Total	150	200

Country: SYRIA

NEW ACTIVITY

Table V

TITLE National Nutrition and Supplementary Child Feeding Program	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 276-0015		FY 78 125		
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY

Goal: To improve the nutritional status of the Syrian people.

Purpose: To assist the Syrian Government develop a national nutrition program, improve nutritional education, increase caloric and protein consumption among preschool-age children and pregnant and nursing mothers, and improve the Government's nutrition planning capability.

Background: In August 1976, WHO, UNDP, A.I.D. and Syrian Government officials met to discuss possible assistance in the areas of health and nutrition. Mutual interest in establishing nutrition planning and programming capability throughout the various ministries was expressed. Subsequent discussions with the government have narrowed the focus to an area of specific and demonstrated need: preschool children and pregnant and nursing mothers; and to establish the capacity within the Ministry of Health to plan and implement a broad spectrum of nutrition interventions.

<u>Major Outputs:</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
Pilot maternal child health centers established	1	5 5	12
Mothers given health education			
Pilot Center - Damascus	500	2500	4500
Rural Centers	250	1250	1250
Diagnostic labs improved in pilot and rural centers	1	5	12

	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
Nutrition training completed in U.S. (MPH degree)	-	2	2
Short-term Training for clinic personnel, completed in U.S. In Syria	5	5	10
Pediatricians	2	4	11
Nurses	2	10	28
Medical Social workers	1	3	5
Public health records clerks	2	6	13

Host Country and Other Donors:

Syrian Government - Ministry and clinic personnel, budgetary allocations, and transportation.

UNDP and WHO - Fellowships and expert assistance in related fields.

FY 1978 Program: A.I.D. will concentrate on training personnel to deliver nutrition/MCH services through existing health centers, and upgrading Syrian health personnel in most aspects of nutrition including laboratory analysis.

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

	<u>FY 78</u>	<u>All Years</u>
Contract health administrators short-and long-term assignments	42	75
Audio-visual teaching aids, laboratory equipment	15	30
Participants in nutrition & MCH services	68	95
Total	125	200

Syria

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS						REPAY- MENTS AND INTEREST 1946- 1976 ¹	TOTAL LESS REPAY- MENTS AND INTEREST
	1973	1974	1975	1976	TQ	TOTAL 1946- 1976 ¹		
I. ECONOMIC ASSISTANCE - TOTAL	0.2	-	104.6	35.1	78.5			
Loans	-	-	99.4	32.9	78.5			
Grants	0.2	-	5.2	2.2	-			
a. A.I.D. and Predecessor Agencies	-	-	83.0	16.5	78.5			
Loans	-	-	78.0	14.5	78.5			
Grants	-	-	5.0	2.0	-			
(Security Supporting Assistance)	(-)	(-)	(83.0)	(16.5)	(78.5)			
b. Food for Peace (PL 480)	0.2	-	21.6	18.6	-	Not available at time of printing		
Loans	-	-	21.4	18.4	-			
Grants	0.2	-	0.2	0.2	-			
Title I - Total Sales Agreements	-	-	21.4	18.4	-			
Repayable in U.S. Dollars - Loans	-	-	21.4	18.4	-			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	0.2	-	0.2	0.2 ^{a/}	-			
Emerg. Relief, Econ. Develop. & World Food Program	-	-	0.2	0.2	-			
Voluntary Relief Agencies	0.2	-	-	-	-			
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	0.2	-	104.6	35.1	78.5			
Loans	-	-	99.4	32.9	78.5			
Grants	0.2	-	5.2	2.2	-			
Other U.S. Government Loans and Grants			NO PROGRAMS					
a. Export-Import Bank Loans								
b. All Other Loans								

(Millions of Dollars)

TABLE VI

ECONOMIC PROGRAMS OF OTHER DONORS				
A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				
TOTAL	FY 1975	FY 1976	TQ	FY 1946-76 ¹
	9.3	135.0	17.5	330.9
IBRD	8.6	135.0	17.5	249.1
IDA	-	-	-	47.3
UNDP	0.7	*	-	30.7
Other UN	-	-	-	3.8
B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS				
Donor	CY 1974	CY 1975	CY 1969-75	
1. O.A.C. COUNTRIES (Excluding U.S.)				
TOTAL	5.6	4.6	18.6	
Germany	2.5	1.1	7.1	
Italy	0.1	1.1	4.3	
Netherlands	1.7	0.6	2.5	
Japan	0.6	1.2	2.4	
Belgium	0.5	0.6	1.6	
Other	0.2	*	0.7	
2. O.P.E.C. COUNTRIES (COMMITMENTS)				
TOTAL	303.3	501.5		
Iran	-	150.0		
Iraq	110.0	43.0		
Kuwait	40.6	-		
Saudi Arabia	71.5	292.4		
UAE	64.4	15.5		
Other	16.7	0.6		
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
TOTAL	CY 1975	CY 1976 ^P	CY 1954-76	
	-	b/	1,256	
USSR	-	b/	417	
Eastern Europe	-	-	778	
China	-	-	61	

*Less than \$50,000. TQ - Transition Quarter † - As of September 30, 1976. P - Preliminary. UAE - United Arab Emirates. NA - Not Available.

a/ Includes the transition quarter.

b/ Economic cooperation agreement signed, but information on the amount of aid extended (if any) is not available.

Sinai Support Mission

Country: MIDDLE EAST REGIONAL

CONTINUING ACTIVITY

Table IV

TITLE Sinai Support Mission	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 12,200		
NUMBER GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	PRIOR REFERENCE FY 1977, Security Supporting Assistance Programs p. 99	INITIAL OBLIGATION FY 1976	ESTIMATED FINAL OBLIGATION FY Continuing	ESTIMATED COMPLETION DATE OF PROJECT FY Continuing

Purpose: To establish and operate a U.S. civilian early warning system in the Sinai to monitor compliance with the terms of the September 1975 Egypt-Israel Disengagement Agreement and report violations.

A.I.D. Financed Inputs
(\$ Thousands)

Progress to Date: One of the key provisions of the September 1975 Disengagement Agreement between Israel and Egypt was the establishment of a buffer zone in the Sinai and the placing of an American-manned early warning system in the buffer zone to safeguard the Egypt-Israel Agreement by giving early warning of any unauthorized movement into the buffer zone.

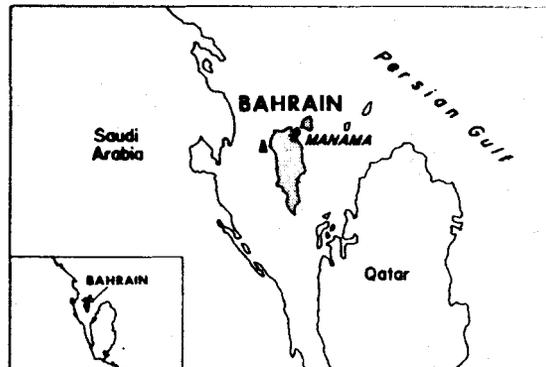
	<u>FY 78</u>
United States Government Personnel	2,000
Contract personnel	9,500
Equipment (spare parts, vehicles, minor replacements)	500
A.I.D. Support Agreement	200
Total	<u>12,200</u>

On January 16, 1976, a contract was signed with an American contractor to construct, operate and maintain the U. S. early warning system in the Sinai, including four sensor fields, three watch stations and base camp facilities. The U.S. early warning system became operational on February 22, 1976, using tents, trailers and other temporary facilities.

U.S. Government oversight of the contractor is accomplished by a field staff of approximately 25 U.S. Government personnel; the entire Sinai early warning system is directed from Washington by the Sinai Support Mission, established by Executive Order on January 13, 1976.

FY 1978 Program: A total of \$12.2 million will be required during FY 1978 to continue the operation of the Sinai Support Mission as described above. (Note: During the start-up of this activity in FY 1976 and FY 1977, funding was included in the Middle East Special Requirements Fund. Now that the activity is fully established, funding is being transferred to the Security Supporting Assistance budget.)

Bahrain

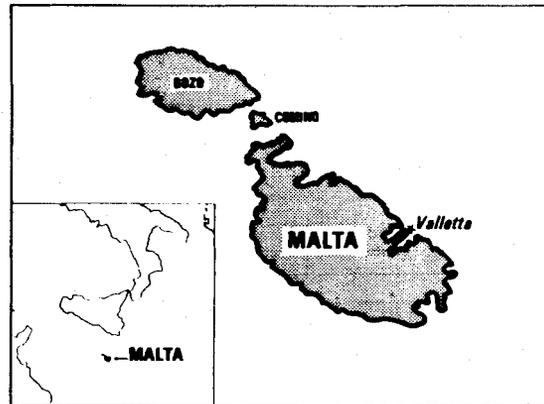


BASIC DATA

Population (thousands - mid-1976) ..	272
Annual Growth Rate (percent)	6.3 ^a
Population in Urban Areas	80
(Percent - 1975)	
Labor Force in Agriculture	7
(Percent)	
Per Capita GNP (dollars - 1974)	2,350 [*]
Life Expectancy (years)	61
People Per Doctor	1,550
Literacy Rate (percent)	40-50
Students as % of 5 - 19 Age Group ..	62
(Primary and Secondary)	

* - Estimate in IBRD 1976 World Atlas.
a - Reflects immigration; rate of natural increase is 3.5 percent.

Malta

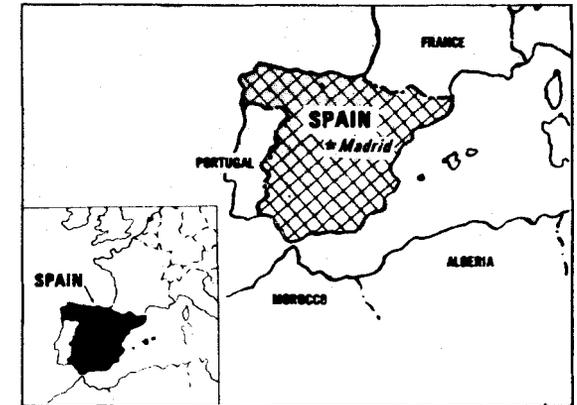


BASIC DATA

Population (thousands - mid-1976) ..	325
Annual Growth Rate (percent)	0.3 ^a
Population in Urban Areas	79
(Percent - 1975)	
Labor Force in Agriculture	6
(Percent)	
Per Capita GNP (dollars - 1974)	1,220 [*]
Life Expectancy (years)	71
People Per Doctor	970
Literacy Rate (percent)	83
Students as % of 5 - 19 Age Group ..	86
(Primary and Secondary)	

* - Estimate in IBRD 1976 World Atlas.
a - Reflects emigration; rate of natural increase is 0.8 percent.

Spain



BASIC DATA

Population (millions - mid-1976) ...	35.8
Annual Growth Rate (percent)	1.0
Population in Urban Areas	70
(Percent - 1975)	
Labor Force in Agriculture	23
(Percent)	
Per Capita GNP (dollars - 1974)	2,490 [*]
Life Expectancy (years)	72
People Per Doctor	670
Literacy Rate (percent)	90
Students as % of 5 - 19 Age Group ..	93
(Primary and Secondary)	

* - Estimate in IBRD 1976 Annual Report.

BAHRAIN

Our major interest in the small Gulf state of Bahrain is related to broader concern for stability throughout a region with critical energy resources. Since Bahrain is less affluent than its neighbors but has a relatively sophisticated and politically sensitive population, its orderly development is of special concern in the context of our overall interests in the Gulf.

The United States has long had important interests in Bahrain, which is the Gulf state in which American oil activity began and is still the home of a major U.S.-owned oil refinery. Since 1949, Bahrain has been host to the U.S. Navy's Middle East Force, which is the permanent manifestation of U.S. naval presence in the Gulf/Indian Ocean area.

As Bahrain continues to develop as a regional industrial and commercial service center, economic ties with the United States continue to grow rapidly; imports from the United States in 1976 are projected to exceed \$300 million.

Since full independence in 1971, Bahrain has made an impressive effort to cope with development demands. Nevertheless, progress has been limited, largely because the country suffers from shortages of both development-related expertise and budgetary resources for obtaining foreign advice.

The modest cost-sharing A.I.D. program to provide American technology to Bahrain adds a new dimension to a broad relationship through which important U.S. interests have long been served.

Objectives of U.S. Assistance

Along with expanded economic and social development activities, the Government of Bahrain has experienced an increased need to improve and modernize its public administration.

SECURITY SUPPORTING ASSISTANCE PROGRAM SUMMARY (in thousands of dollars)				
	FY 1976 Actual	TQ Actual	FY 1977 Estimated	FY 1978 Proposed
Development Administration	-	700	400	100
Total	-	700	400	100

In response to that need, the governments of the United States and Bahrain agreed in FY 1976 to undertake a program under which ten technical advisors are being sent to Bahrain for a period of two years to assist in the installation of new management concepts and systems. In the Transition Quarter following FY 1976, \$700,000 of Supporting Assistance funds were obligated to finance the objectives of the program.

In FY 1977, Congress appropriated an additional \$400,000 for these technical advisory services.

FY 1978 Program

One hundred thousand dollars is proposed for FY 1978 to complete funding of the program described above.

BAHRAIN

ADDITIONAL PROGRAM DATA			
Category	FY 1976 (Actual)	FY 1977 (Estimated)	FY 1978 (Proposed)
A.I.D. Personnel^a			
Direct Hire ^b	-	-	-
PASA ^c	-	-	-
Contract	-	10	10
Total	-	10	10
Participants^d			
Noncontract	-	-	-
Contract	-	-	-
Total	-	-	-
^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	-	300	600
Total A.I.D.	-	300	600
P.L. 480***			
Title I	-	-	-
Title II	-	-	-
Total P.L. 480	-	-	-
Total A.I.D. and P.L. 480	-	300	600
*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: BAHRAIN

TABLE II

Project Title	Project Number	FY of Initial Obligation	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 of Agreement	Amount Disbursed	Principal Repayments	Interest Collected	Agreement	Expenditures	Agreement	Expenditures
Development Administration	231-0001	76	700	-	400	300	100	600	-								
Total.....			700	-	400	300	100	600	-								

*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: BAHRAIN

CONTINUING ACTIVITY

Table IV

TITLE Development Administration	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 100		
NUMBER 231-0001 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	PRIOR REFERENCE FY 1977 Security Supporting Assistance Programs, p. 123	INITIAL OBLIGATION FY 1976	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979

Purpose: To provide to the Government of Bahrain a variety of U.S. technical advisory services to help develop and improve current systems of administration and management, to research and develop new management systems, and to train Government counterparts in the techniques of modern administration and management.

Major Outputs: By their nature, "advisory" projects often do not lend themselves to easy identification of finite outputs. The developmental changes resulting from the provision of ten technical advisors generally will be qualitative and will enhance the overall operation of the assisted Government of Bahrain ministries. The advisors will be attempting to introduce economies of operation and effectiveness in administering selected government-sponsored programs and services that will permit the Government of Bahrain to allocate and utilize its development resources in a more effective fashion. It is expected that at the end of the project, selected Government of Bahrain institutions will be better equipped to respond to economic and social development needs and Government leaders will be more conversant with modern management concepts and hence more fully prepared to develop and implement effective administrative and managerial practices.

Host Country:

Government of Bahrain Contributions:

1. \$13,200 per year toward salary for each permanently assigned U.S. advisor
2. Housing and utilities
3. Office space
4. Secretarial and clerical support
5. In-country costs for short-term advisors

Progress to Date: The late passage of the FY 1976 appropriations legislation delayed the signing of a project agreement with the Bahrain Government until July 24, 1976. At that time \$600,000 budgeted for FY 1976 was obligated. Subsequently, on September 28, 1976 the above agreement was amended to obligate \$100,000 for the transitional quarter. Shortly before executing the project agreement, the Government of Bahrain submitted a priority list of requirements for technical services. This list covered only six of the ten contemplated positions. The emphasis of these six positions is on the sectors of housing, fiscal management and accounting, construction, water resources, preventive health, and small industry. The first advisor arrived in Bahrain in November 1976. Recruitment efforts are in various stages of completion for the other five positions. The Government of Bahrain is expected to submit early in 1977 its list of technical services requirements for the remaining four positions.

FY 1978 Program: A total of \$100,000 is being requested to fund the residual phaseout costs associated with the described project.

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

	<u>FY 1978</u>
Ten technical advisors (20 PYs in total, funded, except for the phase-out costs, in FY 1976, TQ and FY 1977)	100

Bahrain

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

(Millions of Dollars)

TABLE VI

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS					TOTAL 1946- 1978†	REPAY- MENTS AND INTEREST 1946- 1978†	TOTAL LESS REPAY- MENTS AND INTEREST
	1973	1974	1975	1976	TQ			
I. ECONOMIC ASSISTANCE - TOTAL ^{a/}			0.1	0.1	0.8			
Loans			-	-	-			
Grants			0.1	0.1	0.8			
a. A.I.D. and Predecessor Agencies			-	-	0.7			
Loans			-	-	-			
Grants			-	-	0.7			
<i>(Security Supporting Assistance)</i>			(-)	(-)	(0.7)			
b. Food for Peace (PL 480)			-	-	-			
Loans			-	-	-			
Grants			-	-	-			
Title I - Total Sales Agreements			-	-	-			
Repayable in U.S. Dollars - Loans			-	-	-			
Payable in Foreign Currency - Planned for Country Use			-	-	-			
Title II - Total Grants			-	-	-			
Emerg. Relief, Econ. Develop. & World Food Program			-	-	-			
Voluntary Relief Agencies			-	-	-			
c. Other Economic Assistance			0.1	0.1	0.1			
Loans			-	-	-			
Grants			0.1	0.1	0.1			
Peace Corps			0.1	0.1	0.1			
Other			-	-	-			
II. MILITARY ASSISTANCE - TOTAL								
Credits or Loans								
Grants								
a. MAP Grants			NO MILITARY PROGRAMS					
b. Credit Sales under FMS			NO MILITARY PROGRAMS					
c. Military Assistance Service-Funded (MASF) Grants			NO MILITARY PROGRAMS					
d. Transfers from Excess Stocks			NO MILITARY PROGRAMS					
e. Other Grants			NO MILITARY PROGRAMS					
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE								
Loans								
Grants								
Other U.S. Government Loans and Grants			NO PROGRAMS					
a. Export-Import Bank Loans			NO PROGRAMS					
b. All Other Loans			NO PROGRAMS					

ECONOMIC PROGRAMS OF OTHER DONORS				
A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				
TOTAL	FY 1975	FY 1976	TQ	FY 1946-78†
UNDP	0.6	*	-	2.8
Other UN	0.1	-	-	0.2
B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS				
Donor	CY 1974	CY 1975	CY 1946-75	
1. O.A.C. COUNTRIES (Excluding U.S.)				
TOTAL	0.7	0.8	3.2	
U.K.	0.6	0.7	3.1	
Other	0.1	0.1	0.1	
2. O.P.E.C. COUNTRIES (COMMITMENTS)				
TOTAL	19.2	4.7		
Kuwait	-	2.9		
Saudia Arabia	8.6	1.2		
UAE	10.6	0.6		
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
TOTAL	CY 1975	CY 1976 ^P	CY 1954-78	
	-	-	-	

*Less than \$50,000. TQ - Transition Quarter † - As of September 30, 1976. P - Preliminary NA - Not Available. UAE - United Arab Emirates.
 a/No economic assistance prior to FY 1975.

MALTA

Malta's position in the Mediterranean is important to the defense of Europe and especially to the security of the Mediterranean. Military forces of the United Kingdom have been stationed there under agreements with the Government of Malta.

In June 1971 the Government of Malta began renegotiation of the financial and military arrangements with the United Kingdom to continue a military presence on Malta. The North Atlantic Treaty Organization (NATO) supported negotiations. NATO members have agreed that a continued United Kingdom military presence on Malta warrants a substantial financial outlay by members of the Alliance.

Under the Defense Agreement signed March 1972 between the United Kingdom and Malta, NATO members provide the Government of Malta an annual payment for base rental of about \$37 million in pounds sterling for a seven year period, i.e., until March 1979. The United States share is 26%, \$9.5 million. The United Kingdom provides 38%, Germany and Italy 17% each, and Belgium and the Netherlands about 1% each. Funds appropriated in FY 1976 and the Transition Quarter financed the U.S. contribution to base rental payments from October 1975 through March 1977. Funds appropriated in FY 1977 finance payments for the period through March 1978.

FY 1978 Program

In FY 1978, \$9.5 million of Security Supporting Assistance funds are requested for the final year of the U.S. contribution of payments to Malta under the NATO Agreement which will be made in two installments, in January and July, to cover the period April 1978 through March 1979.

SECURITY SUPPORTING ASSISTANCE PROGRAM SUMMARY (In millions of dollars)				
	FY 1976 Actual	TQ Actual	FY 1977 Estimated	FY 1978 Proposed
Total	9.5	4.75	9.5	9.5

Malta

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS					TOTAL 1946- 1976†	REPAY- MENTS AND INTEREST 1946- 1976†	TOTAL LESS REPAY- MENTS AND INTEREST
	1973	1974	1975	1976	TQ			
I. ECONOMIC ASSISTANCE - TOTAL	14.7	9.9	9.5	9.5	4.8			
Loans	5.0	-	-	-	-			
Grants	9.7	9.9	9.5	9.5	4.8			
a. A.I.D. and Predecessor Agencies	14.4	9.5	9.5	9.5	4.8			
Loans	5.0	-	-	-	-			
Grants	9.4	9.5	9.5	9.5	4.8			
<i>(Security Supporting Assistance)</i>	(14.4)	(9.5)	(9.5)	(9.5)	(4.8)			
b. Food for Peace (PL 480)	0.3	0.4	-	-	-		Not available	
Loans	-	-	-	-	-		at time of printing	
Grants	0.3	0.4	-	-	-			
Title I - Total Sales Agreements	-	-	-	-	-			
Repayable in U.S. Dollars - Loans	-	-	-	-	-			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	0.3	0.4	-	-	-			
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-			
Voluntary Relief Agencies	0.3	0.4	-	-	-			
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	14.7	9.9	9.5	9.5	4.8			
Loans	5.0	-	-	-	-			
Grants	9.7	9.9	9.5	9.5	4.8			
Other U.S. Government Loans and Grants	0.2	0.2	-	-	-			
a. Export-Import Bank Loans	-	-	-	-	-			
b. All Other Loans	0.2	0.2	-	-	NA			

*Less than \$50,000. TD - Transition Quarter † - As of September 30, 1976. P - Preliminary. 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	1.3	0.1	-	12.0
IBRD	-	-	-	6.0
UNDP	1.3	0.1	-	5.9
Other UN	-	-	-	0.1
B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS				
Donor	CY 1974	CY 1975	CY 1969-75	
1. O.A.C. COUNTRIES (Excluding U.S.)				
TOTAL	10.8	15.9	104.9	
U.K.	8.3	7.9	84.2	
Italy	0.9	2.8	12.5	
Germany	0.4	3.3	4.8	
France	0.6	1.7	2.2	
Other	0.6	0.2	1.2	
2. O.P.E.C. COUNTRIES (COMMITMENTS)				
TOTAL	5.0	-		
Saudia Arabia	5.0	-		
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
	CY 1975	CY 1976 ^P	CY 1954-76	
TOTAL	-	-	45	
China	-	-	45	

SPAIN

Agreement of Friendship and Cooperation

Spain and the United States have carried on programs of non-military cooperation in the fields of education, culture, science and technology since 1970, when a five-year executive agreement was signed which extended and broadened the previous agreements providing U.S. base rights in Spain.

The executive agreement expired in September 1975 and was replaced by the new five-year Treaty of Friendship signed January 24, 1976, and entered into force September 21, 1975.

The new treaty provides for expanded cooperation in education, culture, science and technology, with programs in these fields developed and administered by joint committees established by the two governments. The United

States is committed under the treaty to provide \$7 million annually for such programs, for a total of \$35 million over five years.

No funds were provided in FY 1976 or the Transition

Quarter. In FY 1977, \$10 million of Security Supporting Assistance funds were provided--\$3 million for the fifth and final tranche of funds under the 1970 Agreement to be used for educational, cultural, scientific and technical projects; and \$7 million for the first of five annual increments under the new treaty. Under the Treaty of Friendship and Cooperation a U.S.-Spanish Council has been set up. The Council oversees four joint committees. Two of these committees, a Joint Committee on Scientific and Technical Cooperation and a Joint Committee on Education and Culture, will administer the programs financed with these funds.

Of the \$7 million FY 1977 increment, the Department of State Bureau of Educational and Cultural Affairs receives \$2.4 million to finance activities in such areas as:

- exchange of scholars,(research and training grants for Spanish and American scholars and institutions);
- development of the Spanish educational system (library development, curriculum development, educational methods and management);
- language, culture and history (teacher exchanges, research grants and bicultural programs);
- program coordination and development.

The Bureau of Oceans and International Environment and Scientific Affairs receives \$4.6 million for scientific and technological programs.

As prescribed in Supplementary Agreement No. 3 on Scientific and Technological Cooperation discussions are being held with the Spanish Government concerning the use of funds made available for FY 1977. These discussions have conceived using funds for:

- cooperative research programs between U.S. and Spanish government agencies in such fields as agricultural research, energy research and conservation, with particular emphasis on solar energy, management of water resources, conservation of natural areas, oceanographic research;
- procurement of materials;
- research grants and
- program development and management purposes.

In accordance with the terms of the Treaty, activities financed with Treaty funds will be for the mutual benefit of both the United States and Spain.

SPAIN

FY 1978 Program

Funds being requested for FY 1978 are for the second \$7 million increment under the new treaty. FY 1978 funds will be spent on programs in those areas (listed above) covered in the Supplementary Agreements of the new treaty. These funds will be expended as mutually agreed by the U.S. Government and the Government of Spain, with about \$4.6 million for scientific activities and \$2.4 million for cultural and educational activities.

Spain

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS						REPAY- MENTS AND INTEREST 1946- 1976†	TOTAL LESS REPAY- MENTS AND INTEREST
	1973	1974	1975	1976	TQ	TOTAL 1946- 1976†		
I. ECONOMIC ASSISTANCE - TOTAL	3.0	3.0	3.0	-	-			
Loans	-	-	-	-	-			
Grants	3.0	3.0	3.0	-	-			
a. A.I.D. and Predecessor Agencies	3.0	3.0	3.0	-	-			
Loans	-	-	-	-	-			
Grants	3.0	3.0	3.0	-	-			
(Security Supporting Assistance)	(3.0)	(3.0)	(3.0)	(-)	(-)			
b. Food for Peace (PL 480)	-	-	-	-	-			
Loans	-	-	-	-	-			
Grants	-	-	-	-	-			
Title I - Total Sales Agreements	-	-	-	-	-			
Repayable in U.S. Dollars - Loans	-	-	-	-	-			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	-	-	-	-	-			
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-			
Voluntary Relief Agencies	-	-	-	-	-			
c. Other Economic Assistance	-	-	-	-	-			
Loans	-	-	-	-	-			
Grants	-	-	-	-	-			
Peace Corps	-	-	-	-	-			
Other	-	-	-	-	-			
II. MILITARY ASSISTANCE - TOTAL	57.8	25.4	2.6	0.8	*			
Credits or Loans	-	-	-	-	-			
Grants	57.8	25.4	2.6	0.8	*			
a. MAP Grants	10.2	2.9	2.6	0.8	*			
b. Credit Sales under FMS	-	-	-	-	-			
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-			
d. Transfers from Excess Stocks	2.3	*	-	-	-			
e. Other Grants	45.3	22.5	-	-	-			
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	60.8	28.4	5.6	0.8	*			
Loans	-	-	-	-	-			
Grants	60.8	28.4	5.6	0.8	*			
Other U.S. Government Loans and Grants	172.7	58.5	37.5	371.9	89.9			
a. Export-Import Bank Loans	172.7	58.5	37.5	371.7	89.9			
b. All Other Loans	-	-	-	0.2	NA			

(Millions of Dollars)

TABLE VI

ECONOMIC PROGRAMS OF OTHER DONORS				
A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				
TOTAL	FY 1975	FY 1976	TQ	FY 1946-76†
	0.1	33.1	-	417.7
IBRD	-	33.1	-	398.3
IFC	-	-	-	9.2
UNDP	0.1	*	-	8.6
Other UN	-	-	-	1.6
B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS				
Donor	CY 1974	CY 1975	CY 1969-75	
1. D.A.C. COUNTRIES (Excluding U.S.)				
TOTAL	11.4	11.5	135.3	
France	2.2	0.1	65.1	
Germany	7.8	9.1	63.7	
Italy	0.8	1.1	4.2	
Belgium	0.6	0.9	1.6	
Other	*	0.3	0.7	
2. O.P.E.C. COUNTRIES (COMMITMENTS)				
TOTAL	-	-	-	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
TOTAL	CY 1975	CY 1976 ^P	CY 1954-76	
	-	-	-	

*Less than \$50,000. TQ - Transition Quarter † - As of September 30, 1976. P - Preliminary. NA - Not Available

Country: NEAR EAST REGIONAL

NEW ACTIVITY

Table V

TITLE Project Development and Support	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		FY 78	500	
		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY Continuing	ESTIMATED COMPLETION DATE OF PROJECT FY Continuing

Goal: To improve the quality of A.I.D. assistance to Security Supporting Assistance (SSA) countries and their development efforts.

Purpose: To enable A.I.D. to finance studies and other activities related to the development and support of SSA projects.

Background: A.I.D. proposes a regional project similar to the regional Project Development and Support project for the development assistance countries in the Near East (see FY 1977 Near East Programs, p. 102). This project permits funding of activities of concern to SSA recipients and necessary to the effective development, design, and implementation of SSA activities. These include consultations, reconnaissance surveys, feasibility studies, evaluations and design of field tests, pilot activities and training carried out directly or through commercial or non-profit organizations or individuals, and related support in areas needed for improved program and project development, management, and evaluation.

Illustrative of activities of particular importance are:

- economic and social analysis and studies needed to understand and effectively support host country economic and social policies and to improve A.I.D. resource allocation decisions in such countries as Egypt, Syria, and Jordan;
- regional or subregional studies such as analysis of the manpower, trade, and transportation patterns which are emerging as a result of the modernization of Saudi Arabia and other Gulf states. This is creating rapid changes in the region and has a major impact on both Security Supporting Assistance and Development Assistance recipients. A better under-

standing of these trends is necessary for the analysis and design of development projects in individual countries;

- in-depth evaluations of ongoing or completed projects or groups of activities needed for the redesign of these programs or the design of new programs. Such evaluations may be conducted in a single country or regionally so as to consider similar project activities in different country environments.

FY 1978 Program: Specific activities presently under consideration include: research projects and/or pilot programs in rice, dryland agriculture, schistosomiasis control, and development of non-formal education materials for low-income women.

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

	<u>FY 78</u>	<u>All Years</u>
Consulting services, experts, for studies, evaluations, pilot and regional activities	500	Undetermined

Other Programs

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

COUNTRY: CYPRUS

TABLE II

Project Title	* Project Number	FY of Initial Obligation	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 of Agreement	Amount Disbursed	Principal Repayments	Interest Collected	Agreement	Expenditures	Agreement	Expenditures
Relief and Rehabilitation Activities	n.a.	1975	25,000 ^{1/} 30,000 ^{2/}	23,573	17,500 ^{3/}	1,427 24,000	-	23,500	-								
Total.....			55,000	23,573	17,500	25,427	-	23,500	-	-	-	-	-	-	-	-	-

- 1/ Famine and Disaster Relief Funds
 2/ Requested under Security Supporting Assistance subsequently authorized under Section 493 of the Foreign Assistance Act of 1961 as amended.
 3/ Authorized under the Foreign Assistance Act of 1961 as amended; appropriated under Security Supporting Assistance.

*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 ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

COUNTRY: PORTUGAL

TABLE II

Project Title	* Project Number	FY of Initial Obligation	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 of Agreement	Amount Disbursed	Principal Repayments	Interest Collected	Agreement	Expenditures	Agreement	Expenditures
Technical Consultations and Training	150-0001	1975	1,750	232	1,000	1,600	-	918	-								
Refugee Assistance	150-0007	1976	35,000	13,500	-	21,500	-	-	-								
Consulting Services																	
Feasibility Studies	150-0002	1975								1,000	-	-	-	-	450	-	550
Low-Income Housing	150-0003	1975								13,250	4,950	-	66	-	5,000	-	3,300
School Construction	150-0004	1976								11,000	-	-	-	-	7,500	-	3,500
Basic Sanitation	150-0005	1976								5,000	-	-	-	-	6,000	-	2,000
Low-Income Housing II	150-0006	1977									-	-	-	10,000	5,500	-	4,500
Basic Sanitation II	150-0010	1977												18,000	7,200	-	10,500
School Construction II	150-0018	1977												15,000	8,000	-	7,000
Health Sector Support	150-0011	1977												15,000	6,000	-	9,000
Rural Vocational Education	150-0012	1977												6,000	2,000	-	4,000
Total			36,750	13,732	1,000	23,100	-	918	-	30,250	4,950	-	66	64,000	47,650	-	44,350

***Repayment period for loans authorized and proposed for authorization is 25 years, including 5 years grace at 5% interest throughout.

*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 PORTUGAL

(In thousands of dollars)

TABLE III

FISCAL YEAR	TITLE	AMOUNT
1977	Low-Income Housing (Notification submitted to the Congress 9/14/76)	10,000
1977	Basic Sanitation II (FY 1977 Security Supporting Assistance Programs and MESRF, p.115) The purpose is to provide operational water and sewerage service to small towns in remote regions of Portugal. A.I.D. loan funds will provide part of the local currency financing for labor and materials to construct approximately 23 water supply and 27 sewerage collection/treatment systems.	*18,000
1977	Rural Health Facilities (FY 1977 Security Supporting Assistance Program and MESRF, p.115)* The purposes are to: 1) expand rural primary health care facilities; 2) implement integrated health delivery pilot programs; 3) establish a nursing school and improve nurse and para-medical training facilities in the Azores. Funding will finance improvement and construction of facilities and related equipment.	15,000
1977	School Construction II* The purpose is to expand educational opportunities in those areas where they are now lacking. The A.I.D. input will be used to reimburse the Government of Portugal for local currency costs incurred in construction of 12 preparatory and 11 secondary schools.	15,000
1977	Rural Vocational Education* The purpose is to increase the capacities of Portugal's Polytechnical and University Institutes to provide formal and non-formal vocational education as well as extension of education, appropriate to regional needs. U.S. input will be used to help finance construction of facilities and equipment for them.	6,000
	*Notification to be transmitted.	

MIDDLE EAST REGIONAL

Middle East Special Requirements Fund

The United States plays a central role in the Middle East by supporting efforts that give promise of leading to further progress toward a peaceful and durable settlement of the conflict in the area.

The Middle East Special Requirements Fund facilitates U.S. peace efforts by permitting prompt U.S. response to special needs.

The framework for peace in the Middle East is still fragile and a great deal of work remains to be done if peace is to be realized. To this end the United States will have to have the capability to move rapidly to support specific activities. The Special Requirements Fund has been extremely useful in this regard because it is a flexible tool that enables the United States to respond promptly and effectively to special needs.

In FY 1975, the Fund was used to:

- initiate the new bilateral aid program for Syria;
- assist United Nations Relief and Works Agency (UNRWA) to settle its large operating deficit;
- finance an important national road project in Jordan;
- undertake a number of development projects on the West Bank and Gaza.

In FY 1976, the Fund was used to:

- establish and operate an American early warning system in the Sinai;

SECURITY SUPPORTING ASSISTANCE
PROGRAM SUMMARY
(In millions of dollars)

	FY 1976 Actual	TQ Actual	FY 1977 Estimated	FY 1978 Proposed
Special Requirements Fund	34.373	18.192	30.435	25.0

- assist the Egyptian Government to establish its own warning system;
- continue support to West Bank and Gaza development activities;
- make a special U.S. contribution to meet the expanded requirements for the United Nations Emergency Force (UNEF) in the Sinai.

In FY 1977, the Fund is being used to:

- continue support of the American civilian early warning system (financing for which will be transferred to the Security Support Assistance account commencing in FY 1978);
- finance development activities in the West Bank and Gaza;
- meet other special needs that may arise during the period.

FY 1978 Program

A total of \$25 million is requested in FY 1978 for the Special Requirements Fund. These funds will be used to support:

MIDDLE EAST REGIONAL

-- Development Activities on the West Bank and Gaza (\$3,000,000). When the Special Requirements Fund was established in FY 1975 the Congress (in House Report No. 93-1471) expressed its desire that "some of the funds authorized...should be made available to support projects and expand institutions in the occupied territories of the West Bank and Gaza...to help build the socio-economic underpinnings necessary to preserve peace both for the immediate and long-term futures."

** Accordingly, \$1 million of the FY 1975 Special Requirements Fund was devoted to small-scale development projects on the West Bank and Gaza to benefit the people living there. These projects were implemented through the U.S. private voluntary organizations already operating in the area. In FY 1976, \$1.6 million was authorized for this program, and \$3,000,000 is planned for FY 1977.

** In FY 1978, \$3 million is requested to further expand this continuing special program.

-- Other Special Needs arising from U.S. peace efforts in the Middle East (\$22,000,000). By the nature of the situation in the area, it is not possible at this time to specify how the remaining \$22 million will be used. Experience has demonstrated, however, that the Special Requirements Fund is a valuable tool to further peace efforts in the Middle East. Congress will be provided a complete and timely explanation of proposed uses of these funds before obligations are incurred.

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

COUNTRY: MIDDLE EAST REGIONAL

TABLE II

Project Title	* Project Number	FY of Initial Obligation	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 of Agreement	Amount Disbursed	Principal Repayments	Interest Collected	Agreement	Expenditures	Agreement	Expenditures
<u>Special Requirements Fund</u>																	
<u>Syria</u>																	
Damascus Water Supply	2760008	1975								48,000	-	-	-	-	500	-	15,000
Agriculture Machinery & Inputs	2760007	1975								30,000	-	-	-	-	20,000	-	10,000
Feasibility Studies & Project Development	2760001	1975	4,000	72	-	3,928	-	-	-								
Participant Training	2760004	1975	1,000	618	-	382	-	-	-								
<u>Jordan</u>																	
Ma'an Quweria Highway	2780192	1975								10,000	875	-	-	-	3,000	-	6,125
<u>West Bank and Gaza</u>																	
Private Voluntary Agency Development Projects	* N/A	1975	2,572	1,199	2,000	218	3,000	2,000									
<u>American Sinai Support Mission</u>																	
American Sinai Support Mission	* N/A	1976	29,591	19,550	13,200	19,906	-	3,335	-								
<u>Egyptian Surveillance Station</u>																	
Egyptian Surveillance Station	N/A	1976	11,800	11,711	1,200	1,289	-	-	-								
<u>United Nations Emergency Force</u>																	
United Nations Emergency Force	N/A	1976	9,602	3,900	400	6,102	-	-	-								
<u>Unallocated</u>																	
Unallocated	N/A	1978	-	-	13,635	-	22,000	-	-								
Total			58,565	37,050	30,435	31,825	25,000	5,535		88,000	875	-	-	-	23,500	-	31,125

*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: MIDDLE EAST REGIONAL

CONTINUING ACTIVITY

Table IV

TITLE Private Voluntary Agency Development Programs	FUNDS Middle East Special Requirements Fund	PROPOSED OBLIGATION (<i>In thousands of dollars</i>)		
		FY 78	3,000	
NUMBER	PRIOR REFERENCE FY 1977 Security Supporting Assistance Programs, p.98	INITIAL OBLIGATION FY 1975	ESTIMATED FINAL OBLIGATION FY Continuing	ESTIMATED COMPLETION DATE OF PROJECT FY Continuing
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Purpose: To finance small-scale development projects on the West Bank and Gaza to benefit the people living in the territories. These projects will be implemented through U.S. private voluntary organizations currently operating in the area.

Progress to Date: The United States has provided assistance to the West Bank and Gaza for a number of years, beginning well before the 1967 war. The assistance has been largely through PL 480, Title II assistance projects administered by private and voluntary agencies (PVOs). These assistance activities have been well received by all concerned parties in the area.

When the Special Requirements Fund was initially established in 1975, \$1 million of the fund was set aside to support projects that could help to build the socio-economic underpinnings necessary for the long-term development of the West Bank and Gaza. Projects undertaken included vocational training activities through American Near East Refugee Aid (ANERA), a rural development/self-help project under Catholic Relief Services (CRS), and a nutritional educational project, also under CRS.

In FY 1976, the level of assistance was increased to \$1,600,000 to continue ongoing activities and to expand the number of indigenous institutions being supported. In FY 1977, \$3,000,000 is programmed for this activity.

The area remains a poor region with little infrastructure. The per capita GNP is only slightly over \$200. Only the major urban areas have basic services such as electricity, potable water, etc. The majority of the population knows

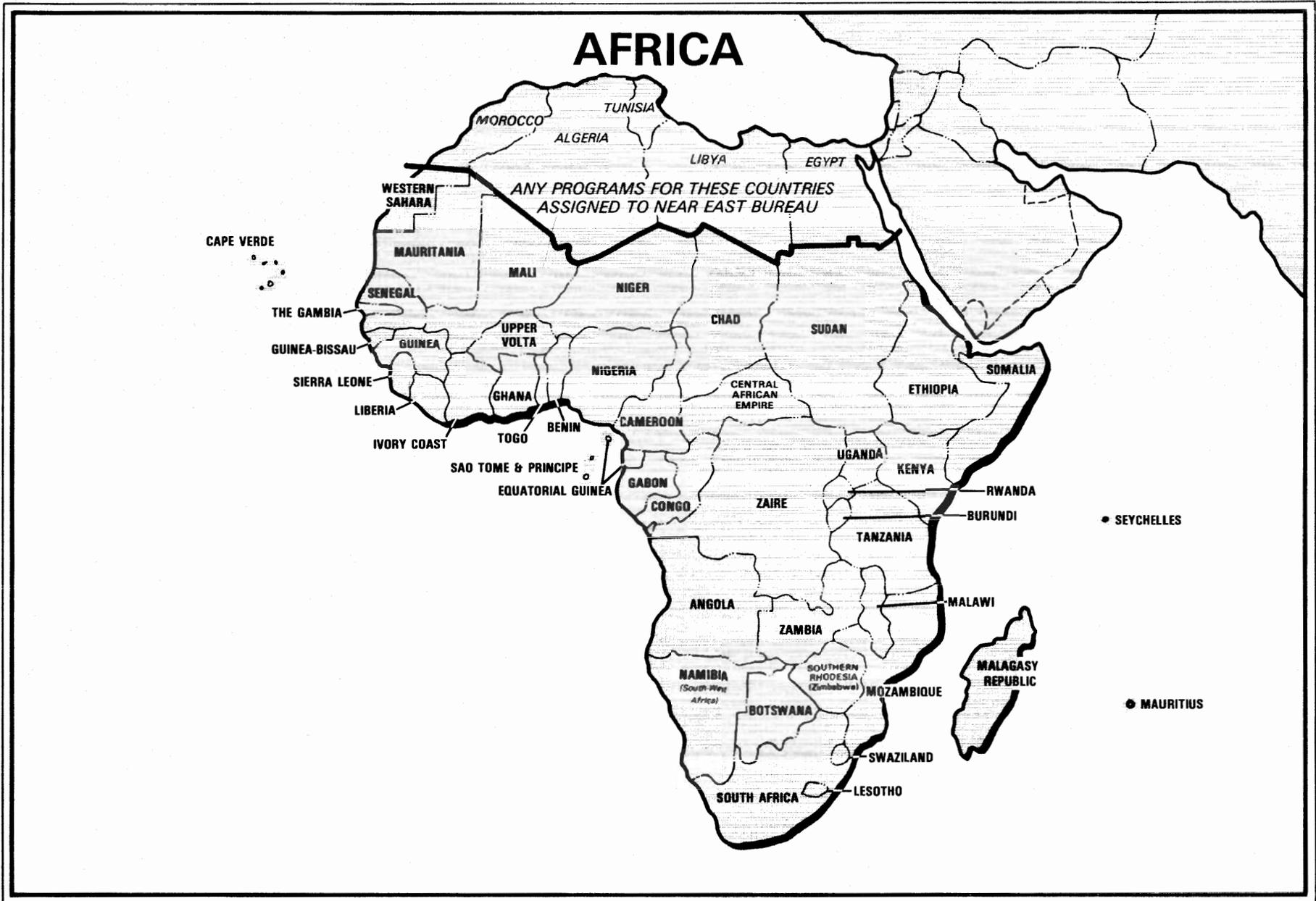
little about health care or sanitation. Agricultural marketing systems are poorly developed.

FY 1978 Program: In FY 1978, a total of \$3 million is proposed to expand support for PVO activities in the West Bank and Gaza.

A.I.D. Financed Inputs
(\$Thousands)

Grants to Private Voluntary Organizations	<u>3,000</u>
Total	3,000

AFRICA PROGRAMS



AFRICA
SECURITY SUPPORTING ASSISTANCE PROGRAMS

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SECURITY SUPPORTING ASSISTANCE - AFRICA

United States policy is dedicated to the attainment of majority rule in southern Africa through peaceful means.

The political obstacles to peaceful transition to majority rule are numerous. They are exacerbated by the region's many economic problems, including the dislocation of large numbers of people who have become refugees, the disruption of regional transport links, and relatively low commodity prices, particularly for copper.

The prospects for successful transition to majority rule can be markedly enhanced by alleviating the present economic distress in southern Africa, and improving prospects for sustained economic and social development for all its people.

The United States has played a major role in the political process aimed at peaceful transition to majority rule in southern Africa. It is critically important that this effort be reinforced by economic actions to promote political stability and to demonstrate that the U.S. can be counted on to cooperate in a constructive manner.

The Administration is requesting \$175 million for FY 1978 to respond to anticipated needs arising from the transition to majority rule in the region and to fund ongoing and new development projects.

The Administration's request for the region consists of two parts:

- Southern Africa Special Requirements Fund - \$140 million. Country requirements under this Fund cannot be quantified with precision at this time. The specific amounts required during FY 1978 will depend on intervening developments in the region, primarily in Zimbabwe and Namibia, but also in Botswana,

SECURITY SUPPORTING ASSISTANCE PROGRAM SUMMARY (In millions of dollars)				
	FY 1976 Actual	TQ Actual	FY 1977 Estimated	FY 1978 Proposed
<u>Supporting Assistance</u>	12.0	-	54.0	175.0
Botswana	*	*	10.0	3.0
Lesotho	*	*	*	5.0
Swaziland	*	*	*	10.5
Zambia	-	-	20.0	-
Zaire	12.0	-	20.0	10.0
Regional	*	*	4.0	6.5
Special Requirements	-	-	-	140.0
*Programs financed with Development Assistance funds.				

Lesotho, Swaziland, Zambia and Zaire.

- Ongoing and new development projects - \$35 million. These funds would be used for ongoing and new development activities in Botswana, Lesotho, Swaziland and Zaire.

Zimbabwe

The U.S. has contributed substantially to the diplomatic process that has led to negotiations to settle the

SECURITY SUPPORTING ASSISTANCE - AFRICA

Zimbabwe problem. The political and economic future of the country is not secure, however. We must continue efforts to achieve:

- a peaceful transition to full independence;
- development of foundations of understanding that could produce a true multiracial society;
- avoidance of great power confrontation;
- establishment of a pattern of peaceful change to be emulated elsewhere in southern Africa.

During the transitional period of independence, the human resource and economic needs of Zimbabwe will be great.

- Public services will have to be maintained while African capabilities are enhanced through special training programs.
- Humanitarian assistance also will be necessary to meet the needs of the many thousands of people affected by years of conflict.
- Education and health facilities for Africans will be greatly expanded.
- Agricultural projects are essential to increase local food production and meet population pressures in the Tribal Trust Lands.
- Financial support will be necessary to promote economic security and balanced and sustained economic growth for Zimbabweans.

To meet these manifold requirements, a multilateral Zimbabwe Development Fund is planned and new bilateral programs will also be required.

Namibia

The former trust territory is expected to achieve independence in 1978. It will experience economic difficulties similar to those which attend Zimbabwe's transition to independence. To alleviate these difficulties, the United Nations and its Specialized Agencies are expected to play a significant role. The U.S. plans to contribute to this essentially multilateral effort.

In addition, already independent countries of the region which will be the recipients of Security Supporting Assistance-- Zambia, Botswana, Lesotho, Swaziland and Zaire--face serious economic difficulties. It is in the U.S. interest to be responsive to their needs.

Zambia

The fundamental U.S. interest in Zambia is to:

- maintain political and economic stability in this country which is exercising a crucial moderating influence in the search for a solution to southern African problems.

Consistent with these interests, the current focus of U.S. efforts is to assist in solving Zambia's serious economic problems.

Since early 1975, Zambia has encountered severe and unexpectedly tenacious economic difficulties.

- Copper prices have dropped to just over a third of their April 1974 peak, and 1975 and 1976 average prices were below Zambia's break-even point.
- As a result, Zambia's economy, heavily dependent on foreign trade and the price of copper, has been

SECURITY SUPPORTING ASSISTANCE - AFRICA

severely damaged.

- ** Real GNP dropped about 5% in 1975.
- ** Zambia's balance of payments showed a current account deficit of \$719 million in 1975; and has shown only marginal improvement in 1976.
- ** Government revenue dropped 30% in 1975, creating a budget deficit of \$490 million (over 20% of GNP).
- ** In 1976, the Government had to cut recurrent expenditures by 10% and development expenses by 25%.

Zambia has taken a number of significant steps to reverse the trend.

- A drastic cutback in import licenses was imposed, beginning in January 1975; 1976 imports are projected to be below the 1974 level (in current prices), and about 30% below 1975.
- A major stabilization agreement, in which Zambia pledged stringent fiscal and economic measures, was concluded with the International Monetary Fund in July 1976.
- Zambia's currency was devalued by 20%, also in July 1976.

Zambia's economic crisis is persisting longer than had been anticipated.

- Copper prices recovered only marginally in 1976, as the world economic recovery proved less strong than anticipated; as a result, both Zambia's balance of payments and revenue performance have fallen short of expectations.

- Despite strict import controls, the current account payments deficit for 1976 will be well over \$300 million; even when foreign capital inflows are subtracted, there remains a payment gap of \$80 million to \$100 million. Assuming steady improvement in copper prices, current account deficits are nevertheless projected at \$167 million in 1977 and \$82 million in 1978.
- The Government's budget deficit, in spite of drastic cutbacks in recurring and development expenditures, will still be over \$250 million.
- The July devaluation and shortages caused by strict import controls have generated a sharp rise in consumer prices.
- Shortages of raw materials and generally depressed economic conditions have caused increased unemployment and underemployment.

Zambia has also received a number of refugees from Angola and Rhodesia. If requested, A.I.D. would be prepared to assist in meeting extraordinary requirements arising from their presence.

Botswana

The fundamental U.S. interest in Botswana is to:

- increase Botswana's political and economic viability as a multiracial democratic state which will continue to work for peaceful change in southern Africa.

Consistent with this interest, the current focus of U.S. efforts is to assist Botswana to solve its present economic problems to enable it to continue its development as a democracy committed to social justice.

SECURITY SUPPORTING ASSISTANCE - AFRICA

During its fiscal year 1976/77, Botswana expects a decline in real revenues of 25%. This decline, which follows 10% growth in both 1974/75 and 1975/76, is caused by an anticipated 50% reduction in customs union revenues. Botswana is a member of a customs union which includes South Africa, and its economy is directly affected by that of its larger neighbor. While real revenues are likely to rise modestly in future years the threat of chronic budgetary imbalance is clear. A real growth rate in expenditures of 9% is projected, arising from costs of new development projects and on-going ones financed by the Public Debt Service Fund and the Domestic Development Fund.

The problems facing the Government are:

- imported inflation of 15% per annum in recent years due to heavy dependence on external--mainly South African--sources of foodstuffs, fuel, and manufactured goods;
- further inflationary pressures brought about by South African Government decisions, including the 18% devaluation of the Rand, increased defense spending, and higher taxes;
- fall in beef exports to the European Economic Community (EEC) due to stringent EEC marketing regulations;
- a drop in production and exports in the minerals sector;
- widening income gap between modern and subsistence sectors;
- threat of loss of the Rhodesian rail link due to escalation of fighting in Rhodesia;
- provision of food and shelter for growing number of refugees from neighboring minority-ruled states.

To address these problems Botswana has:

- Reduced its 1976/77 budget for development projects from \$64.7 million to \$44.7 million. One-third of this amount will be financed by the Government of Botswana and two-thirds by external donors. Projects undertaken in 1976/77 are:
 - ** road construction;
 - ** health training and education expansion in the rural areas;
 - ** urban housing and land development.
- Established its own central bank and currency (Pula) to decrease the impact of South African monetary policy on Botswana's development program.
- Renegotiated its marketing agreement for beef with the EEC to give Botswana an 80% reduction on EEC import levies for a 12-month period rather than the previously agreed six-month period.
- Overcome technical difficulties in production at the Selebi-Pikwe copper/nickel mine in order to approach planned production schedules.
- Although hampered with uncertainty over regional transport routes, attempted to attract foreign investors interested in developing Botswana's mineral resources under equitable agreements.
- Maintained an income policy to reduce the strain on the Government budget and to reduce the attraction of urban life.
- Participated with other Front-Line states in an effort to facilitate the negotiation of a transfer of power to the majority in Zimbabwe and to avoid violence and further damage to its economy.

SECURITY SUPPORTING ASSISTANCE - AFRICA

- Made an appeal for international assistance to meet the burden of accepting refugees from political and racial oppression in neighboring states.

Lesotho

The fundamental U.S. interest in Lesotho is:

- to contribute to the development of Lesotho as a peaceful, economically viable state which will continue to use its influence to encourage a peaceful solution to southern African issues.

The deteriorating security situation in southern Africa is the principal factor affecting the achievement of our policy of assisting Lesotho's development as a stable, independent, multiracial society. As a landlocked country surrounded by South Africa, Lesotho is heavily dependent on South Africa for revenues, imports, exports, transport, communications and employment of some 200,000 Basotho migrant workers in South Africa. Establishment of the Transkei, a South African homeland, as an independent state bordering Lesotho, created further problems for Lesotho.

The problems facing the Government of Lesotho are:

- loss of repatriated income from Basotho miners who are unable to transit the Transkei to reach their jobs in South Africa, due to restricted passage on the Lesotho/Transkei border;
- the decrease of \$2.3 million in budgetary receipts from the Southern African Customs Union;
- inadequate infrastructure to allow optimum use of Lesotho's mountainous terrain;
- inadequate facilities to accommodate the increased flow of refugees from South Africa;

- maintaining its independence in the face of economic domination by its larger minority-ruled neighbor;
- inadequate health and agricultural systems to meet the needs of the population. Lesotho is the highest per capita recipient of P.L. 480 grain and a member of the inner six of the world's least developed countries.

The Government of Lesotho has sought the assistance of the international community.

- A.I.D. is developing improved agricultural and health resource systems.
- Other donors, such as the World Bank, are providing assistance for improving portions of the primitive trans-Lesotho road. Lesotho is now seeking assistance for the completion of the remaining 120 miles of the road.
- Lesotho plans to build an international airport to enhance its ability to attract foreign tourists, to promote its export trade, to lessen its economic and political dependence on South Africa.
- Lesotho has issued an appeal for international assistance to enable it to meet the needs of the increasing number of student refugees from South Africa.

Swaziland

The fundamental U.S. interest in Swaziland is to:

- encourage the development of an economically healthy, politically stable, multiracial, majority-ruled society in hope that it will continue to work for peaceful change in southern Africa.

SECURITY SUPPORTING ASSISTANCE - AFRICA

Swaziland has experienced strong growth in the modern, largely expatriate-owned sector, but little progress has been made in improving the position of the 55,000 Swazi families in the traditional sector. It is in the U.S. interest to provide humanitarian and developmental assistance to achieve more balanced growth within a framework of political and economic stability.

-- In 1974 and 1975 Swaziland's economic performance was characterized by:

** rapid growth in most sectors of the economy;

** a relatively modest increase in prices and wages, large financial surpluses earned in both the public and private sectors;

** overall balance of payment surpluses.

-- The balance of trade surplus will drop as lower sugar prices are registered.

-- The GDP grew by approximately 6% in real terms in 1974 and 1975. This growth has occurred mainly in the modern export-oriented sectors of the economy, particularly sugar and wood pulp although iron ore, asbestos, citrus, canned fruit, meat and meat products have also benefited from favorable production and market developments.

-- Prices in Swaziland rose at an annual rate of 19% in 1974 and 12% in 1975. This combined with greatly increased export receipts for the same period produced overall balance of payments surpluses of \$25 million in 1974 and \$42.5 million in 1975.

-- This overall economic growth was reflected in a budget surplus of \$32.2 million in the year ending March 31, 1976.

-- The 1975/77 budget is \$88.5 million of which 45% is for capital expenditures and the remainder for recurrent costs. The actual capital budget is \$39 million, which is a 30% increase over the previous year. Half of this will be met by the Swazis, with the balance coming from bilateral and multilateral aid donors. The major areas of investment are agriculture, rural development, a third sugar-growing area, industrial development, housing and possibly a new airport.

Notwithstanding Swaziland's overall economic success, it faces several real needs:

-- An increase in the living standards of the rural poor is needed to reduce the dissatisfaction caused by wide income disparities between the subsistence and modern sectors of the economy.

-- The traditional sector has been left behind in its development.

Zaire

The fundamental U.S. interest and objectives in Zaire are t.o:

-- maintain political and economic stability in this important sub-Saharan country which exercises an influential and moderate role in Africa and third-world forums.

The current focus of U.S. assistance policy is to help resolve Zaire's present serious development and economic problems. Since late 1974 Zaire's economic situation has deteriorated due to a combination of drastically reduced prices of copper--its primary export earner--continued transportation interruptions arising out of strife in Angola and Rhodesia, and weaknesses in economic and financial management:

SECURITY SUPPORTING ASSISTANCE - AFRICA

- From 1974 to 1975, copper prices dropped from \$1.50 per lb. to \$0.52 per lb. resulting in drastically reduced revenues and depleted foreign exchange reserves.
- The government, as a result, is unable to meet its current debt-service requirements.
- Shortages of essential imports including spare parts, fuel, industrial raw materials and other basic necessities have seriously curtailed the domestic economy bringing key industrial/commercial development activities to a virtual standstill.
- Import requirements for food continue to increase and domestic prices continue to rise as unemployment and labor unrest deepen.

In the face of this deteriorating situation Zaire has moved to resolve its mounting problems.

- A stabilization agreement, in which Zaire pledged to undertake stringent fiscal and economic reforms, was concluded with the International Monetary Fund in March 1976.
- Zaire's currency was devalued by 42% in April 1976.
- Meetings with the major creditor nations in June 1976 resulted in a debt rescheduling agreement which is being implemented by subsequent individual bilateral agreements.
- Zaire has completed negotiations with its major bank creditors concerning refinancing of its medium-term debt.
- At the IBRD/IMF Annual Meeting in Manila last fall, the IBRD agreed with a Zairian request for the re-activation of the Consultative Group for Zaire to mobilize resources for Zaire's longer-term development. A meeting of the Consultative Group is

tentatively scheduled for February 1977.

- An IMF delegation arrived in Zaire in late November 1976 to prepare a follow-on stabilization program to improve Zaire's economic management in 1977.

Zaire's financial stringency is likely to continue as it will take some time before basic reforms become effective.

- Copper prices have not recovered as rapidly as expected.
- Serious interruptions in major transportation links may continue.
- The sharp reduction in import of essential spare parts, raw materials and other necessities over the past two years is proving to have more severe effects than anticipated by government planners.

P. L. 480 Programs

There are P.L. 480 programs in five of the countries covered by this presentation;

- Botswana, Lesotho, Swaziland, Zaire and Zambia.

These programs are discussed in the respective country narratives following this overview statement except for Zambia which is presented here.

The proposed Title I program for Zambia in FY 1978 is valued at about \$4.2 million. It includes wheat and vegetable oil, and will provide vital assistance to Zambia during its present economic crisis.

SECURITY SUPPORTING ASSISTANCE - AFRICA

- The P.L. 480 Title I commodities will help to meet Zambia's needs for imported foodstuffs.
- It will contribute to the country's effort in solving its balance of payments problems.
- It will generate counterpart funds for agricultural and rural development.

In FY 1978 Zambia will also receive a small amount of P.L. 480 Title II assistance through the World Food Program.

Special Requirements Fund

SPECIAL REQUIREMENTS FUND

The economic prospects of the countries for which Security Supporting Assistance is proposed directly relate to the evolving political situation in southern Africa, which will affect the achievement of U.S. foreign policy objectives.

United States policy in southern Africa is clear and principled: to support self-determination, majority rule, equal rights and human dignity for all people of the region.

The economic assistance corollary to that policy is equally clear and principled: that the region have an opportunity to establish the foundations for economic growth and to become a full-fledged participant in the evolving international economic system.

The circumstances of transition in the region are still uncertain. The pursuit of peaceful change requires the vigorous support of neighboring independent states, and a multilateral program of economic assistance.

It is essential for the U.S. to have the capability to move rapidly to support efforts on the part of several nations to promote economic stability in the region.

In FY 1978, U.S. assistance may be necessary to:

- alleviate chronic balance-of-payments difficulties in Zaire and Zambia;
- sustain economic development in Botswana, Lesotho, Swaziland, Zambia and Zaire;
- bolster U.S. Government and international programs for the resettlement of refugees;
- respond to requests for humanitarian assistance arising from political and security developments in

SECURITY SUPPORTING ASSISTANCE PROGRAM SUMMARY (In millions of dollars)				
	FY 1976 Actual	TQ Actual	FY 1977 Estimated	FY 1978 Proposed
Supporting Assistance	-	-	-	<u>140.0</u> 140.0

the region;

- meet urgent transition problems which will be faced by majority governments in Zimbabwe and Namibia;
- initiate and continue programs for human resource development in the region;
- promote long-term economic and human resource development by expanding food production and by financing major programs in regional capital and social infrastructure.

In FY 1978, \$140 million is requested for a Special Requirements Fund to enable the U.S. to play a constructive role in encouraging and supporting a peaceful southern Africa transition. By the very nature of the situation, it is not possible at this time to specify precisely how the requested funds would be used. Clearly, however, requirements will exceed the resources of any single donor.

A.I.D. will submit a Special Report to the Congress not later than September 30, 1977, outlining progress in meeting U.S. objectives in the region and the proposed uses for the Special Requirements Fund. Congress also will be

SPECIAL REQUIREMENTS FUND

provided a complete and timely explanation of specific projects before they are obligated.

Authorization and appropriation for the Special Requirements Fund is necessary at this time. Congressional authorization and appropriation of funds would both signal U.S. willingness to meet the economic requirements of transition in the region and subsequently permit flexible program and project planning and rapid implementation.

Namibia (S.W. Africa)

GENERAL ECONOMIC AND SOCIAL DATA

TABLE VII

<u>POPULATION</u>			<u>INTERNATIONAL COMMODITY TRADE</u> (\$ millions)	<u>1974</u>	<u>1975</u>
Total (mid-1976; millions)		0.9	Exports (f.o.b.)	542 ^E	
Annual Growth Rate (percent)		2.9%	Imports (c.i.f.)	-424 ^E	
Urbanization	<u>1960</u>	<u>1975</u>	Trade Balance	118 ^E	
Percent in Urban Areas	23%	41%	Main Exports: Diamonds, copper		
Labor Force in Agriculture (percent)		56%			
<u>HEALTH</u>			<u>OFFICIAL INTERNATIONAL RESERVES</u>	<u>1974</u>	<u>1975</u>
Life Expectancy (years)		44	(Gross Holdings; End of		
Infant Deaths per 1,000 Live Births		n. a.	Period; \$ millions)		
People per Doctor		4,000			
<u>EDUCATION</u>			<u>CENTRAL GOVERNMENT FINANCES</u> (\$ millions) ³	<u>1974</u>	<u>1975</u>
Primary and Secondary Students	<u>1960</u>	<u>1968</u>	Total Expenditures	n. a.	n. a.
a. Number (in thousands)	n. a.	113	Defense Expenditures		
b. As Percent 5-19 Age Group	n. a.	50%	a. As % of Total Expenditures	n. a.	n. a.
Literacy Rate (percent)			b. As % of GNP	n. a.	n. a.
<u>PER CAPITA GROSS NATIONAL PRODUCT</u>			Domestic Revenues	n. a.	n. a.
1974 (dollars) ¹		800			
Average 1965-74 Annual Growth Rate (percent) ²		-2.9%	<u>FY 1975 U.S. ECONOMIC ASSISTANCE</u>		
			a. As % of Country Central Government Expenditures		n. a.
			b. As % of Country Imports of Goods & Services		n. a.
<u>AGRICULTURAL PRODUCTION—Average 1971-76 Annual Growth Rate</u>			<u>SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT as %</u>		
Total Production (percent)		6.0%	<u>of Goods and Non-Factor Services (1974)</u>		n. a.
Per Capita Production (percent)		3.1%			

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.

Rhodesia (Zimbabwe)

GENERAL ECONOMIC AND SOCIAL DATA

TABLE VII

<u>POPULATION</u>			<u>INTERNATIONAL COMMODITY TRADE</u> (\$ millions)	<u>1974</u>	<u>1975</u>
Total (mid-1976; millions)		6.5	Exports (f.o.b.)	75 ^{E, a}	
Annual Growth Rate (percent)		3.6%	Imports (c.i.f.)	-50 ^{E, a}	
Urbanization	<u>1960</u>	<u>1975</u>	Trade Balance	25 ^{E, a}	
Percent in Urban Areas	16%	20%	Main Exports: Chrome, copper, gold.		
Labor Force in Agriculture (percent)		64%			
<u>HEALTH</u>			<u>OFFICIAL INTERNATIONAL RESERVES</u>	<u>1974</u>	<u>1975</u>
Life Expectancy (years)		54	(Gross Holdings; End of Period; \$ millions)		<u>1976</u>
Infant Deaths per 1,000 Live Births		n.a.			
People per Doctor		6,600	<u>CENTRAL GOVERNMENT FINANCES</u> (\$ millions) ³	<u>1974</u>	<u>1975</u>
<u>EDUCATION</u>			(FY Ending June 30)		
Primary and Secondary Students	<u>1960</u>	<u>1972</u>	Total Expenditures		
a. Number (in thousands)	543	787	Defense Expenditures		
b. As Percent 5-19 Age Group	37%	32%	a. As % of Total Expenditures		
Literacy Rate (percent)		25-30%	b. As % of GNP	2%	2%
<u>PER CAPITA GROSS NATIONAL PRODUCT</u>			Domestic Revenues		
1974 (dollars) ¹		460	<u>FY 1975 U.S. ECONOMIC ASSISTANCE</u>		
Average 1965-74 Annual Growth Rate (percent) ²		3.5%	a. As % of Country Central Government Expenditures		
			b. As % of Country Imports of Goods & Services		
<u>AGRICULTURAL PRODUCTION—Average 1971-76 Annual Growth Rate</u>			<u>SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT as % of Goods and Non-Factor Services (1974)</u>		n.a.
Total Production (percent)		4.7%			
Per Capita Production (percent)		1.0%			

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. a - 1972.

Zambia

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS					TOTAL 1946- 1976†	REPAY- MENTS AND INTEREST 1946- 1976†	TOTAL LESS REPAY- MENTS AND INTEREST
	1973	1974	1975	1976	TQ			
I. ECONOMIC ASSISTANCE - TOTAL	*	0.2	0.2	0.1	1.6			
Loans	-	-	-	-	1.6			
Grants	*	0.2	0.2	0.1	-			
a. A.I.D. and Predecessor Agencies	*	0.1	*	*	*			
Loans	-	-	-	-	-			
Grants	*	0.1	*	*	*			
<i>(Security Supporting Assistance)</i>	(-)	(-)	(-)	(-)	(-)			
b. Food for Peace (PL 480)	*	0.1	0.2	0.1	1.6			
Loans	-	-	-	-	1.6			Not available at time of printing
Grants	*	0.1	0.2	0.1	-			
Title I - Total Sales Agreements	-	-	-	-	1.6			
Repayable in U.S. Dollars - Loans	-	-	-	-	1.6			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	*	0.1	0.2	0.1 ^{a/}	-			
Emerg. Relief, Econ. Develop. & World Food Program	*	0.1	0.2	0.1	-			
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	9.1	1.0	26.4	1.4	-			
a. Export-Import Bank Loans	9.1	1.0	26.4	1.4	-			
b. All Other Loans	-	-	-	-	NA			

(Millions of Dollars)

TABLE VI

ECONOMIC PROGRAMS OF OTHER DONORS				
A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				
TOTAL	FY 1975	FY 1976	TQ	FY 1946-76†
	102.8	15.5	30.0	510.4
IBRD	94.1	15.0	30.0	476.5
IFC	1.0	0.5	-	3.9
AFDB	5.0	NA	NA	8.3
UNDP	2.2	*	-	20.2
Other UN	0.5	-	-	1.5
B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS				
Donor	CY 1974	CY 1975	CY 1969-75	
1. O.A.C. COUNTRIES (Excluding U.S.)				
TOTAL	56.2	67.8	244.5	
U.K.	19.6	22.0	106.7	
Germany	8.0	5.6	26.9	
Sweden	6.1	14.8	26.5	
Japan	8.0	5.6	21.8	
Canada	3.9	6.3	17.0	
Norway	2.6	4.8	15.0	
Other	8.0	8.7	30.6	
2. O.P.E.C. COUNTRIES (COMMITMENTS)				
TOTAL	1.6	-		
Algeria	0.8	-		
Nigeria	0.8	-		
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
TOTAL	CY 1975	CY 1976 ^P	CY 1954-76	
	-	27	362	
USSR	-	-	6	
Eastern Europe	-	-	50	
China	-	27	306	

* Less than \$50,000. TQ - Transition Quarter † As of September 30, 1976. P - Preliminary. NA - Not Available
a/ Includes the transition quarter.

Zambia

GENERAL ECONOMIC AND SOCIAL DATA

TABLE VII

<u>POPULATION</u>			<u>INTERNATIONAL COMMODITY TRADE</u> (\$ millions)	<u>1974</u>	<u>1975</u>
Total (mid-1976; millions)		5.1	Exports (f.o.b.)	1,407	763
Annual Growth Rate (percent)		3.2%	Imports (c.i.f.)	<u>-910</u>	<u>-1,075</u>
Urbanization	<u>1960</u>	<u>1975</u>	Trade Balance	497	-312
Percent in Urban Areas	18%	37%	Main Exports: Copper.		
Labor Force in Agriculture (percent)		69%			
<u>HEALTH</u>			<u>OFFICIAL INTERNATIONAL RESERVES</u>	<u>1974</u>	<u>1975</u>
Life Expectancy (years)		47	(Gross Holdings; End of		
Infant Deaths per 1,000 Live Births		160	Period; \$ millions)	172	149
People per Doctor		13,400			86 (Nov.)
<u>EDUCATION</u>			<u>CENTRAL GOVERNMENT FINANCES</u> (\$ millions) ³	<u>1974</u>	<u>1975</u>
Primary and Secondary Students	<u>1960</u>	<u>1973</u>	Total Expenditures	804	1,050
a. Number (in thousands)	293	876	Defense Expenditures		
b. As Percent 5-19 Age Group	27%	53%	a. As % of Total Expenditures	11%	7%
Literacy Rate (percent)		20%	b. As % of GNP	4%	3%
<u>PER CAPITA GROSS NATIONAL PRODUCT</u>			Domestic Revenues	1,012	718
1974 (dollars) ¹		520	<u>FY 1975 U.S. ECONOMIC ASSISTANCE</u>		
Average 1965-74 Annual Growth Rate (percent) ²		1.0%	a. As % of Country Central Government Expenditures		*
			b. As % of Country Imports of Goods & Services		*
<u>AGRICULTURAL PRODUCTION—Average 1971-76 Annual Growth Rate</u>			<u>SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT as %</u>		
Total Production (percent)		7.6%	<u>of Goods and Non-Factor Services (1974)</u>		5.1%
Per Capita Production (percent)		4.3%			

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.

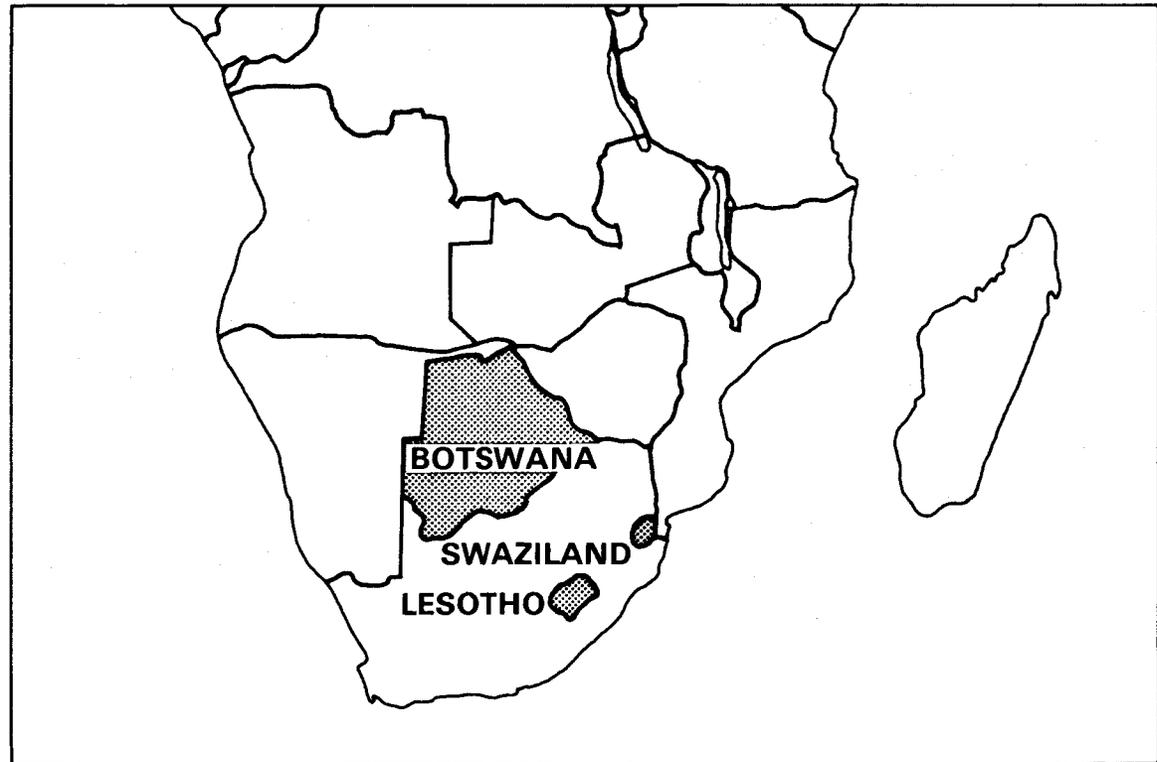
² Estimate in the IBRD 1976 World Atlas.

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

* - Less than one half of one percent.

Botswana, Lesotho and Swaziland

**Botswana
Lesotho
Swaziland**



COUNTRY	POPULATION				ECONOMIC AND SOCIAL DATA				
	Total (mid-1976- millions)	Annual Growth Rate (percent)	Percent Urban (1975)	Labor Force in Agriculture (percent)	Per Capita GNP-1974* (dollars)	Life Expectancy (years)	People per Doctor	Literacy Rate (percent)	Students as % of 5-19 Age Group (Primary & Secondary)
Botswana	0.7	2.9	11	91	290	46	14,800	20	49
Lesotho	1.1	2.1	3	89	140	49	20,300	59	56
Swaziland	0.5	3.2	14	82	390	46	8,900	36	54

* - Estimate in IBRD 1976 Annual Report.

BOTSWANA, LESOTHO, SWAZILAND AND REGIONAL

Ongoing activities in Botswana, Lesotho and Swaziland will require \$25 million in FY 1978. Those activities were developed and funded as part of A.I.D.'s regional Development Assistance program for southern Africa during the period FY 1972 through FY 1977. As suggested above, the region is in transition and the U.S. Security Supporting Assistance program is now being shaped to respond to that situation and broader development opportunities not thought possible only a few years ago.

The three countries share common characteristics:

- They are primarily agrarian, and the majority of their populations are dependent upon subsistence agriculture.
- Critical manpower constraints, poor educational systems and lack of adequate infrastructure have limited the impact of modernization, especially for the rural populations.
- Poor cropping and growing practices have aggravated the deterioration of land resources, especially in Lesotho where land erosion has become a major national problem.
- A large percentage of the unskilled and semi-skilled labor force work as migrant laborers in the mines of South Africa. This is particularly true in the case of Lesotho resulting in a large concentration of women involved in sustaining a subsistence agriculture.
- All three countries are landlocked and have long borders with minority-ruled regimes. Thus, they are directly affected by political developments in the neighboring countries on which they are dependent for access to port, rail or road facilities.
- Lesotho, Botswana and Swaziland are listed among the poorest and least developed countries in the world by the United Nations.

SECURITY SUPPORTING ASSISTANCE PROGRAM SUMMARY (In millions of dollars)				
	FY 1976 Actual	TQ Actual	FY 1977 Estimated	FY 1978 Proposed
<u>Supporting Assistance</u>	-	-	14.0	25.0
Botswana	*	*	10.0	3.0
Lesotho	*	*	*	5.0
Swaziland	*	*	*	10.5
Regional	-	-	4.0	6.5
*Programs financed with Development Assistance funds.				

- Lesotho, Botswana and Swaziland are heavily dependent on the Republic of South Africa for access to the outside world by air and land routes.

The national development objectives of the three countries are based primarily on improvement of rural incomes, agricultural productivity, rural development, infrastructure and provision of adequate health and education facilities for all their people.

FY 1978 Ongoing Program for Botswana

Botswana is surrounded by the Republic of South Africa, Rhodesia and Namibia (South West Africa). Its only direct link with black Africa is provided by a ferry connecting it with Zambia across the Zambezi River. For all practical purposes, its routes to the outside world are provided through the existing Rhodesian rail and road link facilities via South Africa. The

BOTSWANA, LESOTHO, SWAZILAND AND REGIONAL

economy of the country depends primarily on livestock production and agriculture together with significant mineral exploitation.

The FY 1978 A.I.D. program for Botswana includes continued assistance to ongoing projects in areas of:

- range management and livestock development;
- crop production and marketing;
- maternal/child health;
- population planning;
- the transportation sector.

A new activity in the area of agriculture planning is also proposed. The new long-term development activity proposed for FY 1978 is an outgrowth of regular A.I.D. program planning and is related to the overall national development effort.

Food and Nutrition

As a country whose economy depends primarily on its cattle industry, Botswana has made a determined effort to improve its range management and livestock development. It has also encouraged and supported assistance programs to increase income to smallholders in rural areas. A related concern of the Botswana government has been to increase food production, to reduce imports and to promote self-sufficiency in basic foodstuffs such as sorghum and pulses. In recent years it has also introduced a land reform program to promote a fair and more economic distribution of land among its people. In view of the semi-arid nature of the country, with unpredictable rainfalls, progress in the agriculture sector depends on long and careful research and experimentation. Thus, A.I.D.'s assistance will:

- continue the development of the prototype ranching systems for organized groups of smallholders;
- implement a project to improve production and

storage of cereal grains;

- initiate a new project in agriculture planning.

Population and Health

In the area of population planning and public health, Botswana has provided strong support for ongoing program to expand health services in the rural and urban areas.

A.I.D. will:

- continue assistance to the Maternal and Child Health, Family Planning project.

Education and Human Resources

Botswana, more than any of the other countries in the southern Africa program, is severely handicapped by a shortage of trained manpower. At present the country relies heavily on expatriates to staff key civil service positions. A.I.D. and other donors have been providing training programs for Botswana personnel. To expedite the replacement of expatriates by locals, the Government is stressing in-country training through local institutions. Therefore, A.I.D. proposes to continue support to other national and regional programs which are concentrating on human resource development.

Rural Development

Botswana's efforts in rural development are hampered by non-existent or inadequate road network. Therefore, A.I.D. plans to respond to Botswana's needs in these areas by providing assistance in:

- transport-sector equipment and services;
- road improvement.

BOTSWANA, LESOTHO, SWAZILAND AND REGIONAL

ADDITIONAL PROGRAM DATA			
Category	FY 1976 (Actual)	FY 1977 (Estimated)	FY 1978 (Proposed)
A.I.D. Personnel ^a			
Direct Hire ^b	2	2	2
PASA ^c	-	-	-
Contract	13	16	19
Total	15	18	21
Participants ^d			
Noncontract	13	15	21
Contract	2	5	7
Total	15	20	28

^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

P.L. 480 PROGRAMS SUMMARY (In 000MT/\$000)						
Program	FY 1976* (Actual)		FY 1977 (Estimated)		FY 1978 (Projected)	
	MT	\$	MT	\$	MT	\$
<u>Title I</u>						
Wheat	-	-	-	-	-	-
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total		-		-		-
<u>Title II</u>						
Voluntary Agencies ..		-		-		-
World Food Programs ..		2,371		2,674		3,674
Gov't.-to-Gov't.		-		-		-
Title II Total		2,371		2,674		3,674
Total P.L. 480		2,371		2,674		3,674

*Includes Transition Quarter.

P.L. 480, Title II

There is also a modest P.L. 480 Title II program in Botswana under the World Food Program, in support of Food-for-Work activities.

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1976* (Actual)	FY 1977 (Estimated)	FY 1978 (Estimated)
A.I.D.**			
Loans	-	2,000	1,000
Grants	650	2,252	2,975
Total A.I.D.	650	4,252	3,975
P.L. 480***			
Title I	-	-	-
Title II	2,371	2,674	3,674
Total P.L. 480	2,371	2,674	3,674
Total A.I.D. and P.L. 480	3,021	6,926	7,649

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

FY 1978 Ongoing Program for Lesotho

Lesotho is an enclave within the Republic of South Africa. In spite of low agricultural productivity, 95% of the population is rural and depends on subsistence farming. Known natural resources are scant, and land erosion presents a serious problem in a national development plan based on agricultural productivity. There is a critical shortage of trained manpower in all sectors and levels.

The FY 1978 A.I.D. program for Lesotho continues to concentrate in the area of soil conservation and land and water resources. Lesotho is listed among the poorest countries of the world, with limited natural resources. With a predominantly agrarian and rural population, food production and the general living standard of the people are affected by severe land erosion and

BOTSWANA, LESOTHO, SWAZILAND AND REGIONAL

uncontrolled grazing practices. As a result of these unfavorable conditions, a large number of the country's male population work as migrant laborers in the mines of South Africa.

The development plan of the country places high priority on:

- improving the agricultural sector to increase food production;
- insuring an adequate income for the rural population;
- generally providing better incentives for the average citizen to remain in the country.

This effort is being supplemented with related and improved services in rural health and functional education.

Food and Nutrition

The national priority of the government of Lesotho is the development of the agricultural sector and increases in agricultural production to provide an adequate standard of living for all its people. With assistance from a variety of donors, the Government has been supporting programs in soil conservation, agricultural research, and nutrition planning. All these efforts have produced some noticeable results in recent years. However, the country still needs a heavy input of foreign assistance in the coming years to assure continued progress in this crucial area. Thus, A.I.D. will:

- continue to support the major rural development effort in one area of the country, with focus on land and water conservation and improved agricultural practices;
- support a new Farming Systems Research project to develop more productive farming enterprise mixes;

- provide training in livestock, farm management, irrigation and agricultural extension for people directly involved in the implementation of A.I.D.-sponsored projects.

Population and Health

As part of the Government's effort to provide adequate public health facilities to the whole population in urban and rural areas, Lesotho has undertaken several programs in health education and training, integrated maternal and child health, and family planning. In support of these programs, A.I.D. will continue assistance through a project in health manpower training.

Education and Human Resources

Lesotho, like other countries in the region, has a critical shortage of skilled personnel in all sectors at the middle and upper levels, as well as institutions to provide the training. This problem hampers every development effort and has to be taken into consideration in planning A.I.D. projects. As part of the continued concern to alleviate the situation, A.I.D. will:

- initiate a new program of assistance to the National Teacher Training College (NTTC):
- continue assistance to other national and regional programs in areas of human resources development.

BOTSWANA, LESOTHO, SWAZILAND AND REGIONAL

ADDITIONAL PROGRAM DATA			
Category	FY 1976	FY 1977	FY 1978
	(Actual)	(Estimated)	(Proposed)
A.I.D. Personnel ^a			
Direct Hire ^b	2	2	2
PASA ^c	-	-	-
Contract	7	9	12
Total	9	11	14
Participants ^d			
Noncontract	28	32	37
Contract	4	6	8
Total	32	38	45

^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						
<i>(In 000MT/\$000)</i>						
Program	FY 1976*		FY 1977		FY 1978	
	(Actual)	(Actual)	(Estimated)	(Estimated)	(Projected)	(Projected)
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat	-	-	-	-	-	-
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total		-		-		-
<i>Title II</i>						
Voluntary Agencies ..		2,782		2,318		2,144
World Food Programs ..		2,318		1,440		1,372
Gov't-to-Gov't.		-		-		-
Title II Total		5,100		3,758		3,516
Total P.L. 480		5,100		3,758		3,516

*Includes Transition Quarter.

P.L. 480

The P.L. 480 Title II program in Lesotho has been providing nutritional supplements as food aid to approximately 120,000 mothers and children at the Maternal Child Health centers throughout the country. This program is part of the Lesotho Government's effort to improve the rural health delivery systems and increase the quality of health education.

Another component of the P.L. 480 Title II program covers Food-for-Work projects for about 35,000 workers involved in:

- soil conservation;
- construction of dams;

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-- development of rural roads.

These projects are extremely important in Lesotho where improved agricultural production is directly related to the success in checking the severe land erosion problem.

Both components of the P.L. 480 program complement the A.I.D. development projects in Lesotho which are concentrated on rural health and agricultural development.

In FY 1978 the P.L. 480 program will provide about \$3.5 million in bulgur, corn soy milk, fortified corn meal, wheat flour and vegetable oil. About half of the total amount will be administered by a voluntary agency; the other held will be under the World Food Program.

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1976* (Actual)	FY 1977 (Estimated)	FY 1978 (Estimated)
A.I.D.**			
Loans	-	-	-
Grants	750	2,410	3,895
Total A.I.D.	750	2,410	3,895
P.L. 480***			
Title I	-	-	-
Title II	5,100	3,758	3,516
Total P.L. 480	5,100	3,758	3,516
Total A.I.D. and P.L. 480	5,850	6,168	7,411

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

FY 1978 Ongoing Program for Swaziland

Swaziland is a landlocked country surrounded by South Africa and Mozambique. While the Swazi economy is relatively diversified, it is primarily agricultural and is divided between a modern sector, comprised largely of foreign-owned activities, and the traditional sector, or Swazi nation land. More than 40% of the nation's productive land is under individual tenure, mostly held in freehold or concession leases by non-Africans. A concentrated effort is being made by the Government to repurchase this land for the use of its own people.

As in the case with Botswana and Lesotho, the FY 1978 A.I.D. program for Swaziland will continue ongoing activity concentrated in the sector of food and nutrition.

However, Swaziland has better chances than the others for economic progress. It enjoys a more favorable climate and variety of natural resources. But it is hampered by traditional agricultural practices, lack of trained personnel, and inadequate institutional frameworks to provide services in the rural areas.

Food and Nutrition

With donor assistance, Swaziland has been developing specifically defined rural areas, focusing on improved agricultural practices, food production and livestock development. Related to these objectives, the Government has been expanding rural road construction and training of personnel in the operation and maintenance of farm machinery and road equipment. To help Swaziland meet these targets, the A.I.D. program for FY 1978 will:

- start a new project of assistance to the Swazi rural development area program;
- continue support to the cooperatives and marketing program.

BOTSWANA, LESOTHO, SWAZILAND AND REGIONAL

Population and Health

Rural health services in the past have been provided primarily by missionary groups. In recent years, however, Swaziland has expanded national health coverage through a coordinated effort on the part of the central government offices. But there is a critical shortage of well trained health workers, especially for the rural areas where they have to function as paramedics, nurses and doctors. Thus, the A.I.D. program in FY 1978 will continue supporting the Swazi project to train auxiliary health workers, institutionalize a training center, and strengthen the planning and administration of the national health services.

Education and Human Resources

The development of human resources is also a priority area of concentration in Swaziland. The country needs trained people in technical, managerial and planning positions in all sectors, many of which are presently filled by expatriates. To meet some of these objectives, the Government is upgrading its technical and vocational schools to insure that these institutions move from the theoretical to the practical approach to training.

Swaziland is also reforming its national curriculum to make education more relevant to the needs of the country. The two Governments of Botswana and Swaziland are co-operating in the development of a joint university--the University of Botswana and Swaziland. This new institution is expected to play an important role in training people for the two countries. Therefore, in support of the above objectives, the A.I.D. program in FY 1978 will:

- continue assistance to the curriculum development program;
- develop an assistance program for the University of Botswana and Swaziland;

-- continue to support other training programs through bilateral and regional projects.

ADDITIONAL PROGRAM DATA

Category	FY 1976 (Actual)	FY 1977 (Estimated)	FY 1978 (Proposed)
A.I.D. Personnel ^a			
Direct Hire ^b	12	15	15
PASA ^c	-	-	-
Contract	13	16	18
Total	25	31	33
Participants ^d			
Noncontract	18	22	35
Contract	4	5	7
Total	22	27	42

^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.

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P.L. 480 PROGRAMS SUMMARY

(In 000MT/\$000)

Program	FY 1976* (Actual)		FY 1977 (Estimated)		FY 1978 (Projected)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat	-	-	-	-	-	-
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total		-		-		-
<i>Title II</i>						
Voluntary Agencies ..		-		-		-
World Food Programs .		145		449		485
Gov't.-to-Gov't.		-		-		-
Title II Total		145		449		485
Total P.L. 480		145		449		485

*Includes Transition Quarter.

P.L. 480

There is also a modest P.L. 480 Title II program in Swaziland under the World Food Program, in support of Food-for-Work activities.

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 1976* (Actual)	FY 1977 (Estimated)	FY 1978 (Estimated)
A.I.D.**			
Loans	-	350	1,600
Grants	700	1,715	3,520
Total A.I.D.	700	2,065	5,120
P.L. 480***			
Title I	-	-	-
Title II	145	449	485
Total P.L. 480	145	449	485
Total A.I.D. and P.L. 480	845	2,514	5,605

*Includes Transition Quarter.

**A.I.D. levels represent actual and estimated expenditures.

***P.L. 480 levels represent actual and estimated value of shipments.

FY 1978 Regional Programs

The FY 1978 regional programs include (a) continuation of a training program for African nationals from countries presently under minority rule; (b) a new school examination development project for Botswana, Lesotho and Swaziland; (c) funds for feasibility studies, project design and other support activities for the region; (d) funds for programs implemented by private voluntary agencies.

BOTSWANA, LESOTHO, SWAZILAND AND REGIONAL

ADDITIONAL PROGRAM DATA			
Category	FY 1976 (Actual)	FY 1977 (Estimated)	FY 1978 (Proposed)
A.I.D. Personnel ^d			
Direct Hire ^b	-	-	-
PASA ^c	-	-	-
Contract	-	-	4
Total	-	-	4
Participants ^d			
Noncontract	-	-	-
Contract	25	75	150
Total	25	75	150

^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	4,000	11,000	10,000
Grants	350	1,700	5,600
Total A.I.D.	4,350	11,700	10,560
P.L. 480***			
Title I	-	-	-
Title II	-	-	-
Total P.L. 480	-	-	-
Total A.I.D. and P.L. 480	4,350	11,700	10,560

*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: BOTSWANA

TABLE II

Project Title	* Project Number	FY of Initial Obligation	Grant							Loan**							
			Through 9/30/76		Estimated FY77 ^{a/}		Proposed FY78 ^{a/}		Future Year Obligations	Through 9/30/76				Estimated FY 77		Proposed FY 78	
			Obligations	Expenditures	Obligations	Expenditures	Obligations	Expenditures		Amount of Agreement	Amount Disbursed	Principal Repayments	Interest Collected	Agreement	Expenditures	Agreement	Expenditures
<u>Food/Nutrition</u>																	
Range Management/Livestock	* 690-0015	1973	1,248	655	406	179	552	500	417	-	-	-	-	-	-	-	-
Crop Production/Marketing	* 690-0056	T.Q.	340	-	394	201	600	650	408	-	-	-	-	-	-	-	-
Agricultural Planning	* 690-0067	1978	-	-	-	-	861	575	4,423	-	-	-	-	-	-	-	-
<u>Population/Health</u>																	
Maternal and Child Health/FP	* 690-0032	1973	1,199	791	450	423	235	610	-	-	-	-	-	-	-	-	-
<u>Education/Human Resources</u>																	
Southern Africa Development Personnel and Training	* 690-0030.1	1973	1,403	910	800	349	303	290	-	-	-	-	-	-	-	-	-
Southern Africa Manpower Development	* 690-0069.1	1978	-	-	-	-	433	350	1,677	-	-	-	-	-	-	-	-
<u>Special Development Activities</u>																	
Botswana-Zambia Road	690-0001	1972	-	-	-	-	-	-	-	12,600	2,200	-	65	-	2,000	-	1,000
Botswana-Zambia Road	690-0001A	1973	-	-	-	-	-	-	-	4,000	-	-	1	-	1,000	-	600
Transportation Sector/Rural Development	690-xxxx	1977	-	-	3,200	1,100	-	-	-	-	-	-	-	5,000	1,500	-	3,500
Total.....			4,190	2,356	5,250	2,252	2,984	2,975	6,925	16,600	2,200	-	66	5,000	4,500	-	5,100

a/ Security Supporting Assistance funding except for \$250 in FY 1977 for Population Activities.

*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 ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

COUNTRY: LESOTHO

TABLE II

Project Title	* Project Number	FY of Initial Obligation/Date of Loan Authorization	Grant							Loan**							
			Through 9/30/76		Estimated FY77		Proposed FY78a/		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
<u>Food/Nutrition</u>																	
Thaba Bosiu Rural Development	* 690-0031	1973	2,240	1,279	500	736	554	680	-	-	-	-	-	-	-	-	-
Land/Water Resources Development	* 690-0048	1975	1,303	590	625	734	641	590	431	-	-	-	-	-	-	-	-
Farming Systems Research	* 690-0065	1978	-	-	-	-	1,691	750	809	-	-	-	-	-	-	-	-
<u>Population/Health</u>																	
Rural Health Development	* 690-0058	1977	-	-	858	469	549	650	1,059	-	-	-	-	-	-	-	-
<u>Education/Human Resources</u>																	
Instructional Materials Resource Center	* 690-0061	1978	-	-	-	-	866	575	1,134	-	-	-	-	-	-	-	-
Southern Africa Development Personnel and Training	* 690-0030.2	1973	1,237	627	368	471	302	300	-	-	-	-	-	-	-	-	-
Southern Africa Manpower Development	* 690-0069.2	1978	-	-	-	-	433	350	1,707	-	-	-	-	-	-	-	-
<u>a/ Security Supporting Assistance funding.</u>																	
Total			4,780	2,496	2,351	2,410	5,036	3,895	5,140	-	-	-	-	-	-	-	-

*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 ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

COUNTRY: SWAZILAND

TABLE II

Project Title	Project Number	FY of Initial Obligation/Date of Loan Authorization	Grant							Loan**							
			Through 9/30/76		Estimated FY77		Proposed FY78 ^{a/}		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
<u>Food/Nutrition</u>																	
Cooperatives/Marketing	* 690-0055	1976	616	-	426	324	739	950	933	-	-	-	-	-	-	-	-
RDA Infrastructure	* 690-0068	1978	-	-	-	-	2,534	700	1,666	-	-	-	-	-	-	5,400	1,500
Small Farmer Agriculture Credit	690-0005	1974	-	-	-	-	-	-	-	750	300	-	1	-	350	-	100
<u>Population/Health</u>																	
Health Manpower Training	* 690-0062	1977	-	-	1,300	503	592	675	2,508	-	-	-	-	-	-	-	-
<u>Education/Human Resources</u>																	
Curriculum Development	* 690-0009	1975	930	545	600	671	621	720	1,018	-	-	-	-	-	-	-	-
Southern Africa Development	* 690-0030.3	1973	741	212	99	217	121	200	-	-	-	-	-	-	-	-	-
Personnel and Training																	
Southern Africa Manpower Development	* 690-0069.3	1978	-	-	-	-	433	275	1,677	-	-	-	-	-	-	-	-
Total			2,287	757	2,425	1,715	5,040	3,520	7,802	750	300	-	1	-	350	5,400	1,600

^{a/} Security Supporting Assistance funding.

*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 ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

COUNTRY: ZAMBIA AND REGIONAL

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
ZAMBIA																	
Program Loan	690-0004	1973	-	-	-	-	-	-	-	5,000	4,000	-	3	-	1,000	-	-
Commodity Import	690-0009	1977	-	-	-	-	-	-	-	20,000	-	-	-	-	10,000	-	10,000
REGIONAL																	
Examinations Council of Botswana, Lesotho and Swaziland	* 690-0060	1978	-	-	-	-	900	500	1,930	-	-	-	-	-	-	-	-
Development Training for Southern Africans	* 690-0063	1976	677	350	4,000	1,700	1,000	1,200	1,500	-	-	-	-	-	-	-	-
Project Development and Support	* 699-0001	1978	-	-	-	-	2,200	2,000	Cont.	-	-	-	-	-	-	-	-
Private Voluntary Organizations (PVOs)	* 699-0002	1978	-	-	-	-	2,000	1,600	Cont.	-	-	-	-	-	-	-	-
Special Self-Help	* 699-0003	1978	-	-	-	-	400	300	Cont.	-	-	-	-	-	-	-	-
Total			677	350	4,000	1,700	6,500	5,600	3,430	25,000	4,000	-	3	-	11,000	-	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.

SUMMARY OF LOAN AUTHORIZATIONS
 Estimated FY 1977 – Proposed FY 1978

COUNTRY: Botswana, Swaziland and Zambia

(In thousands of dollars)

TABLE III

FISCAL YEAR	TITLE	AMOUNT
1977	<u>Botswana</u> Transportation Sector (FY 1977 Supplemental CP, June, 1976)	5,000
1978	<u>Swaziland</u> Rural Development Area Infrastructure	5,400
1977	<u>Zambia</u> Commodity Import (FY 1977 Supplemental CP, June, 1976)	20,000

Country: SWAZILAND

CONTINUING ACTIVITY

Table IV

TITLE Curriculum Development	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 621		
NUMBER 690-0009	PRIOR REFERENCE	INITIAL OBLIGATION FY 1975	ESTIMATED FINAL OBLIGATION FY 1981	ESTIMATED COMPLETION DATE OF PROJECT FY 1981
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	FY 1977 Africa Programs, p.230			

Purpose: To establish an institutionalized Swazi capability (the Primary Curriculum Unit) for developing primary curriculum.

Major Outputs:

	<u>9/30/76</u>	<u>FY 77</u>	<u>FY 78</u>
	(Cumulative as of end of FY)		
Curriculum Production System	x	x	x
Teaching Materials preparation/production/distribution system	x	x	x
New curriculum test	x	x	x
Teacher Training System	x	x	x
Trained Staff			
a. returned participants	x	x	x
b. in-service training	x	x	x
<u>Host Country and Other Donors (\$000):</u>		<u>All Years</u>	
Government of Swaziland (Local costs for personnel and Materials)		6,452	
IBRD (Construction of educational facilities and educational equipment)		241	

Progress to Date: A six-member U.S. contract team has developed jointly with the Swazi counterparts a comprehensive plan for the preparation of new curriculum materials. This plan has been approved by the Ministry of Education, and will now be implemented through testing, revising and mass production.

FY 1978 Program:

<u>A.I.D.-financed Inputs</u>		
(\$ Thousands)		<u>FY 78</u>
Personnel:		531
Funding for long-term U.S. technicians		
8 consultants (78 pm)		
Training:		65
Five continuing and two long term participants (28 pm)		
Commodities:		<u>25</u>
Total		621

CONTINUING ACTIVITY

Table IV

Country: BOTSWANA

TITLE Range Management and Livestock Development	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 552		
NUMBER 690-0015	PRIOR REFERENCE	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	FY 1977 Africa Programs, p. 220	FY 1973	FY 1978	FY 1979

Purpose: To develop replicable, group, small stockholder range and livestock management systems which are socially acceptable and economically viable.

Major Outputs:

	<u>FY 78</u>	<u>All Years</u>
	(Cumulative as of end of FY)	
Field studies completed and sites selected for prototype ranches	3	3
Firebreaks constructed, commodities delivered	x	x
Range Research Laboratory developed and operational	x	x
Trained participants returned	1	6
<u>Host Country and Other Donors (\$000):</u>		<u>All Years</u>
Government of Botswana (for local salaries and facilities)		400

Progress to Date: Based on an extensive evaluation of the project in 1976, A.I.D. and the Government of Botswana have jointly agreed to place more emphasis on group formation to get small farmers to work more closely

together. Consequently, the second phase of the project will have a team of U.S. field officers residing at the ranch test sites in the various regions of the country. With the team working with the local farmers on a day-to-day basis, it is expected that the project will speed up adoption of modern livestock management and husbandry techniques.

FY 1978 Program

	<u>A.I.D.-financed Inputs</u>
	(\$ Thousands)
	<u>FY 78</u>
Personnel:	335
Technical services and consultancies (98 pm)	
Training:	
Continuing long-term U.S. training for 4 Botswana and 1 new start for long-term U.S. training (60 pm)	54
Other ranch costs	<u>163</u>
Total	552

CONTINUING ACTIVITY

Table IV

Country: BOTSWANA

TITLE Southern Africa Development Personnel and Training	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 303		
NUMBER 690-0030.1	PRIOR REFERENCE	INITIAL OBLIGATION FY 1973	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1980
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	FY 1977 Africa Programs, p. 229			

Purpose: To enhance the host government's effectiveness in implementing its development programs in selected areas by providing qualified personnel services of U.S. technicians and training for local nationals.

Major Outputs:

	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		
<u>PM's of Tech. Services:</u>			
Agriculture	77	145	193
Education	6	6	6
Tax Administration	<u>122</u>	<u>170</u>	<u>218</u>
Total	205	321	417

Number of Returned Participants:

Long Term	2	3	7
Short Term	2	2	2

Progress to Date: The project has assisted the Government of Botswana in developing a functional planning division at the Ministry of Agriculture. A four-member tax team of U.S. advisors has helped modernize the tax collection system in the country and increased revenues on a more equitable basis. Local counterparts are being trained to assume their respective positions in the various sectors of national development.

Host Country and Other Donors (\$000):

Government of Botswana (Local salaries, office space and allowances for trainees)	610 (equivalent in local currency)
---	--

FY 1978 Program: A.I.D. will continue its support of the nine U.S. positions in agriculture and development administration, and will continue the participant training mentioned above.

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

	<u>FY 78</u>
Personnel: U.S. Technicians (48 pm)	200
Training: Participants (108 pm)	<u>103</u>
Total	303

CONTINUING ACTIVITY

Table IV

Country: LESOTHO

TITLE Southern Africa Development Personnel and Training	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	302	
NUMBER 690-0030.2	PRIOR REFERENCE	INITIAL OBLIGATION FY 1973	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1980
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	FY 1977 Africa Programs, p. 229			

Purpose: To enhance the host government's effectiveness in implementing its development programs in selected key areas by providing qualified personnel services of U.S. technicians and training for local nationals.

Major Outputs:

	<u>9/30/76</u>	<u>FY 77</u>	<u>FY 78</u>
	(Cumulative as of end of FY)		
Person Months-Advisory Technical Services	96	156	216
Number of Trained Lesotho Returned to Established Positions	15	20	28

Progress to Date: The project has provided U.S. technicians to fill key positions in areas of soil conservation, animal production and range management, agricultural extension, agricultural planning, and farm management, while selected participants have been pursuing training programs in the various fields to fill positions presently held by the Americans. Thus, it has been possible to provide continuity of activities towards achieving the objectives of the National Development Plan of Lesotho.

To date thirteen degree and sixteen non-degree participants have gone abroad for training in agriculture, education, economic planning, and practical mechanics.

Host Country and Other Donor (\$000):

Government of Lesotho
(Local salaries, office space and allowances for trainees)

All Years
300
(equivalent in local currency)

FY 1978 Program:

	<u>A.I.D.-financed Inputs</u> (\$ Thousands)	<u>FY 78</u>
Personnel: U.S. technicians (60 pm)		210
Training: Continuing Participants (102 pm)		87
Other Costs		5
Total		302

Country: SWAZILAND

CONTINUING ACTIVITY

Table IV

TITLE	Southern Africa Development Personnel and Training	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
		Security Supporting Assistance	FY 78 121		
NUMBER	690-0030.3	PRIOR REFERENCE	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>	FY 1977 Africa Programs, p. 229	FY 1973	FY 1978	FY 1979

Purpose: To enhance the host government's effectiveness in implementing its development programs in selected key areas by providing qualified U.S. technicians and training for local nationals.

Major OutputsAdvisory Services
(person months)

	<u>9/30/76</u>	<u>FY 77</u>	<u>FY 78</u>
Agriculture	69	105	136
Education	-	9	9
Econ. Planning	-	12	36
Low Income Housing	-	<u>12</u>	<u>18</u>
Total	69	138	199

Trained Participants

Agriculture	1	5	7
Education	-	1	2
Econ. Planning	-	-	1
Low Income Housing	-	-	<u>2</u>
Total	1	6	12

Host Country and Other Donors (\$000):

Government of Swaziland
(Local salaries, office space
and allowances for trainees)

All Years

200
equivalent in
local currency

Progress to Date: The major activities to date include (1) the provision of a technician to operate the small farmer credit window at the National Development Savings Bank; (2) provision of a technician to oversee management, operation, and maintenance of the Government's heavy equipment pool, which is being used to develop the infrastructure associated with the multi donor-supported Rural Development Areas Program, and (3) long term participant training for two participants in the above two areas and for four other participants in disciplines related to food production and nutrition. Beginning in FY 1977, the project covers funding of six Americans associated with education planning, economic planning, low income housing development, fisheries, and crop production. Counterparts will be given participant training to prepare them to take over these positions in two years' time.

FY 1978 Program:A.I.D.-financed Inputs
(\$ Thousands)

Training for 12 participants in home economics, seed multiplication, education planning, low income housing development, and economic planning (144 pm)

FY 78

121

CONTINUING ACTIVITY

Table IV

Country: LESOTHO

TITLE Thaba Bosiu Rural Development	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	554	
NUMBER 690-0031	PRIOR REFERENCE	INITIAL OBLIGATION FY 1973	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	FY 1977 Africa Programs, p. 221			

Purpose: (1) To develop and install soil conservation infrastructure applicable to selected areas of the country.
(2) To develop a program for testing conservation-oriented farming systems.

started by the project's agronomy research officer, whose efforts will be supplemented by the addition of a social analyst now under recruitment.

Major Outputs:

	<u>9/30/76</u>	<u>FY 77</u>	<u>FY 78</u>
	(Cumulative as of end of FY)		
1. Plans developed for Conservation Planning Units (CPUs)	5	9	14
2. Conservation Structures completed	4	6	8
3. Trained Basotho returned and at work	4	7	11
4. Farming systems plans	-	-	1
5. Small farmer acceptability tests of farming systems	-	-	2

FY 1978 Program:

	<u>A.I.D.-financed Inputs</u>	<u>FY 78</u>
	(\$ Thousands)	
Personnel:		
Conservation consultants (3 pm)		12
Training		
Participants (84 pm)		67
Other Costs		
Support for project staff, operational costs, vehicle and equipment repair and maintenance, soil conservation works,		475
Total		554

Host Country and Other Donors (\$000):

	<u>All Years</u>
Government of Lesotho (for local costs)	500
IBRD (fertilizer, credit, seeds, operational costs)	5,600

Progress to Date: The chief measures of success for the A.I.D.-supported activities will be completion of the planned conservation infrastructure, production of a corps of suitably trained Basotho, and development of a program for testing conservation oriented farming systems. All are scheduled to be finished in 1979, the end of the project. To date, preparation of land use plans followed by construction of the necessary terraces, drop structures, grassed waterways, access roads, dams and fencing is proceeding at a satisfactory pace. The Government of Lesotho has cooperated well in releasing candidates for training, and that activity is on schedule. Farming systems work is being

CONTINUING ACTIVITY

Table IV

Country: BOTSWANA

TITLE Botswana Maternal and Child Health/Family Planning Training	FUNDS Security Supporting Assistance ^{a/}	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 690-0032	PRIOR REFERENCE	FY 78	235	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	FY 1977 Africa Programs, p. 226	INITIAL OBLIGATION FY 1973	ESTIMATED FINAL OBLIGATION FY 1978	ESTIMATED COMPLETION DATE OF PROJECT FY 1979

Purpose: To assist the Government of Botswana, through in-service training of 540 nurses in MCH/FP concepts and techniques, to develop a cadre of public health personnel capable of serving both urban and rural health facilities. An additional objective is to coordinate health education to promote Maternal and Child Health/Family Planning.

UNFPA

(Technical support, materials and equipment)

600

Major Outputs:

	<u>9/30/76</u>	<u>FY 77</u>	<u>FY 78</u>
	(Cumulative as of end of FY)		
Trained nurses (in-service)	281	431	540
An integrated curriculum established and formally accepted for Basic Nurse Training	-	-	-
Trained participants returned and assigned	2	5	7
Field In-Service Training Facilities developed and in use.	4	4	4
An operating Health Education Unit in place providing family planning information	-	-	-

Progress to Date: During the past year an additional one hundred nurses have completed the in-service training program. It is expected that the project will attain its objective of 540 nurses by project completion at the end of FY 1978. The project also continued to work toward establishment of a health education support activity, focusing on MCH/FP.

FY 1978 Program:

	<u>A.I.D.-financed Inputs</u>
	<u>(\$ Thousands)</u>
	<u>FY 78</u>
Personnel:	
U.S. contract technicians (36 pm)	200
Training:	
Participants (42 pm)	35
Total	235

Host Country and Other Donors (\$000):

All Years

Government of Botswana (Allowances for trainees, construction and equipment)	1,000
Government of Norway (Construction of facilities and operating costs)	3,000

^{a/}Security Supporting Assistance funding except for \$250 in FY 1977 for Population Activities.

Country: LESOTHO

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Land and Water Resources Development	Security Supporting Assistance	FY 78 641		
NUMBER 690-0048	PRIOR REFERENCE	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	FY 1977 Africa Programs, p. 222	FY 1975	FY 1981	OF PROJECT FY 1981

Purpose: To incorporate into Lesotho's national agricultural development effort sound land use and management principles and practices which are understood, accepted and adopted by farmers and herdsmen in the areas of project impact.

Major Outputs:

	<u>9/30/76</u>	<u>FY 77</u>	<u>FY 78</u>
	(Cumulative as of end of FY)		
1. Ministry of Agriculture Projects underway incorporating appropriate land and water use	8	10	12
2. Land and Water plans developed	6	10	16
3. Trained staff in established positions	20	32	43
4. Ministry of Agriculture able to design and construct conservation works (% of capability)	30%	50%	80%
5. Ministry of Agriculture able to repair and maintain equipment (% of capability)	80%	85%	95%
6. Local village participation in conservation planning:			
Persons attending	3,190	7,790	13,290
No. of Locations	24	61	161

FY 1978 Program:

	<u>A.I.D.-financed Inputs</u>	<u>FY 78</u>
	(\$ Thousands)	
Personnel:		
U.S. technical services (84 pm)		310
Short-term consultants (4 pm)		25
Training:		
Continuing participants (145 pm)		112
New participants (72 pm)		49
Commodities:		
Conservation and earthmoving equipment		100
Other Costs:		
Local budgetary project support		45
Total		641

Host Country and Other Donors (\$000):

	<u>All Years</u>
Government of Lesotho (Personnel salaries, administrative operational and logistic costs)	2,053
U.K., UNDP, IBRD (General financial support to the Conservation Division, Ministry of Agriculture)	3,000

CONTINUING ACTIVITY

Table IV

Country: SWAZILAND

TITLE Cooperatives and Marketing	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 739		
NUMBER 690-0055	PRIOR REFERENCE	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	FY 1977 Africa Programs, p. 224	FY 1976	FY 1980	FY 1981

Purpose: To assist in developing a viable producer-oriented cooperative structure providing production-related inputs and marketing services to the rural sector.

Major Outputs:

	<u>9/30/76</u> (cumulative)	<u>FY 77</u> as of	<u>FY 78</u> end of FY)
Trained Swazis in Central Cooperative Union Management Positions	-	-	-
Sixteen Centers joined to Radio Communications Network	-	-	16
Marketing Outlets	-	-	-
Primary Societies Offering Marketing Services	-	-	10
Warehouses constructed and well supplied	-	3	4
Primary Societies with Trained staff	-	-	12

Host Country and Other Donors (\$000):

Government of Swaziland
(Local salaries, allowances for participants in training)

All Years

\$1,500

FY 1978 Program:

<u>A.I.D.-financed Inputs</u>		<u>FY 78</u>
(\$ Thousands)		
<u>Personnel:</u>		
Funding for nine member U.S. institutional contract team (81 pm)		517
<u>Training:</u>		
Training for 11 participants (132 pm)		118
<u>Commodities:</u>		
Processing Equipment		5
Other Costs for project support		<u>99</u>
Total		739

Country: BOTSWANA

CONTINUING ACTIVITY

Table IV

TITLE Crop Production and Marketing	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 600		
NUMBER 690-0056	PRIOR REFERENCE	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	FY 1977 Africa Programs, p.225	FY 78	FY 1981	FY 1981

Purpose: To develop a Crop Division at the Ministry of Agriculture, and to expand crop research, with major emphasis on sorghum.

Major Outputs:

	<u>9/30/76</u>	<u>FY 77</u>	<u>FY 78</u>
	(Cumulative as of end of FY)		
Staffed crop division	-	-	x
Crop research base	-	-	x
Trained local technicians	-	-	x
Grain storage warehouses	-	-	1
Crop research workshop	-	-	1

Host Country and Other Donors (\$000):

	<u>All Years</u>
Government of Botswana General services, agricultural research division and agricultural extension services over life of project.	1,717
United Kingdom Dry land farming research, evaluation of farming systems and implements, and integrated farming pilot project over life of project.	1,386

United Nations 82
Salaries of related U.N. technicians

Progress to Date: The initial project agreement was signed August 31, 1976, and an institutional contractor is being selected.

FY 1978 Program

	<u>A.I.D.-financed Inputs</u>
	(\$ Thousands)
	<u>FY 78</u>
Personnel: U.S. technical services and consultancies (40 pm)	372
Training: Long term U.S. and Africa training (128 pm)	76
Commodities: Office and training supplies and equipment	22
Construction of three additional grain storage warehouses and local budgetary support	<u>130</u>
Total	600

Country: LESOTHO

CONTINUING ACTIVITY

Table IV

TITLE Rural Health Development	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	549	
NUMBER 690-0058	PRIOR REFERENCE	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1981	ESTIMATED COMPLETION DATE OF PROJECT FY 1982
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	FY 1977 Africa Programs, p. 227			

Purpose: To upgrade the planning, administrative and management competence of the Ministry of Health (MOH) and train new health workers required for the rural component of a national health services delivery system. Project title changed from last CP to reflect more accurately the nature of the activity.

Major Outputs:

	<u>9/30/76</u>	<u>FY 77</u>	<u>FY 78</u>
	(Cumulative as of end of FY)		
1. Initial administrative/management studies, plans	-	x	x
2. Improved management/administrative capacity at the MOH	-	-	x
3. Nurse clinician/training curriculum developed	-	-	x
4. Nurse clinician instructional materials in use	-	-	x

Host Country and Other Donors (\$000):

	<u>All Years</u>
Government of Lesotho (Local costs and allowances for participants in training)	486
Private Health Association of Lesotho (Toward costs of training nurse assistants)	94

Progress to Date: Project implementation will begin in mid-FY 1977.

FY 1978 Program:

	<u>A.I.D.-financed Inputs</u>	<u>FY 78</u>
	(\$ Thousands)	
Personnel:		392
Long-term U.S. technicians and consultants (72 pm)		

Training:	114
6 years of long-term training, observation visits and in-country/in-service training	
Commodities:	16
Family planning supplies	
Other Costs:	27
Local travel, vehicle operation and maintenance	
Total	<u>549</u>

Country: SWAZILAND

CONTINUING ACTIVITY

Table IV

TITLE Health Manpower Training	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (<i>In thousands of dollars</i>)		
		FY 78	592	
NUMBER 690-0062	PRIOR REFERENCE	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1981	ESTIMATED COMPLETION DATE OF PROJECT FY 1983
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	FY 1977 Africa Programs, p.228			

Purpose: To: (1) strengthen planning and administration of health services; (2) institutionalize training capacity and (3) train nurses and other auxiliary personnel.

Major Outputs:

	FY 78	All Years (Cumulative as of end of FY)
1. Training facility constructed/equipped	x	x
2. Relevant curricula/training programs	x	x
3. Trained Personnel	-	32
a. Trained teaching staff		5
b. Statistician		2
c. Nurses/auxiliaries et.al.		21
d. Health administrators		4

WHO Personnel 363

CIDA Personnel 105

FY 1978 Programs: Construction of the Health Training Institute, initiation of technical assistance and training activities in rural health administration and health statistics, and curriculum design for nurse practitioner training will be the major activities in FY 1978.

<u>A.I.D.-financed Inputs</u>		
(\$ Thousands)		<u>FY 78</u>
Training:		37
Long and short term training (40 pm)		
Other Costs:		
Construction		555
Total		592

Host Country and Other Donors (\$000):

	<u>All Years</u>
Government of Swaziland (Personnel and facilities)	1,593
U.K. (Personnel and construction)	1,387

Country: SOUTHERN AFRICA REGIONAL

CONTINUING ACTIVITY

Table IV

TITLE Development Training for Southern Africans	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	1,000	
NUMBER 690-0063	PRIOR REFERENCE FY 1977 Africa Programs, Supplement	INITIAL OBLIGATION FY 1976	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1980
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Purpose: To provide and supplement development-related training for African nationals from countries presently under minority rule in preparation for filling manpower needs upon majority rule.

Background: In FY 1976, in response to Section 305 of the International Development and Food Assistance Act of 1975, A.I.D. initiated a training project for southern Africans. The project covered three elements: i) support for post-secondary academic training for nationals and exiles from Zimbabwe (Rhodesia), Namibia (South West Africa) and exiles from the Republic of South Africa in the United States; ii) support for similar training opportunities in Africa; and iii) support for a range of leadership training activities for nationals of the Republic of South Africa in the United States.

In FY 1977, the project is being expanded to provide additional opportunities to develop cadres of skilled workers through a broad range of vocational and technical training programs, open to nationals of all countries in the region. Funds are also provided for an examination of the requirements for training and education programs in Zimbabwe and Namibia following majority rule.

In view of the critical need for trained manpower in the southern Africa area, this project was initiated to develop experienced administrators, technical experts and skilled workers to enable the countries to meet their developmental needs with their own local resources.

Major Outputs:

	FY 78	All Years
	(Cumulative as of end of FY)	
Trained participants (in U.S. and Third Countries)	105	620

FY 1978 Program: Funds requested for FY 1978 will cover costs for continuing participants studying in the U.S. and other countries under this project. Some of these funds will also provide in-country training in selected areas of critical manpower needs through some of the existing institutions in the various countries of southern Africa.

	<u>A.I.D.-financed Inputs</u> (\$ Thousands)	
	FY 78	All Years
Participant Training	850	5,677
Contract Administrative Costs	150	1,500
Total	1,000	7,177

CONTINUING ACTIVITY

Table IV

Country: SOUTHERN AFRICA REGIONAL

TITLE Program Development and Support	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 2,200		
NUMBER 699-0001	PRIOR REFERENCE	INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY Continuing	ESTIMATED COMPLETION DATE OF PROJECT FY Continuing
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	FY 1977 Africa Programs, p. 248			

Purpose: This project enables A.I.D. and recipient countries to obtain the technical expertise and ancillary goods and services needed to develop and design projects and to undertake studies and analyses on which to base program strategies and project designs. More specifically, this project provides a mechanism for financing (1) special analyses related to development of sector and country program strategies; (2) feasibility studies; (3) project development and design activities; (4) assessments of the environmental and social impact of proposed activities; (5) evaluations of project activities; and (6) analyses of specific problems affecting development efforts. The project on occasion is also used to finance selective training for key host country personnel who are involved in planning, managing and evaluating A.I.D. related program activities.

The individual activities most frequently undertaken within the framework of this project are related to planning and project design and involve financing of the services of short-term consultants and other associated study and project development costs. In selected cases, financing of consultants, with provision for supporting services, for assignments up to two years may be undertaken. For the purposes described above, A.I.D. may utilize the services of various U.S. firms or institutions through contractual arrangements or the services of personnel from other U.S. government agencies through Participating Agency Service Agreements.

While this project for the financing of studies, analyses and project design efforts is presented on a region-wide

basis for southern Africa, the individual project activities stemming from these undertakings are described and presented for financing under the separate country sections of the presentation. For new FY 1977 and FY 1978 projects included under those sections for which final design or related studies must be completed, prior to implementation, this project will provide the means for financing the services and related costs necessary to complete these efforts.

FY 1978 Program: To finance the cost of consultants, including associated expenses and supporting services, to undertake feasibility studies, special analyses and studies, project design efforts, evaluations, environmental and social assessments, and pre-project development assistance. Limited financing will also be provided for costs of training and conferences for recipient country and U.S. personnel who are involved with the planning, managing and evaluating of A.I.D. activities. The current estimate follows:

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

Feasibility studies, design studies and other support activities	2,200
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Country: SOUTHERN AFRICA REGIONAL

CONTINUING ACTIVITY

Table IV

TITLE Private Voluntary Agency Operational Program Grant (OPG)	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	2,000	
NUMBER 699-0002	PRIOR REFERENCE	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE OF PROJECT
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	FY 1977 Africa Programs, p. 250	FY 1978	FY Continuing	FY Continuing

Project Target and Course of Action. To assist the poor majority in the countries of southern Africa through projects developed by indigenous and/or U.S. private voluntary organizations (PVOs) in close collaboration with African governments.

Progress to Date. There are several ongoing projects in the countries of southern Africa which are being implemented by PVOs. Typical of these is the National Nutrition Planning program in Lesotho involved in assisting the government to promote better nutrition and health in the rural areas. A Rural Development program in Botswana, implemented through International Volunteer Services (IVS) is helping people in the rural areas improve agricultural practices and learn basic skills.

FY 1978 Program. As PVO project proposals are approved, A.I.D. will allocate funds to the appropriate country or regional programs. The current estimate follows:

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

P.V.O. Grants 2,000

Country: SOUTHERN AFRICA REGIONAL

CONTINUING ACTIVITY

Table IV

TITLE Self-Help Program	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	400	
NUMBER 699-0003	PRIOR REFERENCE	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE OF PROJECT
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	FY 1977 Africa Programs, p. 271	FY 1978	FY Continuing	FY Continuing

Purpose: The Special Self-Help Program's purpose is to demonstrate U.S. interest and concern about the welfare and self-help efforts of local communities in the countries of southern Africa.

While extremely small, these Special Self-Help funds have been particularly useful since Ambassadors have been able to respond quickly to worthy requests for support and quickly demonstrate U.S. interest in the welfare and self-reliance efforts of the citizenry.

Host Country and Other Donors: The host country's contribution cover from a minimum of 25% to over 50% of each project's total cost. These host country contributions for the most part come in the form of labor and locally produced materials.

FY 1978 Program: In FY 1978, \$0.4 million is planned to administer Self-Help activities in the countries of Southern Africa. Particular attention will be given to needs in rural areas.

Progress to Date: The Special Self-Help program has operated since FY 1965 in over 25 of Africa's poorest countries. All the funds provided for this program are spent on projects ranging in cost from \$100 to about \$10,000. Administrative and monitoring work is handled by U.S. Embassy officers.

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

Self-Help Activities 400

Special Self-Help projects have covered a broad range of activities. For example, wells have been dug, vegetable gardens and village production and marketing projects have been put into operation with Self-Help financing. Animal tractions units along with poultry farms and rice cooperatives have been developed as a result of Special Self-Help teamwork. Other projects now in operation are local handi-craft schools and maternity clinics and numerous village water supply systems.

Country: SOUTHERN AFRICA REGIONAL

NEW ACTIVITY

Table V

TITLE Examinations Council of Botswana, Lesotho and Swaziland	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (<i>In thousands of dollars</i>)		
NUMBER 690-0060		FY 78	900	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1982	ESTIMATED COMPLETION DATE OF PROJECT FY 1983

Goal: To assist in the development of human resources in the participating countries.

Purpose: To create a regional, localized examination council capable of providing services which will identify skills and abilities that contribute to and hasten development. This council will also act as a catalyst for curriculum reform.

Background: The Examination Council (EC) now serving Botswana, Lesotho and Swaziland (BLS) was established in 1961. It is a regional institution and functions as an independent body.

In the past 15 years of its existence it has concentrated on the administration and processing of the Junior Certificate Examination (JC) which is given after the third year of secondary school. This focus has limited the Council's activity to traditional academic subjects at the mid-secondary level.

The problem at this point is to expand the capacity of the Council so that it can i) cover newly introduced subjects of particular interest to the BLS countries; ii) serve as integral part of the curriculum reform process; and iii) perform its traditional role in maintaining academic standards and providing assessments of capacity and progress both for students who are entering directly into the economy and for those who are going on to higher education either at home or abroad.

The project will provide technical, material, and training assistance required for the Council to expand its capacity and role.

Major Outputs:

	FY 78	All Years
	(Cumulative as of end of FY)	
Trained Staff (Returned Participants)	-	12
Expanded Test Program Covering Primary, J.C., and School Certificate	-	X
Data Processing Unit Established to Process and Analyze Examinations	-	1
Research Studies Analyzing Test Validity	-	12

Host Country and Other Donors (\$000):

	All Years
Governments of Botswana, Lesotho and Swaziland (in personnel and facilities)	4,800
UNDP (in technical assistance)	400

FY 1978 Program:

	A.I.D.-financed Inputs (\$ Thousands)	
	FY 78	All Years
Personnel:		
Technical Assistance (85 pm)	675	2,250
Training:		
(60 pm)	50	330
Commodities	50	125
Other Costs (housing)	125	125
Total	900	2,830

Country: LESOTHO

NEW ACTIVITY

Table V

TITLE Instructional Materials Resource Center (IMRC)	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	866	
NUMBER 690-0061		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1981	ESTIMATED COMPLETION DATE OF PROJECT FY 1982
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Goal: To develop an educational program for primary and junior-secondary schools with a curriculum and instructional content that is relevant to the social-cultural environment of Lesotho.

Purpose: To establish and institutionalize an Instructional Materials Resource Center (IMRC) within the National Teacher Training College (NTTC) which will be capable of preparing teacher training instructional materials and prototype primary and junior-secondary instructional materials.

Background: With the establishment of the NTTC in 1975, the Lesotho Government embarked on a nationwide effort to provide suitable pre-service and in-service training for all primary and secondary school teachers and to coordinate suitable development-related curricula for the primary and secondary schools. The Ministry of Education is seeking external assistance for a long-range curriculum development program of which the IMRC to be established by this project will form a vital part. The Ministry views the IMRC both as a service organization to produce materials to be used for training all primary and junior secondary teachers and as a facility for developing, in conjunction with the Ministry's curriculum unit, the materials needed for the comprehensive program of curriculum reform now being planned.

Major Outputs:

	<u>FY 78</u>	<u>All Years</u>
	(Cumulative as of end of FY)	
1. Preparation of suitable low-cost instructional materials for following numbers of:		
a. 1st year NTTC students	300	2,100
b. 2nd year NTTC students (serving field internship)	300	1,900
c. 3rd year NTTC students	78	1,478
2. Project-trained primary curriculum personnel in established positions	3	16

Host Country and Other Donors (\$000):

	<u>All Years</u>
Government of Lesotho (Local salaries and construction)	3,687
U.K., Denmark, and UNDP (Construction, equipment and professional staff)	4,500

FY 1978 Program:

	<u>A.I.D.-financed Inputs</u> (\$ Thousands)	
	<u>FY 78</u>	<u>All Years</u>
Personnel:		
Long-term and short-term technical services from institutional contractor (46 pm)	330	1,360
Training: (24 pm)	36	75
Commodities: (Audiovisual and printing equipment; tools, vehicle, office equipment, miscellaneous)	240	290
Other Costs: (IMRC construction, housing for U.S. technicians, supplies)	260	275
Total	<u>866</u>	<u>2,000</u>

Country: LESOTHO

NEW ACTIVITY

Table V

TITLE Farming Systems Research	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 690-0065		FY 78 1,691		
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1982	ESTIMATED COMPLETION DATE OF PROJECT FY 1983

Goal: To increase rural income from agriculture.

Host Country and Other Donors (\$000):

All Years

Purpose: To develop more productive farming enterprise mixes which are acceptable to farmers, are sensitive to farmers' management ability, are appropriate to the resources available and will protect the land base.

Government of Lesotho

1,333

(local costs for staff, research and facilities)

IBRD and U.K.

362

(staff assistance)

FY 1978 Program:A.I.D.-financed Inputs
(\$ Thousands)

FY 78

All Years

Personnel:

U.S. technicians (150 pm)

945

1,500

Training:

Participant training in U.S. (48 pm)

75

100

Commodities:

Vehicles, tractors, field research and laboratory equipment, office equipment, books and publications

265

300

Other Costs:

Local budget support, office equipment, housing for U.S. technicians

406

600

Total

1,691

2,500

Major Outputs:

	<u>FY 78</u>	<u>All Years</u>
	(Cumulative as of end of FY)	

1. Farming systems

a. areas selected

-

3

b. plans developed/approved

-

3

c. plans tested

-

3

2. Local institutional capacity

for above developed (staff, organization, facilities, budget)

-

x

3. Programs, plans for adapting, replicating farming systems

-

x

4. Research data base

-

x

Country: BOTSWANA

NEW ACTIVITY

Table V

TITLE Agricultural Planning	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 690-0067		FY 78	861	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1983	ESTIMATED COMPLETION DATE OF PROJECT FY 1983

Goal: To increase the internal capacity of the Government of Botswana to plan and program rational responses to the issues of rural sector development.

Purpose: a) To increase the capacity of the Government of Botswana to update and utilize agricultural sector analysis; b) To develop local staff to plan and evaluate projects and assess and modify strategies for rural and agricultural development; c) To initiate a long-term relationship between the University of Botswana and a U.S. institution to respond to Botswana's need for analysis of the agricultural sector and training of planners.

Background: Production increases in rural areas and improvement of social infrastructure have had some effect on the rural population's living standards, but a great deal remains to be done. The Government of Botswana is committed to thorough planning as a means of improving the effectiveness of its agricultural institutions and expediting social and economic development in the rural sector. Skilled manpower constraints and the sheer magnitude of the problems require careful planning to assure best use of the nation's limited resources. Toward that end, this project will produce, through academic education and in-service on-the-job training, a cadre of trained, experienced Botswana agricultural planning specialists, while providing interim assistance from American technicians in this field.

Major Outputs:

	<u>FY 78</u>	<u>All Years</u>
Trained participants with M.S. degrees working in Planning Sections	-	18
Planning Officers who have preliminary and pre-M.S. courses completed	-	37
On-the-job training of trainees in project design and analysis	x	5
Agricultural Strategy analysis	-	x

Host Country and Other Donors (\$000):

Government of Botswana	1,044
University of Botswana	200

FY 1978 Program:

	<u>FY 78</u>	<u>All Years</u>
Personnel:		
U.S. technicians (84 pm)	636	4,784
Participants (240 pm)	-	200
Construction of housing	150	150
Commodities	75	150
Total	861	5,284

Country: SWAZILAND

NEW ACTIVITY

Table V

TITLE RDA Infrastructure Support	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 690-0068		FY 78 7,934 (grant 2,534; loan 5,400)		
GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1982	ESTIMATED COMPLETION DATE OF PROJECT FY 1983

Goal: To assist Swazi farmers in making the transition from subsistence farming to semi-commercial and commercial farming.

Purpose: (1) To provide capital for land development and facilities to repair/maintain equipment for the Rural Development Area program, and (2) to establish and train staff for Government institutions in the design, construction, analysis and evaluation of land development activities as related to the overall rural development process.

Background: Since Independence in 1968 the Government of Swaziland has accorded the highest priority to the development of agriculture in the rural areas. Approximately 90 percent of the population lives in rural areas, and such programs are a major means by which the standard of living of the majority of Swazis could be improved. The chief objective of the development strategy is to promote the progressive transformation of traditional agriculture from subsistence to semi-commercial farming in order to raise incomes and create more opportunities for gainful employment amongst the rural population. The Rural Development Area program (RDA), which the Government of Swaziland is undertaking with assistance from several donors, will expand the land consolidation, construction of physical infrastructure, strengthening of basic extension services and increased marketing of cash crops started under earlier rural development efforts.

Major Outputs:	FY 78	All Years
Land development related farming systems	-	x
Improved maintenance and repair of heavy equipment	-	x
Range rehabilitation and improved management	-	x
Functioning Government institutions to carry out land development	-	x

Host Country and Other Donors (\$000):

	All Years
Government of Swaziland	7,000 (equivalent in local currency)
IBRD, U.K., EEC	8,000

FY 1978 Program:

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

	FY 78	All Years
<u>LOAN</u>	<u>5,400</u>	<u>5,400</u>
Land and Road Equipment	4,250	4,250
Shop Building	250	250
Shop Equipment	900	900
<u>GRANT</u>	<u>2,534</u>	<u>4,200</u>
Technical Assistance - (324 pm) (Land Development, Mechanical, Planning, Range Management, Administration and Consultancies)	1,975	3,200
Training - U.S., Third country and in-country (148 pm)	160	440
Commodities 6 Pickup trucks and miscellaneous office equipment	124	260
Other Costs Housing for U.S. technicians and local costs for project support	275	300
Totals (Loan and Grant)	<u>7,934</u>	<u>9,600</u>

Country: BOTSWANA

NEW ACTIVITY

Table V

TITLE Southern Africa Manpower Development	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 690-0069.1		FY 78	433	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1982	ESTIMATED COMPLETION DATE OF PROJECT FY 1983

Goal: To help the Government of Botswana meet its acute shortages of qualified technical and administrative manpower for carrying out development programs.

Purpose: To increase host government effectiveness in implementing development programs by training local nationals in selected key areas and providing services of skilled American technicians to assist with local manpower development while filling selected key civil service posts.

Background: For several historical, political, and administrative reasons, Botswana, Swaziland, and Lesotho have smaller bases of local manpower suitably trained in technical matters and administration than most other former British territories in Africa. Thus, professional ranks of the civil service are still dominated by expatriates and a critical shortage of trained local manpower exists in technical and general management areas for recent development planning has increased needs of this kind. The administrative manpower base is stretched thinly across a wide variety of development activities, and the inability to plan and implement development programs adequately has become a major constraint on absorptive capacity.

The A.I.D. assistance will provide professional and relevant training for selected participants to fill key positions presently occupied by expatriates, thus meeting the Government's objective in developing an adequate local manpower resource. The role of the U.S. technicians will be to assist in carrying out developmental activities pending the return of trained participants.

Major Outputs:

	FY 78	All Years
Person Months Technical Services	9	360
Trained Participants	-	21
<u>Host Country and Other Donors (\$000):</u>		<u>All Years</u>
Government of Botswana (Basic salaries, office space, housing, and allowances for participants in training)		475 (equivalent in local currency)

FY 1978 Program: FY 1978 funding is to provide initial two year tours for three U.S. technicians, other cost funded housing, initial United States academic training for three participants, and initial third country training for one participant.

	<u>A.I.D.-financed Inputs</u> (\$ Thousands)	
	FY 78	All Years
Personnel:		
Three U.S. technicians (72 pm)	300	1,500
Training:		
3 participants in U.S. and 1 participant in third country	43	520
Other Costs:		
Housing for U.S. technicians	90	90
Total	433	2,110

NEW ACTIVITY

Table V

Country: LESOTHO				
TITLE Southern Africa Manpower Development	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 433		
NUMBER 690-0069.2	GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1982	ESTIMATED COMPLETION DATE OF PROJECT FY 1983

Goal: To help the Government of Lesotho meet its acute shortages of qualified technical and administrative manpower for carrying out development programs.

Purpose: To increase host government effectiveness in implementing development programs by training local nationals in selected key areas and providing services of skilled American technicians to assist with local manpower development while filling selected key civil service posts.

Background: For several historical, political, and administrative reasons, Botswana, Swaziland, and Lesotho have smaller bases of local manpower suitably trained in technical matters and administration than most other former British territories in Africa. Thus, professional ranks of the civil services are still dominated by expatriates and a critical shortage of trained local manpower exists in technical and general management areas. Recent development planning has increased needs of this kind. The administrative manpower base is stretched thinly across a wide variety of development activities, and the inability to plan and implement development programs adequately has become a major constraint on absorptive capacity.

The A.I.D. assistance will provide professional and relevant training for selected participants to fill key positions presently occupied by expatriates, thus meeting the Government's objective in developing an adequate local manpower resource. The role of the U.S. technicians will be to assist in carrying out developmental activities pending the return of trained participants.

Major Outputs:

	<u>FY 78</u>	<u>All Years</u>
	(Cumulative as of end of FY)	
Person Months Technical Services	9	360
Trained Participants	-	21

Host Country and Other Donors (\$000):

	<u>All Years</u>
Government of Lesotho	475
(Basic salaries, office space, housing, and allowances for participants in training)	(equivalent in local currency)

FY 1978 Program: FY 1978 funding is to provide initial two year tours for three U.S. technicians, other cost funded housing, initial United States academic training for three participants, and initial third country training for one participant.

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

	<u>FY 78</u>	<u>All Years</u>
Personnel:		
Three U.S. technician (72 pm)	300	1,500
Training:		
3 participants in U.S. and	43	520
1 participant in third country (48 pm)		
Other Costs:		
Housing for U.S. technicians	90	120
Total	433	2,140

Country: SWAZILAND

NEW ACTIVITY

Table V

TITLE	Southern Africa Manpower Development	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
		Security Supporting Assistance	FY 78 433		
NUMBER	690-0069.3		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1982	ESTIMATED COMPLETION DATE OF PROJECT FY 1983
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>				

Goal: To help the Government of Swaziland meet its acute shortages of qualified technical and administrative manpower for carrying out development programs.

Purpose: To increase host government effectiveness in implementing development programs by training local nationals in selected key areas and providing services of skilled American technicians to assist with local manpower development while filling selected key civil service posts.

Background: For several historical, political, and administrative reasons, Botswana, Swaziland, and Lesotho have smaller bases of local manpower suitably trained in technical matters and administration than most former British territories in Africa. Thus, professional ranks of the civil service are still dominated by expatriates and a critical shortage of trained local manpower exists in technical and general management areas. Recent development planning has increased needs of this kind. The administrative manpower base is stretched thinly across a wide variety of development activities, and the inability to plan and implement development programs adequately has become a major constraint on absorptive capacity.

The A.I.D. assistance will provide professional and relevant training for selected participants to fill key positions presently occupied by expatriates, thus meeting the Government's objective in developing an adequate local manpower resource. The role of the U.S. technicians will be to assist in carrying out developmental activities pending the return of trained participants.

Major Outputs:

	<u>FY 78</u>	<u>All Years</u>
	(Cumulative as of End of FY)	
Person Months Technical Services	9	360
Trained Participants	-	21
<u>Host Country and Other Donors (\$000):</u>		<u>All Years</u>
(Basic salaries, office space, housing, and allowances for participants in training)		475 (equivalent in local currency)

FY 1978 Program: FY 1978 funding is to provide initial two year tours for three U.S. technicians, other cost funded housing, initial United States academic training for three participants, and initial third country training for one participant.

	<u>A.I.D.-financed Inputs</u>	
	(\$ Thousands)	
	<u>FY 78</u>	<u>All Years</u>
Personnel		
Three U.S. technicians (72 pm)	300	1,500
Training		
3 participants in U.S. and 1 participant in third country (48 pm)	43	520
Other Costs: Housing for U.S. technicians	90	90
Totals	433	2,110

Botswana

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS					TOTAL 1946- 1976†	REPAY- MENTS AND INTEREST 1946- 1976†	TOTAL LESS REPAY- MENTS AND INTEREST
	1973	1974	1975	1976	TQ			
I. ECONOMIC ASSISTANCE - TOTAL	0.8	3.0	3.6	2.9	0.1			
Loans	-	-	-	-	-			
Grants	0.8	3.0	3.6	2.9	0.1			
a. A.I.D. and Predecessor Agencies	0.1	0.1	*	*	*			
Loans	-	-	-	-	-			
Grants	0.1	0.1	*	*	*			
<i>(Security Supporting Assistance)</i>	(-)	(-)	(-)	(-)	(-)			
b. Food for Peace (PL 480)	0.2	2.3	2.6	2.4	-	Not available		
Loans	-	-	-	-	-	at time of printing		
Grants	0.2	2.3	2.6	2.4	-			
Title I - Total Sales Agreements	-	-	-	-	-			
Repayable in U.S. Dollars - Loans	-	-	-	-	-			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	0.2	2.3	2.6	2.4 ^{a/}	-			
Emerg. Relief, Econ. Develop. & World Food Program	0.2	2.3	2.6	2.4	-			
Voluntary Relief Agencies	-	-	-	-	-			
c. Other Economic Assistance	0.5	0.6	1.0	0.5	0.1			
Loans	-	-	-	-	-			
Grants	0.5	0.6	1.0	0.5	0.1			
Peace Corps	0.5	0.6	1.0	0.5	0.1			
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								
a. Export-Import Bank Loans								
b. All Other Loans								

NO MILITARY PROGRAMS

NO PROGRAMS

*Less than \$50,000. TQ - Transition Quarter † - As of September 30, 1976. P - Preliminary. NA - Not Available.

^{a/} Includes the transition quarter.

^{b/} Economic cooperation 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				
TOTAL	FY 1975	FY 1976	TQ	FY 1946-76†
	11.0	16.9	-	94.3
IBRD	-	16.3	-	57.8
IDA	-	0.1	-	14.9
AFDB	9.9	NA	NA	12.1
UNDP	1.1	0.5	-	8.5
Other UN	-	-	-	1.0
B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS				
Donor	CY 1974	CY 1975	CY 1969-75	
1. D.A.C. COUNTRIES (Excluding U.S.)				
TOTAL	26.2	33.8	143.3	
U. K.	8.4	9.3	62.3	
Canada	3.1	6.5	36.3	
Sweden	6.9	8.4	22.1	
Norway	5.1	5.6	11.0	
Other	2.7	4.0	11.6	
2. O.P.E.C. COUNTRIES (COMMITMENTS)				
TOTAL	-	-		
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
TOTAL	CY 1975	CY 1976 ^P	CY 1964-76	
	-	b/	b/	
China	-	b/	b/	

Botswana

GENERAL ECONOMIC AND SOCIAL DATA

TABLE VII

<u>POPULATION</u>			<u>INTERNATIONAL COMMODITY TRADE</u> (\$ millions)		
Total (mid-1976; millions)		0.7	1974	1975	
Annual Growth Rate (percent)		2.9%	Exports (f.o.b.)	120	148
Urbanization	<u>1960</u>	<u>1975</u>	Imports (c.i.f.)	-179	-209
Percent in Urban Areas	2%	11%	Trade Balance	-59	-61
Labor Force in Agriculture (percent)		91%	Main Exports: Meat and products, diamonds.		
<u>HEALTH</u>			<u>OFFICIAL INTERNATIONAL RESERVES</u>		
Life Expectancy (years)		46	1974	1975	1976
Infant Deaths per 1,000 Live Births		129	(Gross Holdings; End of Period; \$ millions)		
People per Doctor		14,800	<u>CENTRAL GOVERNMENT FINANCES</u> (\$ millions) ³		
<u>EDUCATION</u>			(FY Beginning April 1)		
Primary and Secondary Students	<u>1960</u>	<u>1974</u>	Total Expenditures	151	183
a. Number (in thousands)	37	116	Defense Expenditures		
b. As Percent 5-19 Age Group	19%	49%	a. As % of Total Expenditures	0	0
Literacy Rate (percent)		20%	b. As % of GNP	0	0
<u>PER CAPITA GROSS NATIONAL PRODUCT</u>			Domestic Revenues	90	107
1974 (dollars) ¹		290	<u>FY 1975 U.S. ECONOMIC ASSISTANCE</u>		
Average 1965-74 Annual Growth Rate (percent) ²		6.2%	a. As % of Country Central Government Expenditures		2%
<u>AGRICULTURAL PRODUCTION—Average 1971-76 Annual Growth Rate</u>			b. As % of Country Imports of Goods & Services		2%
Total Production (percent)		3.0%	<u>SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT as %</u>		
Per Capita Production (percent)		3.6%	<u>of Goods and Non-Factor Services (1974)</u>		
					2.7%

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.

Lesotho

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS						REPAY- MENTS AND INTEREST 1946- 1976†	TOTAL LESS REPAY- MENTS AND INTEREST
	1973	1974	1975	1976	TQ	TOTAL 1946- 1976†		
I. ECONOMIC ASSISTANCE - TOTAL	2.1	3.6	4.1	5.5	0.2			
Loans	-	-	-	-	-			
Grants	2.1	3.6	4.1	5.5	0.2			
a. A.I.D. and Predecessor Agencies	0.1	0.1	0.1	0.1	0.1			
Loans	-	-	-	-	-			
Grants	0.1	0.1	0.1	0.1	0.1			
<i>(Security Supporting Assistance)</i>	(-)	(-)	(-)	(-)	(-)			
b. Food for Peace (PL 480)	1.7	3.1	3.6	5.1	-			
Loans	-	-	-	-	-			
Grants	1.7	3.1	3.6	5.1	-			
Title I - Total Sales Agreements	-	-	-	-	-			
Repayable in U.S. Dollars - Loans	-	-	-	-	-			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	1.7	3.1	3.6	5.1	a/			
Emerg. Relief, Econ. Develop. & World Food Program	0.9	1.7	2.2	2.3	-			
Voluntary Relief Agencies	0.8	1.4	1.4	2.8	-			
c. Other Economic Assistance	0.3	0.4	0.4	0.3	0.1			
Loans	-	-	-	-	-			
Grants	0.3	0.4	0.4	0.3	0.1			
Peace Corps	0.3	0.4	0.4	0.3	0.1			
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								
a. Export-Import Bank Loans								
b. All Other Loans								

NO MILITARY PROGRAMS

NO 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	5.0	7.2	-	32.0
IDA	4.0	5.5	-	19.2
AFDB	0.1	NA	NA	0.1
UNDP	0.9	1.7	-	11.4
Other UN	-	-	-	1.3
B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS				
Donor	CY 1974	CY 1975	CY 1969-75	
1. D.A.C. COUNTRIES (Excluding U.S.)				
TOTAL	9.6	12.7	56.2	
U.K.	5.9	8.7	44.4	
Germany	1.6	0.6	3.0	
Sweden	0.9	0.7	2.6	
Canada	0.3	1.3	2.3	
Other	0.9	1.4	3.9	
2. D.P.E.C. COUNTRIES (COMMITMENTS)				
TOTAL	1.0	-		
Iran	1.0	-		
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
	CY 1975	CY 1976 ^P	CY 1954-76	
TOTAL	-	-	-	

*Less than \$50,000. TQ - Transition Quarter † - As of September 30, 1976. P - Preliminary. NA - Not Available.

a/ Includes the transition quarter.

Lesotho

GENERAL ECONOMIC AND SOCIAL DATA

TABLE VII

<u>POPULATION</u>			<u>INTERNATIONAL COMMODITY TRADE</u> (\$ millions)	<u>1974</u>	<u>1975</u>
Total (mid-1976; millions)		1.1	Exports (f.o.b.)	14 ^E	
Annual Growth Rate (percent)		2.1%	Imports (c.i.f.)	-116 ^E	
Urbanization	<u>1960</u>	<u>1975</u>	Trade Balance	-102	
Percent in Urban Areas	1%	3%	Main Exports: Wool, livestock.		
Labor Force in Agriculture (percent)		89%			
<u>HEALTH</u>			<u>OFFICIAL INTERNATIONAL RESERVES</u>	<u>1974</u>	<u>1975</u>
Life Expectancy (years)		49	(Gross Holdings; End of		
Infant Deaths per 1,000 Live Births		148	Period; \$ millions)		
People per Doctor		20,300	<u>CENTRAL GOVERNMENT FINANCES</u> (\$ millions) ³	<u>1974</u>	<u>1975</u>
<u>EDUCATION</u>			(FY Beginning April 1)		
Primary and Secondary Students	<u>1960</u>	<u>1972</u>	Total Expenditures	30	41
a. Number (in thousands)	139	186	Defense Expenditures		
b. As Percent 5-19 Age Group	50%	56%	a. As % of Total Expenditures	0	0
Literacy Rate (percent)		59%	b. As % of GNP	0	0
<u>PER CAPITA GROSS NATIONAL PRODUCT</u>			Domestic Revenues	34	31
1974 (dollars) ¹		140	<u>FY 1975 U.S. ECONOMIC ASSISTANCE</u>		
Average 1965-74 Annual Growth Rate (percent) ²		3.7%	a. As % of Country Central Government Expenditures		10%
<u>AGRICULTURAL PRODUCTION—Average 1971-76 Annual Growth Rate</u>			b. As % of Country Imports of Goods & Services		n.a.
Total Production (percent)		1.7%	<u>SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT as %</u>		
Per Capita Production (percent)		-0.2%	<u>of Goods and Non-Factor Services (1974)</u>		2.0%

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.

Swaziland

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS					TOTAL 1946- 1976†	REPAY- MENTS AND INTEREST 1946- 1976†	TOTAL LESS REPAY- MENTS AND INTEREST
	1973	1974	1975	1976	TQ			
I. ECONOMIC ASSISTANCE - TOTAL	0.8	1.3	1.7	0.8	0.1			
Loans	-	-	-	-	-			
Grants	0.8	1.3	1.7	0.8	0.1			
a. A.I.D. and Predecessor Agencies	0.1	0.1	0.1	0.1	*			
Loans	-	-	-	-	-			
Grants	0.1	0.1	0.1	0.1	*			
<i>(Security Supporting Assistance)</i>	(-)	(-)	(-)	(-)	(-)			
b. Food for Peace (PL 480)	0.1	0.3	0.8	0.1	-	Not available		
Loans	-	-	-	-	-	at time of printing		
Grants	0.1	0.3	0.8	0.1	-			
Title I - Total Sales Agreements	-	-	-	-	-			
Repayable in U.S. Dollars - Loans	-	-	-	-	-			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	0.1	0.3	0.8	0.1 ^{a/}	-			
Emerg. Relief, Econ. Develop. & World Food Program	0.1	0.3	0.8	0.1	-			
Voluntary Relief Agencies	-	*	-	-	-			
c. Other Economic Assistance	0.6	0.9	0.8	0.6	0.1			
Loans	-	-	-	-	-			
Grants	0.6	0.9	0.8	0.6	0.1			
Peace Corps	0.6	0.9	0.8	0.6	0.1			
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								
a. Export-Import Bank Loans								
b. All Other Loans								

NO MILITARY PROGRAMS

NO 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	16.8	1.3	-	38.2
IBRD	10.5	0.1	-	17.5
IDA	5.0	-	-	7.8
AFDB	0.7	NA	NA	4.1
UNDP	0.6	1.0	-	7.8
Other UN	-	0.2	-	1.0
B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS				
Donor	CY 1974	CY 1975	CY 1969-75	
1. D.A.C. COUNTRIES (Excluding U.S.)				
TOTAL	12.0	12.2	68.7	
U.K.	8.3	7.6	54.7	
Sweden	1.5	2.2	5.7	
Denmark	0.6	0.5	3.6	
Other	1.6	1.9	4.7	
2. O.P.E.C. COUNTRIES (COMMITMENTS)				
TOTAL	-	-		
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
	CY 1975	CY 1976 ^P	CY 1954-76	
TOTAL	-	-		

* Less than \$50,000. TQ - Transition Quarter † - As of September 30, 1976. P - Preliminary. NA - Not Available.
^{a/} Includes the transition quarter.

Swaziland

GENERAL ECONOMIC AND SOCIAL DATA

TABLE VII

<u>POPULATION</u>			<u>INTERNATIONAL COMMODITY TRADE</u> (\$ millions)	<u>1974</u>	<u>1975</u>
Total (mid-1976; millions)		0.5	Exports (f.o.b.)	176	
Annual Growth Rate (percent)		3.2%	Imports (c.i.f.)	-130	
Urbanization	<u>1960</u>	<u>1975</u>	Trade Balance	46	
Percent in Urban Areas	4%	14%			
Labor Force in Agriculture (percent)		82%	Main Exports: Sugar, wood, iron ore.		
<u>HEALTH</u>			<u>OFFICIAL INTERNATIONAL RESERVES</u>	<u>1974</u>	<u>1975</u>
Life Expectancy (years)		46%	(Gross Holdings; End of		
Infant Deaths per 1,000 Live Births		160	Period; \$ millions)		
People per Doctor		8,900	<u>CENTRAL GOVERNMENT FINANCES</u> (\$ millions) ³	<u>1974^P</u>	<u>1975^P</u>
<u>EDUCATION</u>			(FY Ending June 30)		
Primary and Secondary Students	<u>1960</u>	<u>1974</u>	Total Expenditures	49	57
a. Number (in thousands)	36	101	Defense Expenditures		
b. As Percent 5-19 Age Group	29%	54%	a. As % of Total Expenditures	2%	3%
Literacy Rate (percent)		36%	b. As % of GNP	1%	1%
<u>PER CAPITA GROSS NATIONAL PRODUCT</u>			Domestic Revenues	41	61
1974 (dollars) ¹		390	<u>FY 1975 U.S. ECONOMIC ASSISTANCE</u>		
Average 1965-74 Annual Growth Rate (percent) ²		6.0%	a. As % of Country Central Government Expenditures		3%
<u>AGRICULTURAL PRODUCTION—Average 1971-76 Annual Growth Rate</u>			b. As % of Country Imports of Goods & Services		1%
Total Production (percent)		4.5%	<u>SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT as %</u>		
Per Capita Production (percent)		1.8%	<u>of Goods and Non-Factor Services (1974)</u>		2.7%

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

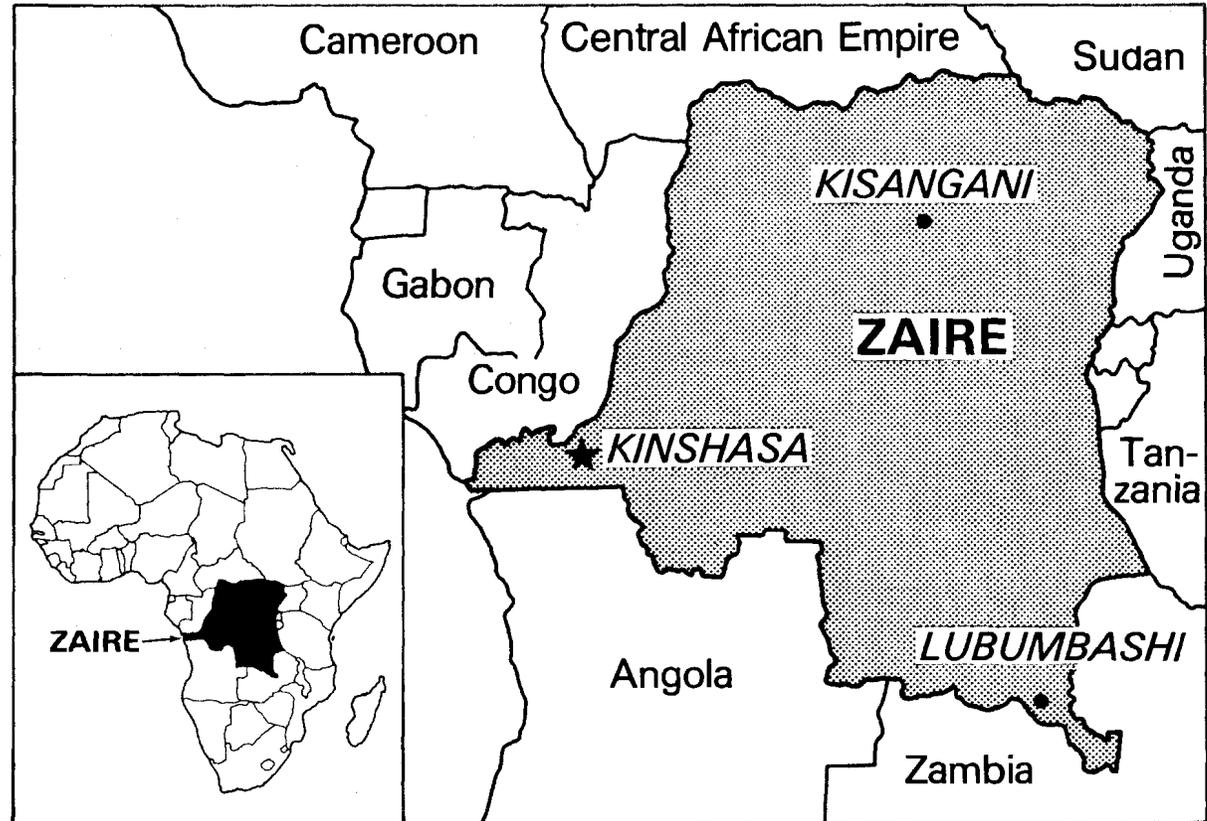
¹ Estimate in IBRD 1976 Annual Report. Reflects a new computation based on GNP in average 1973-75 domestic prices converted to U.S. dollars at average 1973-75 exchange rates and adjusted by the ratio of 1974 U.S. prices to average 1973-75 U.S. prices.

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.

P - Preliminary.

Zaire



KEY DATA

Population (<i>millions - mid-1976</i>)	21.7
Annual Growth Rate (<i>percent</i>)	2.4
Population in Urban Areas	26
(<i>Percent - 1975</i>)	
Labor Force in Agriculture	78
(<i>Percent</i>)	

Per Capita GNP (<i>dollars - 1974</i>)	140*
Life Expectancy (<i>years</i>)	44
People Per Doctor	24,700
Literacy Rate (<i>percent</i>)	20
Students as % of 5 - 19 Age Group	53
(<i>Primary and Secondary</i>)	

* - Estimate in IBRD 1976 Annual Report.

ZAIRE

ZAIRE PROGRAM

The objective of A.I.D. programs is to support Zaire's development efforts and priorities while concurrently assisting to maintain the economic and political stability necessary for development.

Agricultural, health and educational development programs help increase food production and expand both the reservoir of trained manpower and the scope and effectiveness of the Government's services to its people.

FY 1978 Project Program

For ongoing and new technical assistance projects, \$10 million is proposed. These projects will be concentrated in the areas of food and nutrition, population and health, and education and human resources addressing Zaire's major development problems and emphasizing benefits to the poor majority.

Food and Nutrition

Zaire has placed a high priority on development of its agricultural sector. It aims to:

- reduce food import requirements;
- slow farm-to-city migration;
- provide more jobs, increased rural prosperity, and an improved quality of rural life.

SECURITY SUPPORTING ASSISTANCE PROGRAM SUMMARY (In millions of dollars)				
	FY 1976 Actual	TQ Actual	FY 1977 Estimated	FY 1978 Proposed
Total	12.0	-	20.0	10.0
Loan	10.0	*	16.6	5.0
Grant	2.0	*	3.4	5.0
Population	*	-	-	-

*Program financed with Development Assistance Funds

In support of these objectives the Government has recently:

- substantially increased the proportion of overall government budget allocations devoted to agriculture;
- instituted substantial increases in farm prices of selected agricultural products to stimulate increased production;
- reorganized government agricultural organizations to put more emphasis on planning and policy development, research and agricultural marketing, and storage requirements.

ZAIRE

Encouraged by Zaire's increased concern with improving its agricultural performance, A.I.D. is beginning to expand its assistance efforts in the agricultural sector:

- An A.I.D. Agricultural Planning and Management project, which terminated in FY 1976, provided agricultural planning experts to work with government counterparts in beginning to formulate agricultural policies and priorities and develop specific programs.
- By FY 1975 and FY 1976 the Government had developed a series of agricultural development project proposals which were discussed with A.I.D.
- As a result, a number of new projects are being initiated aimed at Zaire's long-term agricultural development needs.
- In FY 1976 initial funding was provided for the Fishing Cooperatives Expansion and the North Shaba Rural Development projects.
- In FY 1977 the Agricultural Economic Development project will be initiated and a comprehensive Agricultural Sector Study will be undertaken to provide basic information needed to initiate projects and policy changes essential for long-term improvement in agricultural performance. In addition a soils and crops research effort and a grain marketing project are expected to be started in FY 1978.

A.I.D. is helping to improve agricultural performance by assisting efforts to improve agricultural planning, and to increase food production and combat malnutrition.

In FY 1978 these food and nutrition activities will require grants and loans of \$7.55 million.

A.I.D. is continuing to assist the Planning Bureau of the Ministry of Agriculture in FY 1978 through the Agricultural Economic Development Planning project, the second phase in a planning system initiative. The project assists the Ministry to prepare for increasing levels of Zaire and other donor financing devoted to problems of food production and the needs of small farmers.

Support for the National Maize Program through the North Shaba Rural Development project will be continued. Since

this program was initially funded in the transition quarter with a \$3.5 million grant and a \$3.5 million loan, no FY 1978 funds are needed. It is designed to accelerate production and eliminate costly imports of maize. The North Shaba Region is a pilot-area in this countrywide program and is receiving intensive assistance.

-- Emphasis is on:

- ** introducing improved agricultural inputs and technology;
- ** supporting rural transportation infrastructure;
- ** developing institutions;
- ** providing training on a phased basis.

-- Support by ancillary social services, i.e., health, nutrition and education, is included in the project.

Through the Nutrition Planning project A.I.D. will also continue in FY 1978 to assist the National Health Council

develop a national nutrition program. Malnutrition is a major concern because of the gap between protein needs and available food supplies.

ZAIRE

- A contract team is preparing to assist the Government to determine the causes of malnutrition and prescribe the means to improve the nutrition of the rural population.
- The measures which are identified will be tested for replication on a countrywide basis.

A.I.D. will assist the National Institute for Agricultural Research (INERA) in Zaire to mount a program of field-oriented research in soil fertility and food legumes. This will provide agronomic information necessary in programs to increase agricultural productivity.

A.I.D. will also assist Zaire to develop a public and private maize marketing infrastructure capable of insuring a fair market price to farmers and adequate supplies of maize for consumers at reasonable prices. The Grain Marketing project, with both grant and loan elements, will also complement the North Shaba Rural Development project mentioned above.

Population Planning and Health

Zaire has identified health as one of its major development target areas:

- to reduce morbidity and mortality rates;
- to slow the high rate of population growth;
- to provide greater access to health services for the population as a whole.

Measures which the Government has recently taken to increase the effectiveness of its efforts in the health area include:

- substantial increases in the level of budget allocations devoted to health;
- the formation of a National Health Council to oversee the development of plans and administrative procedures;
- the development of a geographic health zone concept as the basis for establishing a low-cost, integrated national health delivery system.

The establishment of A.I.D. programs in the health sector has coincided with the increased level of government interest in this area. Except for a maternal child health/family planning project which terminated in FY 1976, recent A.I.D. efforts in the health area were begun late in FY 1976 or subsequently. While it is obviously too early to assess their results, as appropriate, these activities include in their design the successful elements of the completed Maternal Child Health/Family Planning project, particularly the establishment of pilot prenatal clinics.

A.I.D.'s assistance in this sector is concentrated on helping Zaire in the development and delivery of health services built around a national geographic health zone concept.

In FY 1978 these population planning and health activities will require \$1.1 million.

A.I.D. will continue its Endemic Disease Control Project:

- Assistance will be provided to strengthen the ability of the Government to control malaria and measles.
- Emphasis will be placed on implementation through the new health zones.

ZAIRE

A.I.D. will begin a Basic Family Health Services Project:

- Pilot health zones will be developed and strengthened.
- Child health and family planning services will be provided.
- Low-cost health services will be provided in the health zones.

Education and Human Resources

The area of education and human resources development has been selected by Zaire for major emphasis:

- to reduce Zaire's reliance on foreign and expatriate technicians;
- to expand the quantity and quality of educated and trained Zairians available to the economy;
- to upgrade the quality and effectiveness of government program and administrative personnel.

In support of its objective of providing improved educational opportunities for its population, the Government:

- devotes nearly 25% of its budget to education and training;
- has more than doubled the number of students receiving a primary education since independence in 1960, and multiplied many times over the numbers in higher-level schools.

A.I.D. has provided no recent assistance to education and human resources development programs. Assistance in this

area is scheduled to begin in the latter part of FY 1977. A.I.D. programs in this area will assist Zaire to develop educational training programs which emphasize the development of skills useful in carrying out economic development programs.

In FY 1978 these human resources development activities will require grants of \$1.4 million.

A.I.D. will continue assistance to the Government in carrying out a planning and management-training project.

- Upper and middle-level cadre from government departments will receive interrelated, short-term, job-oriented training.

A.I.D. will also initiate a new project in FY 1978 to assist the University of Zaire's Lifetime Education Center to develop, organize and implement non-formal education programs. The project will emphasize the teaching of problem solving skills oriented toward local development problems.

Selected Development Activities

As a result of Zaire's increasing awareness of its critical need for up-to-date resource and environmental information upon which to base national development plans, Zaire established the ERTS Program (Earth Resources Telecommunications Satellite) in 1972 to utilize LANDSAT (land satellite) derived data. To date the program has acquired considerable LANDSAT imagery, conducted an interdepartmental seminar within the Government concerning utilization of the data, and received considerable assistance in data interpretation from a U.S. contract firm. In FY 1977 A.I.D. expects to initiate a modest project to institutionalize ERTS applications in Government technical ministries as a resource for improved planning of economic and social development programs. (Advice of Program Change to be transmitted.)

ZAIRE

ADDITIONAL PROGRAM DATA			
Category	FY 1976 (Actual)	FY 1977 (Estimated)	FY 1978 (Proposed)
A.I.D. Personnel ^a			
Direct Hire ^b	22	27	27
PASA ^c	3	7	7
Contract	1	7	21
Total	26	41	55
Participants ^d			
Noncontract	13	24	54
Contract	-	23	67
Total	13	47	121

^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

P.L. 480 PROGRAMS SUMMARY (In 000MT/\$000)						
Program	FY 1976* (Actual)		FY 1977 (Estimated)		FY 1978 (Projected)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat	-	-	10.0	1,200	-	-
Rice	28.4	7,782	-	-	25.0	6,700
Feedgrains	-	-	6.0	1,000	50.0	5,400
Vegoil	-	-	-	-	-	-
Non-food	2.8	5,000	3.0	11,900	-	-
Title I Total		12,782		14,100		12,100
<i>Title II</i>						
Voluntary Agencies ..		-		-		-
World Food Programs ..		-		-		-
Gov't.-to-Gov't.		-		-		-
Title II Total		-		-		-
Total P.L. 480		12,782		14,100		12,100

*Includes Transition Quarter.

The proposed P.L. 480 Title I program for Zaire in FY 1978 is valued at an estimated \$12.1 million. It includes rice and feed grains and will continue to provide vital assistance to Zaire during its current economic and financial crisis.

- P.L. 480 commodities will be substituted for foodstuffs which would otherwise need to be imported.
- Urgent domestic consumption requirements will be addressed.
- Scarce foreign exchange will be conserved.

ZAIRE

-- Counterpart funds needed for vital domestic projects will be generated.

As discussed in the section on Food and Nutrition above, Zaire has placed a major emphasis on increasing agricultural production, and has taken a variety of steps in support of this goal. However, until Zaire is self-sufficient in food production, P.L. 480 commodities are essential.

RESOURCE FLOWS			
<i>(In thousands of dollars)</i>			
Program	FY 1976* (Actual)	FY 1977 (Estimated)	FY 1978 (Estimated)
A.I.D.**			
Loans	4,440	17,302	14,894
Grants	1,097	3,050	4,800
Total A.I.D.	5,537	20,352	19,694
P.L. 480***			
Title I	12,782	14,100	12,100
Title II	-	-	-
Total P.L. 480	12,782	14,100	12,100
Total A.I.D. and P.L. 480	18,319	34,452	31,794
*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)

TABLE II

COUNTRY: ZAIRE

Project Title	Project Number	FY of Initial Obligation	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 ^{a/}	Expenditures	Obligations ^{a/}	Expenditures		Amount of Agreement	Amount Disbursed	Principal Repayments	Interest Collected	Agreement	Expenditures	Agreement	Expenditures
Planning and Management Services	660-0050	1973	1,155	913	-	-	-	-	-	-	-	-	-	-	-	-	-
Nutrition Planning	* 660-0055	1975	800	2	-	550	1,000	750	1,476	-	-	-	-	-	-	-	-
Fishing Cooperatives Expansion	660-0056	1976	250	-	150	150	-	200	-	-	-	-	-	-	-	-	-
Agricultural Economic Development	* 660-0052	1977	-	-	800	500	800	700	1,930	-	-	-	-	-	-	-	-
Agriculture Sector Study	660-0070	1977	-	-	500	200	-	300	-	-	-	-	-	-	-	-	-
INERA Support	* 660-0064	1978	-	-	-	-	500	200	3,730	-	-	-	-	-	-	-	-
North Shaba Rural Development	660-0059	TQ	3,454	-	-	600	-	-	2,837	3,500 ^{b/}	-	-	-	-	800	-	1,200
Grain Marketing	* 660-0069	1978	-	-	-	-	250	150	800	-	-	-	-	-	-	5,000	900
Maternal Child Health/Family Planning	660-0049	1972	1,814	1,270	-	-	-	-	-	-	-	-	-	-	-	-	-
Health Systems Development	660-0057	1976	150	-	525	200	-	450	-	-	-	-	-	-	-	-	-
Endemic & Communicable Disease Control	* 660-0058	1976	400	-	490	500	490	500	966	-	-	-	-	-	-	-	-
Basic Family Health Services	* 660-0067	1978	-	-	-	-	650	400	3,350	-	-	-	-	-	-	-	-
Development Manpower Training	* 660-0068	1977	-	-	500	200	1,000	800	1,000	-	-	-	-	-	-	-	-
Non-formal Education Staff Development	* 660-0073	1978	-	-	-	-	350	150	534	-	-	-	-	-	-	-	-
ERTS	660-0071	1977	-	-	435	150	-	200	-	-	-	-	-	-	-	-	-
Water Transport	660-0011	1970	-	-	-	-	-	-	-	10,000	8,043	-	116	-	1,000	-	957
Civil Aviation	660-0013	1973	-	-	-	-	-	-	-	2,000	1,898	-	-	-	102	-	-
Water Transport Improvements	660-0014	1975	-	-	-	-	-	-	-	637	-	-	-	-	400	-	237
Commodity Import Program	660-0015	1976	-	-	-	-	-	-	-	10,000 ^{a/}	-	-	-	-	5,000	-	5,000
Commodity Import Program	660-0016	1977	-	-	-	-	-	-	-	-	-	-	-	16,600 ^{a/}	10,000	-	6,600
Total.....			8,023	2,185	3,400	3,050	5,040	4,800	16,623	26,137	9,941	-	116	16,600	17,302	5,000	14,894

a/ SSA funded.

b/ Amount of Development Assistance authorization; not yet signed.

*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: ZAIRE

TABLE III

FISCAL YEAR	TITLE	AMOUNT
1977	Commodity Import Program (FY 1977 Security Supporting Assistance Supplement, p. 18)	16,600
1978	Grain Marketing	5,000

Country: ZAIRE

CONTINUING ACTIVITY

Table IV

TITLE Nutrition Planning	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	1,000	
NUMBER 660-0055	PRIOR REFERENCE FY 1977 Security Supporting Assistance, p.9	INITIAL OBLIGATION FY 1975	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Purpose: To assist the Government of Zaire to formulate a national strategy for combating problems of malnutrition, the country's single greatest cause of morbidity and mortality.

At the end of the project several conditions will exist. These include an established national nutrition strategy; nutrition planning using sophisticated survey and measurement techniques; and lower morbidity and mortality rates due to lowered rates of malnutrition in at least three demonstration sites.

Major Outputs:

	9/30/76	FY 77	FY 78
(Cumulative as of end of FY)			
Establish national health/nutrition program office			
operational nutrition planning unit	-	X	X
data collection system	-	-	X
Determine major causes of malnutrition and least-cost interventions			
complete studies at three test sites	-	-	1
Provide trained Zairian staff to implement national nutritional strategy	1	9	27

Host Country and Other Donors:

Host Country: \$1.2 million in personnel commodities, and training.

Progress to Date: A Zairian participant, who has returned from academic nutrition training in the U.S. has been named head of the national nutrition effort. Although considerable delays have occurred in the selection of a contractor, (due principally to changes in key leadership personnel in the Ministry of Health, the contracting organization), likely U.S. contractors have now been identified and final negotiations for a contract should be completed early in 1977. For this reason the completion date of the project is being extended a year.

FY 1978 Programs: The A.I.D. contract team will strengthen operating relationships with appropriate Government officials, and prepare studies and demonstration sites concerning the incidence and causes of malnutrition.

	FY 78
<u>A.I.D.-financed Inputs</u>	
(\$ Thousands)	
Personnel: two contract technicians (24 pm)	160
48 pm of short-term consultant services	290
Training: 4 long-term participants in the U.S. (40 pm)	40
4 pm of short-term training in the U.S. and third countries	6
Commodities: medicines, lab equipment, training aids and vehicles	500
Other Costs: miscellaneous local costs	4
Total	1,000

U.S. GRANT FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1976	800	2	798	
Estimated Fiscal Year 1977	-	550		
Estimated through September 30, 1977	800	552	248	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1978	1,000	1,476	3,276	

To be selected

Country: ZAIRE

CONTINUING ACTIVITY

Table IV

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78	800	
Agricultural Economic Development	Security Supporting Assistance			
NUMBER 660-0052	PRIOR REFERENCE FY 1977 Security	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	Supporting Assistance, p.12	FY 1977	FY 1981	OF PROJECT FY 1983

Purpose: To increase the capacity of the Department of Agriculture to develop and implement public action strategies in the agricultural sector.

Past efforts toward agricultural development have largely been individual projects which were not generally focused into an overall government agricultural development program. While these individual programs are critical to getting initial increases in food production, there is also a need for the government to develop an integrated agricultural program and economic policy. This project will assist the Government of Zaire to develop and implement such an agricultural policy.

Major Outputs:

	FY 77	FY 78	FY 79
	(Cumulative as of end of FY)		
Enumerators trained	90	300	360
Computer technicians trained	5	10	14
Advanced statistics training	6	11	17
Advanced economic & management training	1	8	17
A statistical reporting service	x	x	x
Capacity to identify and undertake development projects	-	x	x
Improved management, budgeting, and planning in Department	x	x	x

Host Country and Other Donors:

Host Country \$3.8 million for personnel, facilities and other project support costs.

Progress to Date: This project succeeds an earlier Agricultural Planning and Management project (050), which terminated in FY 1976. That project was instrumental in assisting the government to initiate organizational changes which have created a favorable structure for this project to have a significant impact, especially through its training activities.

FY 1978 Program: A.I.D. will continue ongoing efforts under this project to assist the government to improve its capability to develop and implement agricultural sector strategies through on-the-job and participant training.

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

	FY 78
Personnel: 6 PASA technicians (72 pm)	390
5 pm of short-term consultant services	34
Participants: 306 pm of long-term training in the U.S.	323
Commodities: calculators, office equipment and supplies	53
Total	800

	U.S. GRANT FINANCING (In thousands of dollars)			PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1976				U.S. Department of Agriculture
Estimated Fiscal Year 1977	800	500	300	
Estimated through September 30, 1977	800	500	300	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1978	800	1,930	3,530	

CONTINUING ACTIVITY

Table IV

Country: ZAIRE

TITLE Endemic and Communicable Disease Control	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 490		
NUMBER 660-0058	PRIOR REFERENCE FY 1977 Security Supporting Assistance, p.15	INITIAL OBLIGATION FY 1976	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>				

Purpose: To strengthen the endemic disease control and monitoring capabilities of the Government of Zaire.

Progress to Date: The Government of Zaire has appointed a project coordinator. Six hundred thousand units of measles vaccine and four project vehicles have been purchased.

Major Outputs:

	9/30/76	FY 77	FY 78
	(Cumulative as of end of FY)		

Establish a model malaria control program in Kinshasa region and one rural area	-	1	1
Establish a permanent child measles control program in Kinshasa and 15 other major urban areas	-	1	5
Integration of above programs into health delivery systems of five development zones	-	-	2
Develop epidemiology capability within Department of Health	-	x	x

FY 1978 Program: A.I.D. will expand the measles control program to five new urban areas, integrate the program into additional geographic health zones and continue to work with the Department of Health to develop and expand its epidemiological capabilities.

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

	<u>FY 78</u>
Personnel	
One contractor and one PASA technician (24 pm)	150
7 pm of short-term consultant services	40
Participants	
24 pm of long-term participants in the U.S.	20
4 pm of short-term participants in the U.S.	8
Commodities	
Insecticides, sprayers, malaria pills, vaccines, vehicles	245
Other Costs	
Miscellaneous local expenses	<u>27</u>
Total	<u>490</u>

Host Country and Other Donors:

Host Country	\$3.2 million in commodities, personnel, training, and operating expenses
World Health Organization	Project support valued at \$430,000 in technicians, commodities and training

U.S. GRANT FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1976	400	-	400	
Estimated Fiscal Year 1977	490	500	-	
Estimated through September 30, 1977	890	500	390	
Proposed Fiscal Year 1978	490	966	2,346	

PASA: Communicable Disease Center, Atlanta.
Contractor: to be selected

CONTINUING ACTIVITY

Table IV

Country: ZAIRE				
TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)		
Development Manpower Training	Security Supporting Assistance	FY 78	1,000	
NUMBER 660-0068	PRIOR REFERENCE FY 1977 Security	INITIAL OBLIGATION FY 1977	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY 1980
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	Supporting Assistance, p.17			

Purpose: To assist the Government of Zaire Planning Service in fostering coordinated personnel training programs in project planning and management.

implementation. This same Working Group will supervise and coordinate the organization and implementation of training activities.

Major Outputs:

FY 77 FY 78 FY 79
(Cumulative as of end of FY)

Participants trained at Ph.D. level	-	-	-
Participants trained at Master's level	-	9	15
Participants trained in short-term programs in U.S. and elsewhere in Africa	12	48	72
Zairians trained in short-term programs in Zaire	-	100	180

FY 1978 Program: A.I.D. will continue to support in-country and participant training programs implemented under the supervision of the Inter-Ministerial Working Group. Participants trained abroad will begin to be integrated into the in-country training program as instructors.

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

	<u>FY 78</u>
Personnel: two long-term technicians (36 pm) and 45 pm of short-term consultants	550
Training: 300 pm in the U.S., 30 pm of short-term third-country training, and in-country training programs	370
Commodities: training, classroom and office materials, vehicles	40
Other Costs: miscellaneous local expenses	40
Total	1,000

Host Country and Other Donors:

Host Country: \$1.2 million for personnel, training support and commodities

Progress to Date: The Government of Zaire Planning Service has initiated the organization of an Inter-Ministerial Working Group which will be assisted by A.I.D. short-term consultants to plan training and project

U.S. GRANT FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1976	-	-	-	To be selected
Estimated Fiscal Year 1977	500	200		
Estimated through September 30, 1977	500	200	300	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1978	1,000	1,000	2,500	

Country: ZAIRE

NEW ACTIVITY

Table V

TITLE INERA Support	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 500		
NUMBER 660-0064	GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1982	ESTIMATED COMPLETION DATE OF PROJECT FY 1983

Goal: To increase the quantity, availability and nutritional quality of food for the low-income majority of Zaire's population.

Purpose: To develop the capability of the National Institute of Agricultural Research (INERA) to: conduct adaptive research on growing soybeans, peanuts, beans, and corn, and develop a production package of improved varieties and cultural practices that can be conveyed to the farmer; provide information to producers of food and other crops concerning the characteristics, and potentials of specific soils; predict the probable response to fertilizers under given crop/soil relations.

Background: About 70% of Zaire's people are involved in agriculture, most of whom are living at a subsistence level with annual incomes of about \$140 per year. The Government of Zaire is seeking self-sufficiency in food production. Population increases and rural-urban migration have intensified the nutrition gap in Zaire, where per capita calorie intake is 75% of the WHO-recommended level, and protein intake is 50% of the recommended level. At the time of independence (1960), a system of agronomic research was created in Zaire which had a heavy bias toward exportable crops. The subsequent combination of 10 years of civil strife and political instability stagnated the production of basic foods; which, combined with low Government budget levels for agricultural research, has mandated the current emphasis on basic foods production and agronomic research. In June 1975 the Government of Zaire requested A.I.D. assistance in advancing its research work in agriculture, particularly the production

of food crops. A.I.D. subsequently agreed to design this collaborative project.

Major Outputs:

	FY 78	FY 79	FY 80
	(Cumulative as of end of FY)		
U.S. trained Zairian Agr. Scientists	-	3	6
Research Directors Trained	-	2	2
Lab. Technicians Trained	3	3	3
Field Crops Techs. Trained	2	2	2
Operating Soils Labs. at Mulungu and Gandajika	x	x	x
Development of Research and extension capabilities	x	x	x

Host Country and Other Donors:

Host Country \$2.5 million for personnel, facilities and other project support costs.

FY 1978 Program:

	A.I.D.-financed Inputs (\$ Thousands)	
	FY 78	All Years
Personnel: 2 long-term advisors (24 pm) and short-term consultant services (4 pm)	190	2,520
Training: 36 pm of long-term U.S. participants	30	490
Commodities: Lab; experimental & ag equipment; vehicles	225	1,000
Other Costs: Miscellaneous local support	55	220
Total	500	4,230

Country: ZAIRE

NEW ACTIVITY

Table V

TITLE Grain Marketing	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
		FY 78 5,250 (250 grant, 5,000 loan)		
NUMBER 660-0069		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1982	ESTIMATED COMPLETION DATE OF PROJECT FY 1983
GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/>				

Goal: To make Zaire self-sufficient in the production of major agricultural crops by 1985.

Purpose: To develop a corn marketing infrastructure, private and public, capable of assuring a market of fair prices to farmers and grain and flour consumers.

Background: Corn is Zaire's major food grain. Annual production is estimated to be 400,000 MT. Annual growth in production is not commensurate with the consumption requirements of a fast-growing population. Contributing to the food deficit is an inadequate marketing and storage infrastructure which encourages wide fluctuations in the price of corn thereby lessening production incentives. Cognizant of these problems, Zaire has established a national grain marketing organization (ONACER) and has requested A.I.D. assistance in a grain marketing project. This project will assist Zaire to expand storage facilities, and provide training to enable the Government to establish and maintain pricing policies which will dampen price fluctuations and encourage greater production.

Major Outputs:

	<u>FY 78</u>	<u>All Years</u>
	(Cumulative as of end of FY)	
Corn bought by ONACER	50,000 MT	600,000 MT
Storage capacity constructed	20,000 MT	100,000 MT
National Cereals Office		
personnel trained in marketing	14	66
admin., engineering		
Developed and tested national grain marketing policy, realistic pricing policy, market analysis capacity	-	X

Host Country and Other Donors:

Host Country: \$14.0 million in personnel, commodities, transport and other project support.

FY 1978 Program:

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

	<u>FY 78</u>	<u>All Years</u>
<u>Grant</u>		
Personnel: 1 long-term advisor (12 pm) and short-term consultants	205	700
Training: 1 long-term U.S. participant (12 pm) and short-term training in U.S. (12 pm)	25	250
Commodities: vehicles for project technicians and other equipment	<u>20</u>	<u>100</u>
Total	250	1,050
<u>Loan</u>		
Commodities: storage facilities, trucks and grain processing and storage equipment	5,000	5,000

Country: ZAIRE

NEW ACTIVITY

Table V

TITLE Basic Family Health Services	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 660-0067		FY 78	650	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1980	ESTIMATED COMPLETION DATE OF PROJECT FY 1981

Goal: Sustained improvement in the health status of Zairians, especially mothers and children, and a reduced, stabilized population growth rate throughout the country.

Purpose: To assist the Government of Zaire in the development of a model integrated health services system based upon a graphically oriented urban and rural health zone infrastructure.

Background: Zaire's National Health Council has stated that priority will be given by the government to the establishment of a system of integrated health and social services.

The major policy objectives of the Council are: 1) to insure that priority is to be given to mothers and children in the delivery of health care services; 2) to stress the importance of preventive as well as curative health services with emphasis on programs designed for mothers and children; 3) to extend health services through new types of community health workers; 4) to introduce proper management practices into the health system; 5) to encourage people's participation in improving their own health; and, 6) to approach health problems on an integrated global basis with an emphasis on the community level. In April, 1975, a task force of the National Health Council completed a plan for rural health development zones. A similar plan is currently being developed for urban health zones.

This project will assist the Government in the pursuit of these objectives.

Major Outputs:

	FY 78	FY 79	All Years
	(Cumulative as of end of FY)		
Established operating integrated health care systems			
Urban zones	-	1	3
Rural zones	-	2	5
and assignment of health care personnel	-	200	550
Develop operating health management system in zones	-	3	8

Host Country and Other Donors:

Host Country: \$1.5 million for personnel, training and operating expenses.

FY 1978 Program: A.I.D. will begin to assist Zaire in establishing integrated preventive and curative health services in one urban and two rural health zones.

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

	FY 78	All Years
Personnel: 5 long-term advisors (60 pm) and short-term consultant services (8pm)	460	1,380
Training: 4 short-term U.S. participants (12 pm)	20	220
Commodities: drugs, medical supplies and support equipment	70	1,200
Other Costs:		1,200
Rehabilitation/construction of facilities	80	
Other Miscellaneous local expenses	20	
Total	650	4,000

Country: ZAIRE

NEW ACTIVITY

Table V

TITLE Non-Formal Education Staff Development		FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 660-0073			FY 78 350		
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>		INITIAL OBLIGATION FY 1978	ESTIMATED FINAL OBLIGATION FY 1979	ESTIMATED COMPLETION DATE OF PROJECT FY 1980

Goal: To increase and improve non-formal education programs in order to favor the acquisition of useful skills by the poor majority in Zaire.

Purpose: To increase the capacity of the Lifetime Education Center of the University of Zaire (CIDEP) to train and support those who design, implement and manage non-formal education activities which will help the poor majority in Zaire to acquire knowledge and skills needed for development.

Background: Zairians are poorly served by their formal education system. All types of schools are geared to preparing their students for the next higher level of education rather than for productive work. In spite of attempted reforms, curriculum and teaching methods continue to be inspired by outmoded models of classical education. The formal education system's ineffectiveness in the area of preemployment training and the absence of appropriate on-the-job training for personnel at all levels in the public and private sectors are serious obstacles to Zaire's economic and social development. There is no effort being made to reach drop-outs or the adult majority who never went to school. A major impact of this problem has been on agricultural production.

To meet this problem a three-year staff development project for CIDEP is proposed to help the National University's outreach program become more relevant to Zairian needs. To achieve the project objectives, more than 400 CIDEP staff members will be trained to train and support those who design, implement and manage non-formal education activi-

ties, which will help Zairians to acquire knowledge and skills needed for development.

<u>Major Outputs:</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
Core team trained (staff members)	-	-	18
CIDEP staff trained	-	200	380
Non-Formal Education Management Unit established at CIDEP	-	-	x

Host Country and Other Donors:

Host Country \$300,000 for services, facilities, and local personnel

FY 1978 Program: CIDEP will open four regional training facilities within its existing centers with A.I.D. assistance.

<u>A.I.D.-financed Inputs</u>		
	(\$ Thousands)	
	<u>FY 78</u>	<u>All Years</u>
Personnel: 1 long-term advisor (12 pm) and short-term consultant services (15)	155	465
Participants: long-term U.S. participants (20 pm) and 28 pm of short-term training third-countries	40	95
Commodities: Teaching equipment and materials, office supplies, vehicles	80	160
Other Costs		
Local costs including locally procured supplies and specialized services	75	165
	<u>350</u>	<u>885</u>
Total		

Zaire

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS					TOTAL 1946- 1976†	REPAY- MENTS AND INTEREST 1946- 1976†	TOTAL LESS REPAY- MENTS AND INTEREST
	1973	1974	1975	1976	TQ			
I. ECONOMIC ASSISTANCE - TOTAL	9.2	4.5	5.2	27.2	7.5			
Loans	4.7	-	0.7	22.4	3.5			
Grants	4.5	4.5	4.5	4.8	4.0			
a. A.I.D. and Predecessor Agencies	3.6	1.1	1.6	12.6	7.0			
Loans	2.0	-	0.7	10.0	3.5			
Grants	1.6	1.1	0.9	2.6	3.5			
(Security Supporting Assistance)	(-)	(-)	(-)	(12.0)	(-)			
b. Food for Peace (PL 480)	3.2	0.5	0.4	12.4	-		Not available	
Loans	2.7	-	-	12.4	-		at time of printing	
Grants	0.5	0.5	0.4	-	-			
Title I - Total Sales Agreements	2.7	-	-	12.4	-			
Repayable in U.S. Dollars - Loans	2.7	-	-	12.4	-			
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-			
Title II - Total Grants	0.5	0.5	0.4	-	-			
Emerg. Relief, Econ. Develop. & World Food Program	0.1	0.2	0.2	-	-			
Voluntary Relief Agencies	0.4	0.3	0.2	-	-			
c. Other Economic Assistance	2.4	2.9	3.2	2.2	0.5			
Loans	-	-	-	-	-			
Grants	2.4	2.9	3.2	2.2	0.5			
Peace Corps	2.4	2.9	3.2	2.2	0.5			
Other	-	-	-	-	-			
II. MILITARY ASSISTANCE - TOTAL	6.5	3.9	3.8	19.3	10.2			
Credits or Loans	6.2	3.5	3.5	19.0	10.0			
Grants	0.3	0.4	0.3	0.3	0.2			
a. MAP Grants	0.3	0.4	0.3	0.3	0.2			
b. Credit Sales under FMS	6.2	3.5	3.5	19.0	10.0			
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-			
d. Transfers from Excess Stocks	-	-	-	-	-			
e. Other Grants	-	-	-	-	-			
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	15.7	8.4	9.0	46.5	17.7			
Loans	10.9	3.5	4.2	41.4	13.5			
Grants	4.8	4.9	4.8	5.1	4.2			
Other U.S. Government Loans and Grants	42.4	118.7	56.4	50.6	-			
a. Export-Import Bank Loans	42.4	113.3	56.4	44.3	-			
b. All Other Loans	-	5.4	-	6.3	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	154.4	73.3	0.2	615.9
IBRD	100.0	*	0.2	221.7
IFC	-	-	-	0.8
IDA	26.0	47.5	-	145.5
AFDB	6.6	NA	NA	12.4
UNDP	0.3	1.5	-	35.9
Other UN	-	0.7	-	7.2
EEC	21.5	23.6	-	192.4
B. OFFICIAL DEVELOPMENT ASSISTANCE - BILATERAL GROSS DISBURSEMENTS				
Donor	CY 1974	CY 1975	CY 1969-75	
1. D.A.C. COUNTRIES (Excluding U.S.)				
TOTAL	146.6	150.7	674.9	
Belgium	101.9	113.0	527.2	
France	23.1	20.5	69.2	
Germany	8.7	8.8	32.2	
Canada	5.9	4.1	15.8	
Denmark	1.1	1.1	11.2	
Other	5.9	3.2	19.3	
2. O.P.E.C. COUNTRIES (COMMITMENTS)				
TOTAL	-	-		
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
	CY 1975	CY 1976 ^P	CY 1954-76	
TOTAL	-	-	100	
China	-	-	100	

* Less than \$50,000. TQ - Transition Quarter † - As of September 30, 1976. P - Preliminary. NA - Not Available.

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GENERAL ECONOMIC AND SOCIAL DATA

TABLE VII

<u>POPULATION</u>			<u>INTERNATIONAL COMMODITY TRADE</u> (\$ millions)	<u>1974</u>	<u>1975</u>
Total (mid-1976; millions)		21.7	Exports (f.o.b.)	1,295	827
Annual Growth Rate (percent)		2.4%	Imports (c.i.f.)	-1,051	-905
Urbanization	<u>1960</u>	<u>1975</u>	Trade Balance	244	-78
Percent in Urban Areas	20%	26%			
Labor Force in Agriculture (percent)		78%	Main Exports: Copper.		
<u>HEALTH</u>			<u>OFFICIAL INTERNATIONAL RESERVES</u>	<u>1974</u>	<u>1975</u>
Life Expectancy (years)		44	(Gross Holdings; End of		
Infant Deaths per 1,000 Live Births		160	Period; \$ millions)	140	59
People per Doctor		24,700			116 (Oct)
<u>EDUCATION</u>			<u>CENTRAL GOVERNMENT FINANCES</u> (\$ millions) ³	<u>1974</u>	<u>1975</u>
Primary and Secondary Students	<u>1960</u>	<u>1972</u>	Total Expenditures	1,490	1,192
a. Number (in thousands)	1,611	3,632	Defense Expenditures		
b. As Percent 5-19 Age Group	34%	53%	a. As % of Total Expenditures	11%	13%
Literacy Rate (percent)		20%	b. As % of GNP	4%	3%
<u>PER CAPITA GROSS NATIONAL PRODUCT</u>			Domestic Revenues	1,077	860
1974 (dollars) ¹		140	<u>FY 1975 U.S. ECONOMIC ASSISTANCE</u>		
Average 1965-74 Annual Growth Rate (percent) ²		2.9%	a. As % of Country Central Government Expenditures		*
<u>AGRICULTURAL PRODUCTION—Average 1971-76 Annual Growth Rate</u>			b. As % of Country Imports of Goods & Services		*
Total Production (percent)		1.0%	<u>SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT as %</u>		
Per Capita Production (percent)		-1.4%	<u>of Goods and Non-Factor Services (1974)</u>		11.7%

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.

* - Less than one half of one percent.