

AGENCY FOR INTERNATIONAL DEVELOPMENT

**Fiscal Year 1978
Submission to the Congress**

SUMMARY

Revised March 1977

INTRODUCTORY NOTES TO THE REVISED EDITION

This revised Summary Volume contains the changes in the A.I.D. FY 1978 Submission to the Congress made by President Carter. The major alternatives are as follows:

- 1) Decrease of less than \$1 million in A.I.D.'s Functional Development Assistance Program.
- 2) Addition of \$428 million to the Security Assistance Program, the change being:
 - Egypt: increased \$125 million to \$750 million.
 - Israel: increased \$285 million to \$785 million.
 - Jordan: increased \$33 million to \$93 million.
 - Syria: increased \$15 million to \$90 million.
 - Southern Africa: decreased \$40 million to \$135 million.
 - Jamaica: new program of \$10 million.
- 3) Addition of \$30 million for International Organization, divided as follows:
 - UNDP: increased \$20 million to \$130 million.
 - UN University: new program of \$10 million.

These changes affect four volumes of the FY 1978 Submission to the Congress:

- The Summary Volume.
- The Security Supporting Assistance Volume.
- The International Organizations and Program Volume.
- The Latin America Program Volume.

A revised Security Supporting Assistance Volume dated March 1977 is also available, as is a Supplementary Volume containing replacement pages for the International Organizations and Programs Volume and the Latin America Program Volume.

AGENCY FOR INTERNATIONAL DEVELOPMENT
Fiscal Year 1978
SUBMISSION TO THE CONGRESS

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EDITORIAL NOTES

Country Treatment

An effort has been made in the FY 1978 Congressional Presentation to place under each country divider sheet all pertinent information about that country. This effort accounts for minor changes from previous years in format and tables. For example, staffing and participant summaries are now carried under individual country tabs rather than in regional tables as heretofore.

Congressional Reporting Requirements and the Congressional Presentation

The annual Congressional Presentation meets a number of statutory reporting requirements of the Foreign Assistance Act (FAA) of 1961, as amended:

- Section 102(d) on development performance criteria requires a report on actions taken to implement this subsection. A brief statement will be found in the Special Analyses section of the Summary volume and a full report will be submitted separately.
- Section 103(g) requires a report on U.S. participation in the International Fund for Agricultural Development. The report will be found in the Special Analyses section of the Summary volume.
- Section 116(d) requires a report on steps taken to carry out human rights provisions under Section 116. The report will be found in the Special Analyses section of the Summary volume.

-- Section 295 requires a report on food and population for all countries receiving assistance under the Foreign Assistance Act and having a substantial food deficit. Narratives for bilateral aid-recipient countries on the World Food Council list of food priority countries contain a section headed Food and Population responding to the requirements of Section 295.

-- Section 621A(c) requires a report on steps taken to strengthen management practices in A.I.D. The report will be found in the statement on Management in the Management-Personnel-Operating Expenses volume.

-- Section 634(d) requires that presentation material submitted to Congress include:

- ** a comparison of current-year programs with those previously presented to Congress;
- ** planned assistance from all sources on a country-by-country basis;
- ** a list of proposed contributions to multilateral financing agencies; and
- ** a country-by-country list of projects financed by the Export-Import Bank in the previous fiscal year.

Tabular material responding to the first two items will be found in the Summary volume. The International Organizations and Programs volume lists proposed U.S.

voluntary contributions to the development programs of the UN and OAS. Information on Export-Import Bank projects has been supplied separately to the Congress in the Supplement to the 1976 Annual Report of the Export-Import Bank.

- Section 634(e) requires, wherever practicable, that a phaseout plan for each country be included in the Congressional presentational material. To the extent that such plans are practicable they are discussed in the country narratives. Countries already in process of termination are listed under the Terminating Programs tab in the regional volumes.

In addition to the listed statutory requirements the Congressional Presentation responds to a variety of specific requests from Congressional sources:

- For example, in compliance with a request from the Chairman of the Subcommittee on Foreign Assistance of the Senate Appropriations Committee, each country narrative contains a statement relating proposed programs to U.S. national interests and describes self-help efforts in areas addressed by U.S. projects.

Per Capita Gross National Product Data

GNP data used throughout the Congressional Presentation are taken from the World Bank Annual Report for 1976 or, for those countries not listed in the 1976 Annual Report, from the most recent IBRD Atlas. The Congress adopted IBRD GNP estimates for certain purposes in the International Development and Food Assistance Act of 1975, and it is accordingly desirable to standardize on this

data source. The data contained in the FY 1978 Congressional Presentation are for 1974. They represent local currency GNP figures at a three-year average (1973-75) exchange rate with an adjustment for the decline in the real value of the dollar and in certain cases a further judgmental adjustment to the exchange rate.

IBRD GNP data for 1973 used in the FY 1977 Congressional Presentation were based on an average of 1965-1971 domestic prices and dollar exchange rates rather than the 1973-1975 averages used for the 1974 estimates. This change in method of calculation accounts for the rather substantial increases in some instances between the 1973 and 1974 per capita GNP estimates.

P.L. 480 Programs

The FY 1978 Congressional Presentation justifies and explains P.L. 480 programs, both generally and in terms of the use of resources in individual country situations. This provides useful contextual information for all readers considering the A.I.D. program request and responds to the specific interests of the House International Relations Committee which has jurisdiction over the international aspects of P.L. 480 programs.

- A program overview statement and tabular material are included in the Summary volume. Individual country P.L. 480 programs are discussed in the country narratives.
- For countries where substantial FY 1978 P.L. 480 programs are planned but no FY 1978 FAA resources are requested, P.L. 480 programs are discussed in the appropriate regional narrative.

-- FY 1977 and FY 1978 dollar figures are based on current price projections. Programs for these years are subject to change contingent upon commodity availabilities, prices, future program needs and other variables.

-- P.L. 480 program data used in the Congressional Presentation are based on actual or estimated shipments (i.e. delivery at U.S. port) with the exception of prior-year data in Table VI and A.I.D.'s publication U.S. Overseas Loans and Grants (the so-called "Green Book") which report on the basis of dollar value of agreements signed less initial payments. Any shortfalls in deliveries or cancellations of agreements through FY 1973 are reflected in the year the agreement was originally signed. Beginning in FY 1974 such adjustments are reflected only in cumulative totals, with no adjustments in annual agreements.

Activity Data Sheet Format

The transition has been completed this year to an activity data sheet format using project-specific cost elements and planned accomplishments for all activities. This change is meant to provide readers with more useful information about how the money will be spent and what it is hoped to achieve.

Under the section, Major Outputs, "x" denotes that a project output is expected but cannot be quantified at this time. In the A.I.D.-financed Inputs section, person months shown correspond to amounts in the budget year (FY 78) column.

Operating Expenses

As a result of Congressional action establishing Operating Expenses as a line item in the FY 1976 appropri-

ations bill, Operating Expense estimates are presented separately for FY 1978, and other line items do not include any funds for this purpose.

Terminating Programs

Terminating Programs tabs which appear near the end of several regional volumes cover those country programs where there is continued program activity under the Foreign Assistance Act financed from prior year obligations, but for which no new program funds are requested for FY 1978.

Additional Program Requirements

Additional Program Requirements tabs follow many of the program sections of the Congressional Presentation. Some activity data sheets in the Interregional volume also include notations on this subject.

Additional Program Requirements include those projects and activities not in the firm program proposed to the Congress, but which represent valid development requirements and for which preparatory work has reached the same advanced stage of readiness for financing as the firm program. To the extent that additional funds become available from attrition in the firm program or other reasons, these projects are candidates for funding in FY 1978.

It is understood that inclusion of a project or activity in an Additional Program Requirements section does not constitute justification to the Congress for purposes of the advice of program change requirements of current appropriations legislation.

DEVELOPMENT ASSISTANCE

DEVELOPMENT ASSISTANCE

The role of the Third World in the calculus of our foreign policy, national security and economic well-being is at once more important and more complicated than ever before.

- The policy and actions of the developing countries are of critical importance in dealing with major global economic issues centered on food production, population growth, natural resource development, energy, the law of the sea, protection of the world's environment. The American people cannot escape the impact of world population pressures and global food shortages.
- Our fundamental security interests are bound up with potential regional conflicts in the Third World. The nuclear proliferation issue involves several developing nations.
- The U.S. and other industrialized countries are increasingly linked to the developing countries by mutual interests of trade, investment and critical resource needs. Future rates of growth, income and employment among all nations rich and poor depend upon expanding world trade and investment.
- Increasingly, U.S. foreign policy is conducted in large multilateral forums where developing countries exert strong influence.

The program proposals for foreign economic assistance for FY 1978 and FY 1979 call for a substantial increase in both bilateral and multilateral assistance to enable the United States to meet its most important political, economic and humanitarian objectives.

- No enduring structure of world peace can be built unless the growing disparity in incomes between the "rich" and the "poor" countries--with hundreds of millions of individuals living in abject poverty with sub-standard levels of nutrition, health, education--is corrected.

- Without a sustained, growing U.S. assistance program, the United States will exercise decreasing influence in North-South relations, with adverse impact on our global and bilateral economic and political relations with the developing nations.
- Global development problems--food scarcity, population growth, health, education and natural resource development--require much higher aid flows now if we are to avoid greater cumulative financial costs and increased human suffering later this century.
- The U.S. contributes less to development aid--relative to GNP--than do most donors and our performance is getting worse. We cannot expect to exercise effective influence on oil producing and other Western industrialized countries to increase their assistance levels unless we improve our performance. To have any significant impact on the LDCs, U.S. assistance levels will have to be increased substantially--perhaps a doubling over five years--and have a greater degree of constancy than we have exhibited in recent years.

Multilateral Assistance

Bilateral and multilateral assistance are not substitutes for each other; each serve different, yet complementary U.S. objectives.

Our multilateral programs consist of United States contributions to the International Financial Institutions (IFIs) and voluntary contributions to International Organizations.

The IFIs serve United States interests extremely well:

- They are highly professional, efficient, market-oriented and responsive to the Western industrial countries through weighted voting.

-- Because of their multilateral character, they are often effective in negotiating important domestic economic policy reforms with host governments.

-- In addition to their "soft windows", the IFIs also are able to raise large sums of money in private capital markets, relending to developing countries for major capital projects.

Failure of the United States to meet our commitments to the International Financial Institutions in the 1970's has been very damaging. Delay in fulfilling U.S.

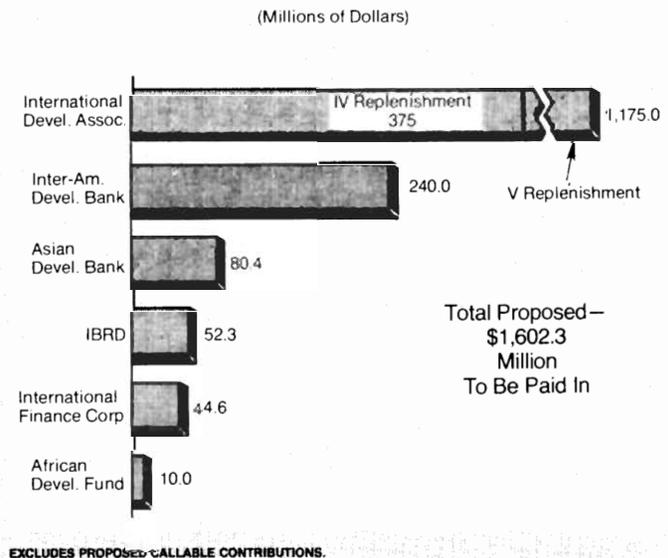
pledges has been taken by the international community as a discouraging sign of the inability of the United States to honor its commitments and support the multilateral system which it was the first to champion. Other donors follow the lead of the United States and for every dollar we provide others provide two dollars more:

-- The cumulative arrears in U.S. contributions to the IFIs should be met with an FY 1977 supplemental appropriation.

-- The United States should support an \$8 billion replenishment for the International Development Association with the United States contributing \$2.4 billion over a three year period beginning in FY 1978.

-- U.S. voluntary contributions to international organizations are an essential component of this country's foreign assistance program. Our contribution to the United Nations development agencies provide an opportunity to support activities that complement the bilateral program.

U. S. CONTRIBUTIONS TO INTERNATIONAL FINANCIAL INSTITUTIONS PROPOSED FOR FY 1978



A.I.D.'s Bilateral Development Assistance Program

The U.S. Development Assistance Program is designed to focus on basic human needs by supporting broad-based, participatory growth to help developing countries increase the production, income and employment of the poor majority of their population.

- Basic human needs are reflected through each society's commitment to minimum standards of living for the poor groups of people in that society.
- Satisfaction of basic needs involves meeting minimum requirements for food and nutrition, access to essential health services, such as safe drinking water and sanitation facilities, education, productive employment for those able and willing to work.

The Foreign Assistance Act of 1973 directed A.I.D. to undertake far-reaching reforms in the U.S. bilateral development assistance programs. A great deal of progress has been achieved in the past three years.

- In FY 1978, well over three-fourths of our bilateral functional assistance funds will be allocated to countries with per capita incomes of \$300 or less; we have phased out of richer developing countries such as Korea, Turkey, Brazil and Colombia in the past three years.
- Programs are heavily concentrated on the four priority sectors of agriculture, population, health and education and much of the remainder is directly in support of these efforts, such as through support to U.S. private voluntary organizations.
- Programs have been refocused and projects are now directed towards reaching the poor majority in the developing countries; major capital projects and commodity loans are rare.
- We have broadened our horizons to consider how America's vast array of talent and knowledge in science and technology--from the most sophisticated to the most simple--can be tapped for use in poor countries at different stages of development.
- Major changes and improvements have been made in A.I.D.'s internal management and programming systems to promote greater capacity to administer the new directions.

The developing countries have options with regard to the development strategies and international economic systems they wish to support.

- An objective of the U.S. bilateral Development Assistance Program is to encourage developing countries to chose development strategies which are compatible with U.S. interest in an expanding, market-oriented international economic system based upon mutual interest of both industrialized and developing countries and which support broad-based participatory growth strategies.

A.I.D. concentrates the bulk of its program on the poorest and least developed countries. These countries have:

- the largest proportion of the very poor within their populations;
- the lowest per capita agricultural productivity;
- the greatest problems with uncontrolled population growth;
- the greatest need for concessional assistance.

Substantial increases in development assistance levels are necessary to address the global development problems which impact on the U.S. economy and our national well-being:

- We live in a world with a precarious balance between worldwide food supply and demand. Although the near term outlook for world grain production has improved, the basic long term outlook is grim.
 - ** Current food reserves are inadequate to deal with the consequences of major crop failures in key developing countries.
 - ** As many as 460 million of the world's people are malnourished to the extent that their health is seriously affected.

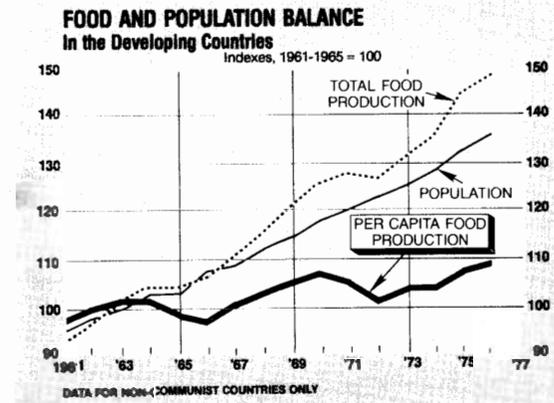
** The FAO has estimated that by 1985 the developing countries will face an annual average grain deficit of 85 million tons.

** To avert a deficit of this magnitude, the World Food Conference suggested that total annual agricultural investment from all sources would have to increase from the 1972 level of \$8-10 billion to \$16-18 billion for the period 1975-1980.

** Closing the food gap will require concentration on small, poor farmers who represent the vast majority of the population and engage tremendous amounts of land and labor resources but with very low yields. Empirical evidence indicates that with adequate access to technology and credit, small farmers are as productive as large farmers.

A critical relationship exists between food needs and population growth. More rapid population growth has led to either stagnant or falling per capita food production in many developing countries.

- The world's population grew from 3 to 4 billion between 1960 and 1975 and four-fifths of that growth took place in the less developed countries.
- If present fertility rates are not significantly reduced, the world's population will reach 7.2 billion by the year 2000.
- Because of the size of the base and the age composition of their populations, the LDCs share of world population will continue to increase.

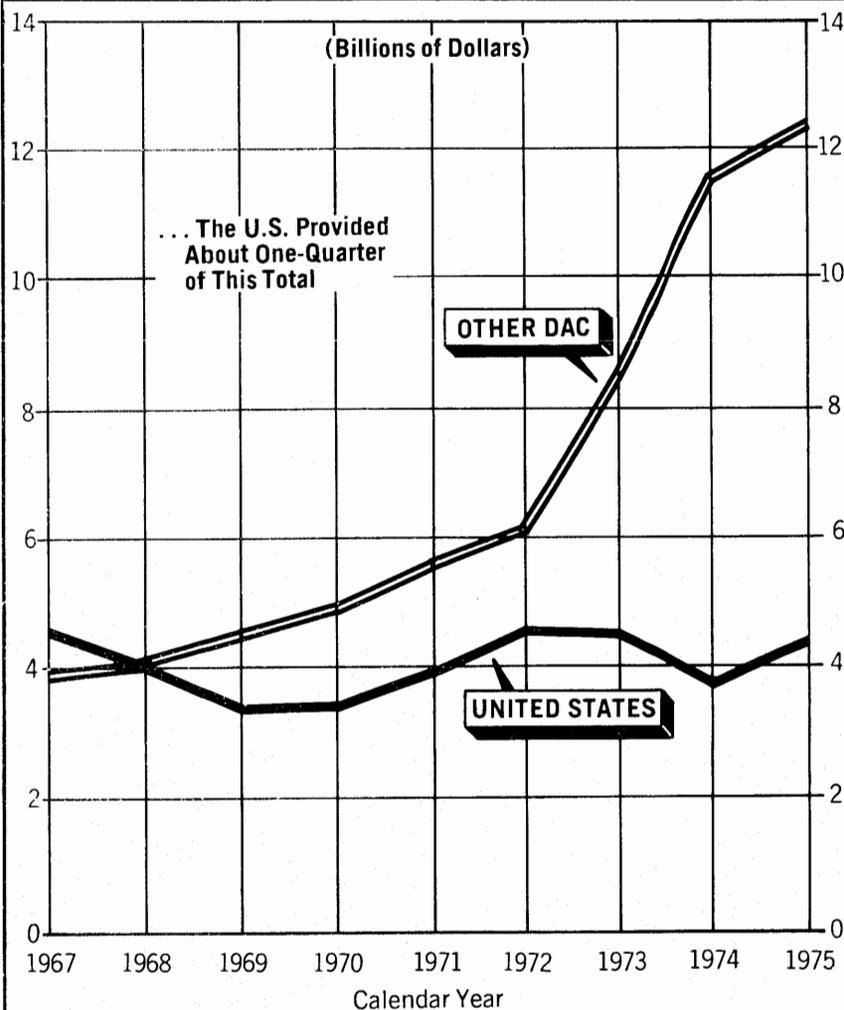


-- A.I.D. is proposing a new Section 117 in the Foreign Assistance Act which stresses our commitment to support reductions in fertility wherever possible through efforts in the agriculture, health and education sectors.

New bilateral programs in science and technology are proposed so that the impact of the vast and highly skilled U.S. scientific community can be increasingly brought to bear on development problems.

A substantial increase in bilateral levels is essential if the United States is to exercise leadership and influence on other donors to increase their assistance levels. The U.S. now ranks twelfth among 17 Western donors in terms of its development assistance levels relative to GNP. These donors have emphasized that sustained, upward momentum in their aid programs depends on improved performance by the United States.

**DAC ECONOMIC AID TO THE DEVELOPING COUNTRIES
TOTALED \$16.6 BILLION IN 1975**



*COMMITMENTS TO DEVELOPING COUNTRIES AND MULTILATERAL AGENCIES BASED ON THE DAC DEFINITION OF OFFICIAL DEVELOPMENT ASSISTANCE (ODA), WHICH INCLUDES, FOR THE U.S., ALL ECONOMIC ASSISTANCE PROGRAMS (A.I.D., PL 480, PEACE CORPS, AND CONTRIBUTIONS TO MULTILATERAL INSTITUTIONS), BUT EXCLUDES SUCH OTHER RESOURCE TRANSFERS AS EXPORT-IMPORT BANK AND COMMODITY CREDIT LOANS. DATA FOR OTHER DAC COUNTRIES ARE ON A COMPARABLE BASIS.

Sahel Development Program

There is broad international support for the concept of an international development investment program dedicated to the goal of eventual self sufficiency for the Sahel.

- The drought in the Sahel was a dramatic demonstration of the seriously deteriorating ecological condition of that region. Desertification is occurring on a large scale and food production capacity in West Africa is seriously threatened. Further degradation of the region will occur unless dramatic new steps are taken.
- Our leadership has generated a real momentum involving donors and recipients behind a multi-year investment effort in the Sahel.
- A great deal of work has been done to develop a package of effective projects and a long-term strategy that the United States could support.
- There have been extensive discussions with other donors and with the Sahelian states and the Congress last year appropriated \$5 million for long-range planning.

A.I.D. is now in a position to request an allocation of funds as a special line item in FY 1978 as a first step in support of U.S. contributions of approximately \$1 billion over a period of seven to ten years.

Food Aid

The United States must be prepared to continue a substantial program of food aid. Food aid is often critical in the near term to provide low-cost food imports for the poor countries and to alleviate emergency and disaster situations. For the longer term, food aid can be used to support economic development.

- A successful policy for rapidly expanding local agricultural production to improve the welfare of low-income peoples is necessarily part of a broader strategy to increase employment and purchasing power.
- In most developing countries food production fluctuates substantially from year to year and the growth in demand for food may exceed the growth in supply.
- In this context, food aid is of major benefit. Not only may the proceeds of sales be used to finance programs to increase agricultural production but the commodities contribute to providing a certainty of supply in the face of lags in production and unpredictable weather.
- This is essential to establishing confidence in a strategy to raise income and create a demand for expanded local food production.

SECURITY SUPPORTING ASSISTANCE

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 \$1,892.3 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;
- new assistance to Jamaica to help overcome a severe economic crisis.

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 \$1,730.2 million.

SECURITY SUPPORTING ASSISTANCE PROGRAM SUMMARY (in millions of dollars)				
	FY 1976 Actual	TQ Actual	FY 1977 Estimated	FY 1978 Proposed
Total Security Supporting Assistance	1087.2	871.7	1751.0	1892.3
Near East	1075.2	871.1	1697.0	1747.3
Egypt	258.2	536.8	700.0	750.0
Israel	700.0	75.0	735.0	785.0
Jordan	46.4	86.1	70.0	93.0
Syria	16.5	78.5	80.0	90.0
Sinai Support Mission	a/	a/	a/	12.2
Bahrain	-	.7	.4	.1
Malta	9.5	4.8	9.5	9.5
Spain	-	-	10.0b/	7.0
Greece	-	65.0	-	-
Regional	-	-	-	.5
Cyprus	c/	-	17.5	-
Portugal	35.0	20.0	65.0d/	-
UNFICYP	9.6	4.8	9.6	e/
Africa	12.0	-	54.0	135.0
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	-	-	-	100.0
Latin America	-	-	-	10.0
Jamaica	*	*	*	10.0
Middle East Special Requirements Fund	34.3	18.3	30.4	25.0

* Programs financed with Development Assistance funds.

- 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.

-- 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.

-- A request of \$10 million is sought for a commodity import program and for selected technical assistance activities.

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 \$100 million is requested for these affected countries: Zimbabwe, Namibia, Zambia, Zaire, Botswana, Lesotho, and Swaziland.

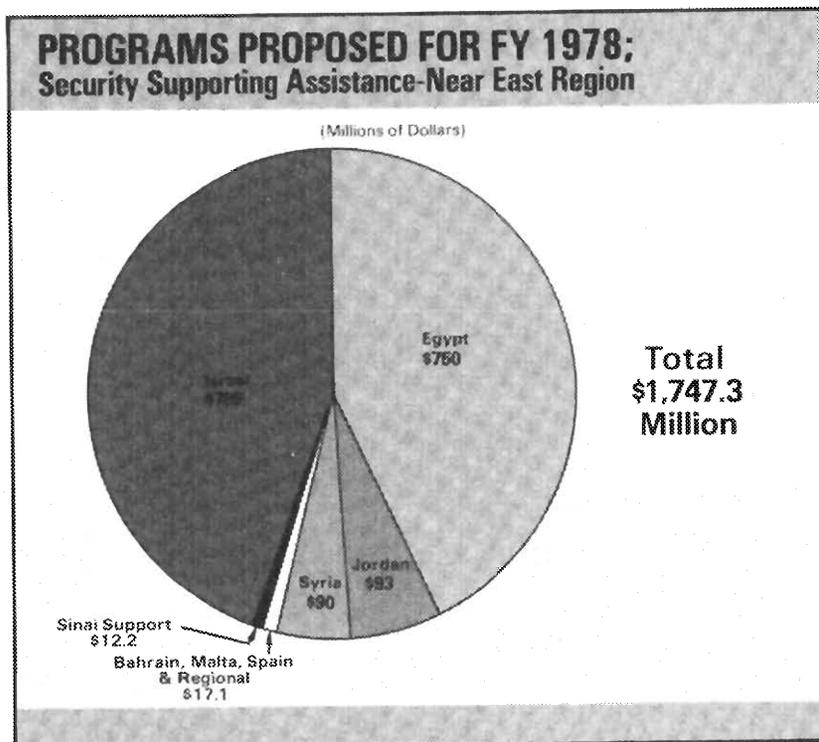
-- An additional amount, \$35 million, is requested to continue financing development activities for Botswana, Lesotho, Swaziland, Zaire and Regional activities.

Latin America

A single program of Security Supporting Assistance, to combine with efforts of other friendly countries in alleviating the economic distress of Jamaica.

-- Jamaica is a strategically located nation with a long tradition of close ties with the United States. It has a high degree of economic interdependence with our country.

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 \$785 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.

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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 \$750 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.

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- 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 \$93 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:

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- 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 \$90 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;

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- 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.

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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, finan-
cial 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.

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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 - \$100 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	135.0
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	-	-	-	100.0
*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

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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**

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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.

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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.

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- 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.

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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:

-- 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:

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- 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.

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- 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

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 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, \$100 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 provided a complete and timely explanation of specific projects before they are obligated.

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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.

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND CREDIT SALES
PROGRAMS ACTUAL FOR FY 1976
(in thousands of dollars)

	Economic Assistance Programs					Military Assistance Programs					
	Total Economic Assistance	Total Economic Assistance	A.L.D.	P.L. 480	Peace Corps	Int'l. Narcotics Control	Total Military Assistance	Military Assistance (MAP) Grants	Foreign Military Training	Military Credit Sales	Excess Defense Articles
WORLDWIDE - TOTAL	6,355,233 ^{a/}	3,866,359 ^{a/}	2,276,366	1,455,510 ^{b/}	81,382	28,974	2,488,874	210,559	22,821	2,192,400	63,094
AFRICA - TOTAL	292,689	246,131	117,188	103,833 ^{b/}	25,190	-	46,558	6,598	2,260	37,700	-
Benin	1,148	1,148	-	529	619	-	-	-	-	-	-
Botswana	4,418	4,418	857	2,371	1,190	-	-	-	-	-	-
Burundi	1,302	1,302	-	1,302	-	-	-	-	-	-	-
Cameroon	4,923	4,923	2,217	1,773	933	-	-	-	-	-	-
Cape Verde Islands	2,717	2,717	1,000	1,717	-	-	-	-	-	-	-
Central African Empire	1,054	1,054	263	271	520	-	-	-	-	-	-
Chad	2,097	2,097	673	812	612	-	-	-	-	-	-
Congo	721	721	-	721	-	-	-	-	-	-	-
Ethiopia	20,342	12,957	5,617	6,663	677	-	7,385	6,598	787	-	-
Gabon	2,463	463	-	43	420	-	2,000	-	-	2,000	-
Gambia, The	1,213	1,213	-	956	257	-	-	-	-	-	-
Ghana	19,308	19,229	11,889	5,758	1,582	-	79	-	79	-	-
Guinea	8,725	8,725	237	8,488	-	-	-	-	-	-	-
Guinea Bissau	120	120	-	120	-	-	-	-	-	-	-
Ivory Coast	1,771	1,771	-	443	1,328	-	-	-	-	-	-
Kenya	24,692	8,747	3,926	2,427	2,394	-	15,945	945	15,000	-	-
Lesotho	6,517	6,517	918	5,100	499	-	-	-	-	-	-
Liberia	7,492	5,693	2,872	540	2,281	-	1,799	-	99	1,700	-
Malagasy Republic	649	649	-	649	-	-	-	-	-	-	-
Malawi	1,904	1,904	1,455	288	161	-	-	-	-	-	-
Mali	3,198	3,198	2,689	104	405	-	-	-	-	-	-
Mauritania	3,499	3,499	335	2,962	202	-	-	-	-	-	-
Mauritius	675	675	-	599	76	-	-	-	-	-	-
Mozambique	1,887	1,887	1,075	812	-	-	-	-	-	-	-
Niger	10,989	10,989	6,016	3,770	1,203	-	-	-	-	-	-
Nigeria	522	522	-	276	246	-	-	-	-	-	-
Rwanda	1,749	1,749	293	1,447	9	-	-	-	-	-	-
Sao Tome & Principe	65	65	-	65	-	-	-	-	-	-	-
Senegal	4,345	4,312	895	2,334	1,083	-	33	-	33	-	-
Seychelles	136	136	-	118	18	-	-	-	-	-	-
Sierra Leone	4,360	4,360	-	2,937	1,423	-	-	-	-	-	-
Somalia	1,359	1,359	-	1,359	-	-	-	-	-	-	-
Sudan	1,482	1,482	150	1,332	-	-	-	-	-	-	-
Swaziland	1,860	1,860	690	145	1,025	-	-	-	-	-	-
Tanzania	31,731	31,731	7,157	24,574	-	-	-	-	-	-	-
Togo	3,149	3,149	-	2,254	895	-	-	-	-	-	-
Uganda	285	285	-	285	-	-	-	-	-	-	-
Upper Volta	5,415	5,415	1,183	3,428	804	-	-	-	-	-	-
Zaire	48,062	28,745	12,500	12,782	3,463	-	19,317	-	317	19,000	-
Zambia	1,279	1,279	-	1,279	-	-	-	-	-	-	-
Sahel Regional Activities	11,302	11,302	11,302	-	-	-	-	-	-	-	-
Entente Area	12,678	12,678	-	-	-	-	-	-	-	-	-
East Africa Regional	1,055	1,055	1,055	-	-	-	-	-	-	-	-
Southern Africa Regional	1,392	1,392	1,392	-	-	-	-	-	-	-	-
Portuguese-Speaking Africa Regional	830	830	830	-	-	-	-	-	-	-	-
Regional & Other Non-Country Program/Support	25,596	25,596	24,731	-	865	-	-	-	-	-	-

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND CREDIT SALES
PROGRAMS ACTUAL FOR FY 1976
(in thousands of dollars)

	Economic Assistance Programs						Military Assistance Programs				
	Total Economic & Military Assistance	Total Economic Assistance	A.I.D.	P.L. 480	Peace Corps	Int'l. Narcotics Control	Total Military Assistance	Military Assistance Grants (MAP)	Foreign Military Training	Military Credit Sales	Excess Defense Articles
ASIA AND PACIFIC - TOTAL	1,435,522	1,012,455	228,272	762,684 ^{b/}	14,356	7,143	423,067	108,893	6,838	246,100	61,236
ASIA - TOTAL	1,430,803	1,007,736	228,272	762,684 ^{b/}	9,637	7,143	423,067	108,893	6,838	246,100	61,236
Bangladesh	197,031	197,031	24,237	172,794	-	-	-	-	-	-	-
Burma	6,569	6,569	-	-	-	6,569	-	-	-	-	-
China, Republic of (Taipeh)	81,149	-	-	-	-	-	81,149	675	474	80,000	-
India	192,486	192,375	-	192,194	181	-	111	-	111	-	-
Indonesia	192,018	145,953	49,500	96,466	-	-13	46,065	13,000	1,720	23,100	8,245
Korea	336,076	147,472	5,802	139,913	1,758	-	188,604	60,500	1,897	126,000	207
Laos	-769	-769	-	-	-	-769	-	-	-	-	-
Malaysia	19,977	2,696	-	-	2,696	-	17,281	-	281	17,000	-
Nepal	4,562	4,534	2,835	839	860	-	28	-	28	-	-
Pakistan	171,866	171,525	59,075	112,379	-	71	341	-	341	-	-
Philippines	102,170	78,085	54,339	21,360	2,301	85	24,085	18,700	736	-	4,649
Singapore	61	61	-	61	-	-	-	-	-	-	-
Sri Lanka	35,524	35,524	9,600	25,924	-	-	-	-	-	-	-
Thailand	81,027	15,624	12,930	-	1,434	1,260	65,403	16,018	1,250	-	48,135
Vietnam	695	695	-	755	-	-60	-	-	-	-	-
Regional & Other Non-Country Programs/Support Costs	10,361	10,361	9,954	-	407	-	-	-	-	-	-
PACIFIC - TOTAL	4,719	4,719	-	- ^{b/}	4,719	-	-	-	-	-	-
British Solomon Islands	233	233	-	-	233	-	-	-	-	-	-
Fiji	943	943	-	-	943	-	-	-	-	-	-
Gilbert Islands	28	28	-	-	28	-	-	-	-	-	-
Micronesia	2,032	2,032	-	-	2,032	-	-	-	-	-	-
Tonga	571	571	-	-	571	-	-	-	-	-	-
Western Samoa	712	712	-	-	712	-	-	-	-	-	-
Regional Support Costs	200	200	-	-	200	-	-	-	-	-	-

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND CREDIT SALES
PROGRAM ACTUAL FOR FY 1976
(in thousands of dollars)

	Economic Assistance Programs					Military Assistance Programs					
	Total Economic & Military Assistance	Total Economic Assistance	A.I.D.	P.L. 480	Peace Corps	Int'l. Narcotics Control	Total Military Assistance	Military Assistance Grants (MAP)	Foreign Military Training	Foreign Military Credit Sales	Excess Defense Articles
LATIN AMERICA - TOTAL	560,086	419,924	237,411	153,114 ^{b/}	16,145	13,254	140,162	4,413	8,791	125,100	1,858
Argentina	34,334	20	-	-	-	20	34,314	-	314	34,000	-
Barbados	50	50	-	50	-	-	-	-	-	-	-
Belize	327	327	-	-	327	-	-	-	-	-	-
Bolivia	33,260	29,907	22,175	7,287	-	445	3,353	2,200	674	-	479
Brazil	49,155	4,540	900	1,773	1,683	184	44,615	-	615	44,000	-
Chile	81,451	81,451	14,299	66,501	656	-5	-	-	-	-	-
Colombia	49,035	28,727	13,118	13,010	1,668	931	20,308	-	708	19,600	-
Costa Rica	9,153	9,153	6,434	1,538	1,179	2	-	-	-	-	-
Dominican Republic	29,674	28,868	15,786	12,353	729	-	806	183	623	-	-
Ecuador	14,384	3,974	-	2,171	1,346	457	10,410	-	410	10,000	-
El Salvador	6,462	5,426	1,448	3,098	880	-	1,036	225	767	-	44
Guatemala	57,654	55,555	41,311	12,833	1,411	-	2,099	196	403	1,500	-
Guyana	2,069	2,069	1,825	244	-	-	-	-	-	-	-
Haiti	23,076	22,974	8,974	14,000	-	-	102	-	102	-	-
Honduras	25,078	21,630	14,332	5,989	1,309	-	3,448	225	723	2,500	-
Jamaica	3,143	3,143	765	1,367	1,011	-	-	-	-	-	-
Mexico	10,957	10,857	-	-	-	10,857	100	-	100	-	-
Nicaragua	21,920	18,351	16,372	824	1,155	-	3,569	200	717	2,500	152
Panama	24,130	22,946	21,746	1,200	-	-	1,184	201	388	500	95
Paraguay	7,420	5,060	4,271	15	759	15	2,360	421	383	500	1,056
Peru	22,606	21,769	12,555	8,861	-	353	837	-	837	-	-
Uruguay	1,473	445	445	-	-	-	1,028	562	434	-	32
Venezuela	11,121	528	-	-	533	-5	10,593	-	593	10,000	-
Caribbean Regional	16,453	16,453	16,453	-	-	-	-	-	-	-	-
ROCAP Central America	2,193	2,193	2,193	-	-	-	-	-	-	-	-
Regional & Other Non-Country Program/Costs	23,508	23,508	22,009	-	1,499	-	-	-	-	-	-

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND MILITARY SALES FINANCING
PROGRAM ACTUALS FOR FY 1976
(in thousands of dollars)

	Economic Assistance Programs					Military Assistance Programs					
	Total Economic Assistance	Total Economic Assistance	A.I.D.	P.L. 480	Peace Corps	Int'l. Narcotics Control	Total Military Assistance	Military Assistance Grants, (MAP)	Foreign Military Training	Foreign Military Sales Financing	Excess Defense Articles
NEAR EAST - TOTAL	3,326,525	1,481,535	1,147,889	327,645 ^{b/}	6,046	-45	1,844,990	56,800	4,690	1,783,500	-
Afghanistan	9,740	9,538	6,284	2,382	872	-	202	-	202	-	-
Algeria	7,092	7,092	-	7,092	-	-	-	-	-	-	-
Bahrain	185	185	-	-	185	-	-	-	-	-	-
Bhutan	32	32	-	32	-	-	-	-	-	-	-
Cyprus	10,000	10,000	10,000	-	-	-	-	-	-	-	-
Egypt	454,561	454,561	258,200	196,361	-	-	-	-	-	-	-
Greece	156,640	-	-	-	-	-	156,640	-	640	156,000	-
Iran	958	958	-	-	958	-	-	-	-	-	-
Israel	2,218,928	718,908	700,000	18,928 ^{c/}	-	-	1,500,000	-	-	1,500,000	-
Jordan	198,338	60,053	46,350	13,748	-	-45	138,285	55,000	785	82,500	-
Lebanon	225	81	-	81	-	-	144	-	144	-	-
Malta	9,506	9,506	9,500	-	6	-	-	-	-	-	-
Morocco	76,540	45,782	14,249	29,770	1,763	-	30,758	-	758	30,000	-
Oman	370	370	-	-	370	-	-	-	-	-	-
Portugal	60,985	58,604	35,000	23,604	-	-	2,381	1,400	981	-	-
Spain	783	-	-	-	-	-	783	200	583	-	-
Syria	40,795	40,795	16,500	24,295	-	-	-	-	-	-	-
Tunisia	27,374	11,783	2,439	8,074	1,270	-	15,591	200	391	15,000	-
Yemen	8,253	8,047	4,403	3,278	366	-	206	-	206	-	-
Regional & Other Non-Country Programs/Support Costs	1,247	1,247	991	-	256	-	-	-	-	-	-
UNFICYP	9,600	9,600	9,600	-	-	-	-	-	-	-	-
Middle East Special Requirements	34,373	34,373	34,373	-	-	-	-	-	-	-	-
EUROPE - TOTAL	877	835	835	-	-	-	42	-	42	-	-
Austria	18	-	-	-	-	-	18	-	18	-	-
Finland	24	-	-	-	-	-	24	-	24	-	-
Italy	835	835	835	-	-	-	-	-	-	-	-
OTHER - TOTAL	715,407	681,352	544,851 ^{d/}	108,234 ^{e/}	19,645 ^{f/}	8,622 ^{g/}	34,055	33,855 ^{h/}	200 ^{h/}	-	-
U.S. CONTRIBUTIONS TO IFIs - TOTAL	24,127	24,127	-	-	-	-	-	-	-	-	-
Asian Development Bank	24,127	24,127	-	-	-	-	-	-	-	-	-

^{a/} Includes \$24,127 for International Financial Institutions, detailed on the last page of the FY 1976 tables.

^{b/} Includes P.L. 480 programs for FY 1976 and the Transition Quarter.

^{c/} Includes \$3,411 of P.L. 480 Title II grants for Gaza and the West Bank.

^{d/} Includes interregional programs, \$162,725; American Schools and Hospitals Abroad, \$16,656; International Organizations and Programs, \$131,514; International Disaster Assistance, \$13,310; Indochina Postwar Reconstruction miscellaneous program termination costs, \$1,710 (additional to the IPR operating expenses included with Operating Expenses) Operating Expenses, \$202,836 (including \$6,557 of Indochina Postwar Reconstruction funds for program termination expenses); Foreign Service Retirement Fund, \$16,100.

^{e/} Includes Ocean Transportation, \$106,926; Section 204 purchase of Title I currencies, \$1,308.

^{f/} Includes World-Wide Support, \$6,133; share of ACTION Support, \$13,512.

^{g/} Includes International Organizations, \$3,050; Interregional Programs, \$4,844; Program Support and Development, \$728.

^{h/} General and Other Non-Country/Regional Costs.

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND CREDIT SALES
PROGRAM ACTUAL FOR THE TRANSITION QUARTER
(in thousands of dollars)

	Economic Assistance Programs						Military Assistance Programs					
	Total Economic & Military Assistance	Total Economic Assistance	A.I.D.	P.L. 480	Peace Corps	Int'l. Narcotics Control	Total Military Assistance	Military Assistance Grants (MAP)	Foreign Military Training	Foreign Military Credit Sales	Excess Defense Articles	
WORLDWIDE - TOTAL	2,368,570 ^{a/}	1,696,505 ^{a/}	1,309,374	-	b/	27,061	15,943	672,063	71,858	5,877	493,675	653
AFRICA - TOTAL	83,738	57,561	49,912	-	b/	7,649	-	26,177	532	645	25,000	-
Benin	210	210	-	-	-	210	-	-	-	-	-	-
Botswana	595	595	340	-	-	255	-	-	-	-	-	-
Cameroon	611	611	205	-	-	406	-	-	-	-	-	-
Central African Empire	262	262	-	-	-	262	-	-	-	-	-	-
Chad	2,318	2,318	2,092	-	-	226	-	-	-	-	-	-
Ethiopia	979	152	10	-	-	142	-	827	532	295	-	-
Gabon	184	184	-	-	-	184	-	-	-	-	-	-
Gambia, The	122	122	-	-	-	122	-	-	-	-	-	-
Ghana	2,943	2,923	2,362	-	-	561	-	20	-	20	-	-
Guinea	13	13	13	-	-	-	-	-	-	-	-	-
Ivory Coast	412	412	-	-	-	412	-	-	-	-	-	-
Kenya	16,730	1,614	1,041	-	-	573	-	15,116	-	116	15,000	-
Lesotho	513	513	272	-	-	241	-	-	-	-	-	-
Liberia	1,111	1,074	591	-	-	483	-	37	-	37	-	-
Malawi	35	35	-	-	-	35	-	-	-	-	-	-
Mali	961	961	811	-	-	150	-	-	-	-	-	-
Mauritania	377	377	312	-	-	65	-	-	-	-	-	-
Mozambique	10,390	10,390	10,390	-	-	-	-	-	-	-	-	-
Niger	761	761	350	-	-	411	-	-	-	-	-	-
Rwanda	251	251	242	-	-	9	-	-	-	-	-	-
Senegal	647	639	289	-	-	350	-	8	-	8	-	-
Seychelles	13	13	-	-	-	13	-	-	-	-	-	-
Sierra Leone	510	510	-	-	-	510	-	-	-	-	-	-
Swaziland	418	418	181	-	-	237	-	-	-	-	-	-
Tanzania	1,275	1,275	1,275	-	-	-	-	-	-	-	-	-
Togo	313	313	-	-	-	313	-	-	-	-	-	-
Upper Volta	499	499	263	-	-	236	-	-	-	-	-	-
Zaire	18,033	7,864	6,954	-	-	910	-	10,169	-	169	10,000	-
Sahel Regional Activities	8,614	8,614	8,614	-	-	-	-	-	-	-	-	-
Entente Area	7,112	7,112	7,112	-	-	-	-	-	-	-	-	-
East Africa Regional	165	165	165	-	-	-	-	-	-	-	-	-
Southern Africa Regional	254	254	254	-	-	-	-	-	-	-	-	-
Portuguese-Speaking Africa Reg'l.	-	-	-	-	-	-	-	-	-	-	-	-
Regional & Other Non-Country Programs/Support Costs	6,107	6,107	5,774	-	-	333	-	-	-	-	-	-

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND CREDIT SALES
PROGRAMS ACTUAL FOR THE TRANSITION QUARTER
(in thousands of dollars)

	Economic Assistance Programs						Military Assistance Programs				
	Total Economic & Military Assistance	Total Economic Assistance	A.I.D.	P.L. 480	Peace Corps	Int'l. Narcotics Control	Total Military Assistance	Military Assistance Grants (MAP)	Foreign Military Training	Foreign Military Credit Sales	Excess Defense Articles
ASIA AND PACIFIC - TOTAL	290,397	70,952	59,613	- b/	4,548	6,791	219,445	16,183	2,087	201,175	-
ASIA - TOTAL	288,747	69,302	59,613	- b/	2,898	6,791	219,445	16,183	2,087	201,175	-
Bangladesh	8,369	8,369	8,369	-	-	-	-	-	-	-	-
Burma	6,750	6,750	-	-	-	6,750	-	-	-	-	-
China, Republic of (Taipeh)	13,351	-	-	-	-	-	13,351	258	93	13,000	-
India	88	80	-	-	80	-	8	-	8	-	-
Indonesia	25,445	14,870	14,804	-	-	66	10,575	9,800	775	-	-
Korea	136,124	470	-	-	470	-	135,654	1,241	338	134,075	-
Laos	-41	-41	-	-	-	-41	-	-	-	-	-
Malaysia	708	607	-	-	607	-	101	-	101	-	-
Nepal	944	936	577	-	359	-	8	-	8	-	-
Pakistan	25,262	25,194	25,194	-	-	-	68	-	68	-	-
Philippines	28,721	7,168	6,340	-	831	-3	21,553	3,950	203	17,400	-
Thailand	39,199	1,072	612	-	441	19	38,127	934	493	36,700	-
Regional & Other Non-Country Programs/Support Costs	3,827	3,827	3,717	-	110	-	-	-	-	-	-
PACIFIC - TOTAL	1,650	1,650	-	- b/	1,650	-	-	-	-	-	-
British Solomon Islands	87	87	-	-	87	-	-	-	-	-	-
Fiji	584	584	-	-	584	-	-	-	-	-	-
Micronesia	490	490	-	-	490	-	-	-	-	-	-
Tonga	144	144	-	-	144	-	-	-	-	-	-
Western Samoa	282	282	-	-	282	-	-	-	-	-	-
Regional Support Costs	63	63	-	-	63	-	-	-	-	-	-

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND CREDIT SALES
PROGRAM ACTUAL FOR THE TRANSITION QUARTER
(in thousands of dollars)

	Economic Assistance Programs						Military Assistance Programs				
	Total Economic & Military Assistance	Total Economic Assistance	A.I.D.	P.L. 480	Peace Corps	Int'l. Narcotics Control	Total Military Assistance	Military Assistance Grants (MAP)	Foreign Military Training	Foreign Military Credit Sales	Excess Defense Articles
LATIN AMERICA - TOTAL	103,205	66,396	53,194	- b/	4,877	8,325	36,809	1,221	2,435	32,500	653
Argentina	79	-	-	-	-	-	79	-	79	-	-
Barbados	-	-	-	-	-	-	-	-	-	-	-
Belize	101	101	-	-	101	-	-	-	-	-	-
Bolivia	12,038	1,803	1,745	-	-	58	10,235	1,110	125	9,000	-
Brazil	674	575	29	-	543	3	99	-	99	-	-
Chile	549	549	350	-	198	1	-	-	-	-	-
Colombia	11,243	10,792	6,346	-	615	3,831	451	-	451	-	-
Costa Rica	328	328	58	-	268	2	-	-	-	-	-
Dominican Republic	1,578	475	156	-	319	-	1,103	2	101	1,000	-
Ecuador	531	432	-	-	410	22	99	-	99	-	-
El Salvador	509	365	174	-	191	-	144	4	140	-	-
Guatemala	4,084	3,971	3,565	-	406	-	113	16	97	-	-
Guyana	6	6	6	-	-	-	-	-	-	-	-
Haiti	10,919	10,906	10,906	-	-	-	13	-	13	-	-
Honduras	2,024	1,877	1,636	-	241	-	147	11	136	-	-
Jamica	449	449	107	-	342	-	-	-	-	-	-
Mexico	3,715	3,687	-	-	-	3,687	28	-	28	-	-
Nicaragua	1,388	1,215	869	-	346	-	173	3	170	-	-
Panama	3,902	3,705	3,705	-	-	-	197	2	195	-	-
Paraguay	1,992	1,115	945	-	170	-	877	54	170	-	653
Peru	21,140	839	848	-	-	-9	20,301	-	301	20,000	-
Uruguay	2,706	55	55	-	-	-	2,651	19	132	2,500	-
Venezuela	190	90	-	-	90	-	100	-	100	-	-
Caribbean Regional	143	143	143	-	-	-	-	-	-	-	-
ROCAP Central America	15,972	15,972	15,972	-	-	-	-	-	-	-	-
Regional & Other Non-Country Program/ Costs	6,946	6,946	5,579	-	637	730	-	-	-	-	-

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND MILITARY SALES FINANCING
PROGRAM#ACTUALS FOR TRANSITIONAL QUARTER
(in thousands of dollars)

	Economic Assistance Programs					Military Assistance Programs						
	Total Economic & Military Assistance	Total Economic Assistance	A.I.D.	P.L. 480	Peace Corps	Int'l. Narcotics Control	Total Military Assistance	Military Assistance Grants, (MAP)	Foreign Military Training	Foreign Military Sales Financing	Foreign Military Excess Defense Articles	
NEAR - EAST TOTAL	1,266,411	916,448	914,556	-	b/	1,892	-	369,963	34,323	640	335,000	-
Afghanistan	1,674	1,625	1,412	-	213	-	49	-	49	-	-	-
Algeria	-	-	-	-	-	-	-	-	-	-	-	-
Bahrain	854	854	700	-	154	-	-	-	-	-	-	-
Cyprus	20,000	20,000	20,000	-	-	-	-	-	-	-	-	-
Egypt	536,800	536,800	536,800	-	-	-	-	-	-	-	-	-
Greece	99,100	65,000	65,000	-	-	-	34,100	34,100	-	-	-	-
Iran	118	118	-	-	118	-	-	-	-	-	-	-
Israel	275,000	75,000	75,000	-	-	-	200,000	-	-	-	200,000	-
Jordan	86,150	86,150	86,150	-	-	-	-	-	-	-	-	-
Lebanon	-	-	-	-	-	-	-	-	-	-	-	-
Malta	4,754	4,754	4,750	-	4	-	-	-	-	-	-	-
Morocco	1,367	1,203	494	-	709	-	164	-	164	-	-	-
Oman	89	89	-	-	89	-	-	-	-	-	-	-
Portugal	20,492	20,000	20,000	-	-	-	492	200	292	-	-	-
Spain	17	-	-	-	-	-	17	17	-	-	-	-
Syria	78,500	78,500	78,500	-	-	-	-	-	-	-	-	-
Tunisia	10,896	776	430	-	346	-	10,120	6	114	-	10,000	-
Turkey	125,000	-	-	-	-	-	125,000	-	-	-	125,000	-
Yemen	1,893	1,872	1,684	-	188	-	21	-	21	-	-	-
Regional & Other Non-Country Programs/Support Costs	715	715	644	-	71	-	-	-	-	-	-	-
UNFICYP	4,800	4,800	4,800	-	-	-	-	-	-	-	-	-
Middle East Special Requirements	18,192	18,192	18,192	-	-	-	-	-	-	-	-	-
EUROPE - TOTAL	19,101	19,101	19,101	-	-	-	10	-	10	-	-	-
Austria	10	-	-	-	-	-	10	-	10	-	-	-
Italy	19,091	19,091	19,091	-	-	-	-	-	-	-	-	-
OTHER - TOTAL	241,592	221,931	213,009^{c/}	-	8,095^{d/}	827^{e/}	19,661	19,600^{f/}	61^{f/}	-	-	-
U.S. CONTRIBUTION TO												
IFIs - TOTAL	344,127	344,127	-	-	-	-	-	-	-	-	-	-
Int'l. Development Assn.	320,000	320,000	-	-	-	-	-	-	-	-	-	-
Asian Development Bank	24,127	24,127	-	-	-	-	-	-	-	-	-	-

a/ Includes \$344,127 for International Financial Institutions detailed on the last page of the Transition Quarter Tables.

b/ All activity for the Transition Quarter is included in the P.L. 480 figures on the FY 1976 tables (separate distribution not available).

c/ Includes Interregional Programs, \$55,395; American Schools and Hospitals Abroad, \$5,600; International Organizations and Programs, \$89,236; International Disaster Assistance, \$7,133; Operating Expenses, \$54,285; Foreign Service Retirement Fund, \$580; miscellaneous obligations in-transit at close of period, \$780.

d/ Includes World-wide Support \$3,962; share of ACTION Support, \$4,133.

e/ Includes International Organizations, \$50; Interregional Programs, \$590; Program Support and Development, \$187.

f/ General and Other Non-Country/ Regional Costs.

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND CREDIT SALES
PROGRAMS ESTIMATED FOR FY 1977
(in thousands of dollars)

	Economic Assistance Programs ^{h/}						Military Assistance Programs				
	Total Economic & Military Assistance	Total Economic Assistance	A.I.D.	P.L. 480	Peace Corps	Int'l. Narcotics Control	Total Military Assistance	Military Assistance Grants (MAP)	Foreign Military Training	Military Credit Sales	Excess Defense Articles
	a/	a/									
WORLDWIDE - TOTAL	8,176,396	5,723,896	3,480,359	1,337,476	85,079	36,885	2,452,500	339,500	27,600	2,022,100	63,300
AFRICA - TOTAL	427,192	353,447	229,290	97,744	26,413	-	73,745	6,000	3,345	63,500	900
Benin	1,453	1,453	-	723	730	-	-	-	-	-	-
Botswana	3,883	3,883	250	2,674	959	-	-	-	-	-	-
Burundi	1,416	1,416	-	1,416	-	-	-	-	-	-	-
Cameroon	6,221	6,221	3,117	1,972	1,132	-	-	-	-	-	-
Cape Verde Islands	2,245	2,245	2,200	45	-	-	-	-	-	-	-
Central African Empire	2,325	2,325	918	525	882	-	-	-	-	-	-
Chad	6,573	6,573	4,609	1,128	836	-	-	-	-	-	-
Congo	768	768	-	768	-	-	-	-	-	-	-
Ethiopia	36,235	18,710	12,091	6,515	104	-	17,525	6,000	665	10,000	900
Gabon	2,863	863	-	163	700	-	2,000	-	-	2,000	-
Gambia, The	970	970	-	551	419	-	-	-	-	-	-
Ghana	11,517	11,427	4,316	5,511	1,600	-	90	-	90	-	-
Guinea	5,699	5,699	600	5,099	-	-	-	-	-	-	-
Guinea-Bissau	1,606	1,606	1,606	-	-	-	-	-	-	-	-
Ivory Coast	1,180	1,180	-	176	1,004	-	-	-	-	-	-
Kenya	41,844	26,644	22,164	1,897	2,583	-	15,200	-	200	15,000	-
Lesotho	7,137	7,137	2,351	3,758	1,028	-	-	-	-	-	-
Liberia	25,748	25,158	22,035	383	2,740	-	590	-	90	500	-
Malagasy Republic	694	694	-	694	-	-	-	-	-	-	-
Malawi	4,365	4,365	3,500	840	25	-	-	-	-	-	-
Mali	9,784	9,784	7,446	1,823	515	-	-	-	-	-	-
Mauritania	2,264	2,264	512	1,622	130	-	-	-	-	-	-
Mauritius	1,633	1,633	-	1,633	-	-	-	-	-	-	-
Mozambique	1,146	1,146	-	1,146	-	-	-	-	-	-	-
Niger	5,019	5,019	3,140	608	1,271	-	-	-	-	-	-
Nigeria	634	634	-	634	-	-	-	-	-	-	-
Rwanda	1,392	1,392	215	1,088	89	-	-	-	-	-	-
Sao Tome & Principe	344	344	300	44	-	-	-	-	-	-	-
Senegal	22,229	14,189	7,749	5,085	1,355	-	8,040	-	40	8,000	-
Seychelles	133	133	-	73	60	-	-	-	-	-	-
Sierra Leone	4,761	4,761	970	2,396	1,395	-	-	-	-	-	-
Somalia	830	830	-	830	-	-	-	-	-	-	-
Sudan	10,186	10,086	-	10,086	-	-	100	-	100	-	-
Swaziland	3,905	3,905	2,425	449	1,031	-	-	-	-	-	-
Tanzania	17,957	17,957	6,111	11,846	-	-	-	-	-	-	-
Togo	3,365	3,365	400	1,852	1,113	-	-	-	-	-	-
Upper Volta	6,830	6,830	3,389	2,571	870	-	-	-	-	-	-
Zaire	47,285	17,085	-	14,100	2,985	-	30,200	-	2,200	28,000	-
Zambia	5,020	5,020	-	5,020	-	-	-	-	-	-	-
Sahel Regional Activities	25,336	25,336	25,336	-	-	-	-	-	-	-	-
Entente Area	274	274	274	-	-	-	-	-	-	-	-
East Africa Regional	1,048	1,048	1,048	-	-	-	-	-	-	-	-
Portuguese-Speaking Africa Retional	1,528	1,528	1,528	-	-	-	-	-	-	-	-
Regional & Other Non-Country Programs/Support Costs	35,547	35,547	34,690	-	857	-	-	-	-	-	-
Security Supporting Assistance for Southern Africa	54,000	54,000	54,000	-	-	-	-	-	-	-	-

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND CREDIT SALES
PROGRAMS ESTIMATED FOR FY 1977
(in thousands of dollars)

	Economic Assistance Programs					Military Assistance Programs					
	Economic & Military Assistance	Total Economic Assistance	A.I.D.	P.L. 480	Peace Corps	Int'l. Narcotics Control	Total Military Assistance	Military Assistance Grants (MAP)	Foreign Military Training	Foreign Military Credit Sales	Excess Defense Articles
ASIA AND PACIFIC - TOTAL	1,160,765	779,630	267,667	488,059	16,063	7,574	381,405	52,385	7,495	296,525	25,000
ASIA - TOTAL	1,154,958	773,553	267,667	487,739	10,573	7,574	381,405	52,385	7,495	296,525	25,000
Bangladesh	107,715	107,665	55,546	52,119	-	-	50	-	50	-	-
Burma	4,250	4,250	-	-	-	4,250	-	-	-	-	-
China, Rep. of (Taipeh)	35,525	-	-	-	-	-	35,525	85	440	35,000	-
India	122,675	122,505	-	122,505	-	-	170	-	170	-	-
Indonesia	172,998	125,998	43,165	82,833	-	-	47,000	15,000	2,900	23,100	6,000
Korea	239,330	81,205	-	79,100	2,105	-	158,125	4,300	1,400	152,425	-
Malaysia	38,851	2,551	-	-	2,551	-	36,300	-	300	36,000	-
Nepal	9,568	9,537	6,742	1,526	1,269	-	31	-	31	-	-
Pakistan	145,650	145,350	76,731	67,424	-	1,195	300	-	300	-	-
Philippines	123,367	76,767	44,276	29,654	2,837	-	46,600	17,000	600	20,000	9,000
Singapore	53	53	-	53	-	-	-	-	-	-	-
Sri Lanka	63,535	63,525	11,000	52,525	-	-	10	-	10	-	-
Thailand	73,437	16,143	12,542	-	1,472	2,129	57,294	16,000	1,294	30,000	10,000
Regional & Other Non-Country Programs/ Support Costs	18,004	18,004	17,665	-	339	-	-	-	-	-	-
PACIFIC - TOTAL	5,807	5,807	-	320	5,487	-	-	-	-	-	-
British Solomon Islands	551	551	-	190	361	-	-	-	-	-	-
Cook Islands	15	15	-	-	15	-	-	-	-	-	-
Fiji	1,647	1,647	-	130	1,517	-	-	-	-	-	-
Gilbert Islands	18	18	-	-	18	-	-	-	-	-	-
Micronesia	1,524	1,524	-	-	1,524	-	-	-	-	-	-
Tonga	674	674	-	-	674	-	-	-	-	-	-
Western Samoa	1,203	1,203	-	-	1,203	-	-	-	-	-	-
Regional Support Costs	175	175	-	-	175	-	-	-	-	-	-

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND CREDIT SALES
PROGRAMS ESTIMATED FOR FY 1977
(in thousands of dollars)

	Economic Assistance Programs						Military Assistance Programs				
	Total Economic & Military Assistance	Total Economic Assistance	A.I.D.	P.L. 480	Peace Corps	Int'l. Narcotics Control	Total Military Assistance	Military Assistance Crants (MAP)	Foreign Military Training	Foreign Military Credit Sales	Excess Defense Articles
LATIN AMERICA - TOTAL	515,727	331,427	203,809	92,250	17,347	18,021	184,300	2,950	7,475	170,075	3,800
Argentina	36,700	-	-	-	-	-	36,700	-	700	36,000	-
Barbados	45	45	-	45	-	-	-	-	-	-	-
Belize	435	435	-	-	435	-	-	-	-	-	-
Bolivia	49,599	34,094	25,570	5,424	-	3,100	15,505	2,305	600	12,000	600
Brazil	64,085	3,995	461	1,191	2,133	200	60,100	-	100	60,000	-
Chile	43,312	43,312	11,305	31,101	906	-	-	-	-	-	-
Colombia	37,718	11,018	767	6,570	1,502	2,179	26,700	-	700	26,000	-
Costa Rica	13,727	13,727	552	1,931	1,187	57	-	-	-	-	-
Dominica	48	48	-	48	-	-	-	-	-	-	-
Dominican Republic	10,431	8,916	661	7,364	891	-	1,515	15	500	1,000	-
Ecuador	14,290	3,890	-	1,576	1,669	645	10,400	-	400	10,000	-
El Salvador	11,098	7,978	5,337	1,682	959	-	3,120	20	600	2,500	-
Guatemala	38,333	37,218	27,932	8,102	1,184	-	1,115	15	500	600	-
Guyana	187	187	100	87	-	-	-	-	-	-	-
Haiti	36,132	35,457	23,007	12,450	-	-	675	-	175	500	-
Honduras	26,081	22,966	17,139	4,307	1,520	-	3,115	15	600	2,500	-
Jamica	12,418	12,418	11,107	135	1,176	-	-	-	-	-	-
Mexico	16,063	10,888	-	-	-	10,888	5,175	-	200	4,975	-
Nicaragua	24,785	21,670	20,020	490	1,160	-	3,115	15	600	2,500	-
Panama	12,743	10,518	7,945	2,573	-	-	2,225	225	400	1,000	600
Paraguay	11,199	7,359	6,291	415	644	9	3,840	340	400	500	2,600
Peru	29,850	18,950	11,416	6,759	-	775	10,900	-	900	10,000	-
Uruguay	220	220	220	-	-	-	-	-	-	-	-
Venezuela	100	-	-	-	-	-	100	-	100	-	-
Caribbean Regional	7,225	7,225	7,225	-	-	-	-	-	-	-	-
ROCAP Central America	2,798	2,798	2,798	-	-	-	-	-	-	-	-
Regional & Other Non-Country Programs/Costs	26,105	26,105	23,956	-	1,981	168	-	-	-	-	-

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND MILITARY SALES FINANCING
PROGRAMS ESTIMATED FOR FY 1977
(in thousands of dollars)

	Economic Assistance Programs						Military Assistance Programs					
	Total Economic & Military Assistance	Total Economic Assistance	Total			Peace Corps	Int'l. Narcotics Control	Total Military Assistance	Military Assistance Grants (MAP)	Foreign Military Training	Foreign Military Sales Financing	Excess Defense Articles
			A.I.D.	P.L. 480								
NEAR EAST - TOTAL	3,908,537	2,168,167	1,802,181	360,359	5,327	300	1,740,370	206,015	8,755	1,492,000	33,600	
Afghanistan	25,957	25,767	21,722	3,107	638	300	190		190			
Algeria	2,701	2,701	-	2,701								
Bahrain	818	818	400	-	418							
Bhutan	85	85	-	85								
Cyprus	18,323	18,323	17,500	823								
Egypt	912,405	912,405	700,000	212,405								
Greece	170,000	-	-	-			170,000	33,000	1,000	122,000	14,000	
Iran	-	-	-	-								
Israel	1,745,887 ^{b/}	745,887 ^{b/}	735,000	10,887 ^{b/}			1,000,000			1,000,000		
Jordan	214,134	77,834	70,000	7,834			136,300	55,000	1,000	75,000	5,300	
Lebanon	46,936	41,886	20,000	21,886			5,050		50	5,000		
Maldiv Islands	30	30	-	30								
Malta	9,516	9,516	9,500	-	16							
Morocco	54,768	23,933	3,255	18,920	1,758		30,835		835	30,000		
Oman	497	497	-	497								
Portugal	146,300	115,000	65,000	50,000			31,300	30,000	1,000		300	
Spain	147,000	10,000	10,000	-			137,000	15,000	2,000	120,000		
Syria	97,924	97,924	80,000	17,924								
Tunisia	37,654	22,239	10,108	10,958	1,173		15,415	15	400	15,000		
Turkey	214,690	690	690	690			214,000	73,000	2,000	125,000	14,000	
Yemen	18,872	18,592	15,826	2,109	657		280		280			
UNFICYP	9,600	9,600	9,600	-								
Middle East Special Requirements	30,435	30,435	30,435	-								
Regional & Other Non-Country Programs/Support Costs	4,005 ^{i/}	4,005 ^{i/}	3,835 ^{i/}	-	170							
EUROPE - TOTAL	5,180	5,100	5,100				80		80			
Austria	40						40		40			
Finland	40						40		40			
Italy	5,100	5,100	5,100									
OTHER - TOTAL	1,374,868	1,302,268	972,282^{c/}	299,064^{d/}	19,932^{e/}	10,990^{f/}	72,600	72,150^{g/}	450^{g/}	-	-	
U.S. CONTRIBUTIONS TO												
IFIs - TOTAL	784,127	784,127										
Int'l. Development Assn.	375,000	375,000										
Inter-Am. Developm. Bank	345,000	345,000										
Asian Development Bank	49,127	49,127										
African Dev. Bank: Dev. Fund	15,000	15,000										

a/ Includes \$784,127 for International Financial Institutions detailed on the last page of the FY 1977 tables.

b/ Includes \$2,587 of P.L. 480 Title II grants for Gaza and the West Bank.

c/ Includes interregional programs, \$242,926; American Schools and Hospitals Abroad, \$19,872; International Organizations and Programs, \$244,064; International Fund for Agricultural Development, \$200,000; International Disaster Assistance, \$36,191; Contingency Fund, \$5,000; Operating Expenses, \$202,979; Foreign Service Retirement Fund, \$21,250.

d/ Includes Title I Reserve, \$72,100; Title II Reserve, \$90,694; Ocean Transportation, \$134,270; Section 204 Purchase of Title II currencies \$2,000.

e/ Includes World-Wide Support, \$6,489; share of ACTION Support, \$13,443.

f/ Includes International Organizations, \$4,100; Interregional Programs, \$5,790; Program Support and Development, \$1,100.

g/ General and Other Non-Country/Regional Costs.

h/ Includes supplemental appropriation requests currently planned for FY 1977.

i/ Includes \$1,225 in unallocated carryover of prior period Security Supporting Assistance funds.

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND MILITARY SALES FINANCING
PROGRAMS PROPOSED FOR FY 1978
(in thousands of dollars)

	Economic Assistance Programs						Military Assistance Programs				
	Total Economic & Military Assistance	Total Economic Assistance	A.I.D.	P.L. 480	Peace Corps	Int'l. Narcotics Control	Total Military Assistance	Military Assistance Grants (MAP)	Foreign Military Training	Foreign Military Sales Financing	Excess Defense Articles
WORLDWIDE - TOTAL	10,265,077	7,717,277 ^{a/}	3,617,433	1,365,904	78,800	39,000	2,547,800	284,600	35,700	2,217,500	10,000
AFRICA - TOTAL	543,618	475,718	357,829	91,704	26,185	-	67,900	1,100	4,300	62,500	-
Benin	1,277	1,277	-	659	618	-	-	-	-	-	-
Botswana	4,498	4,498	-	3,674	824	-	-	-	-	-	-
Burundi	2,081	2,081	800	1,281	-	-	-	-	-	-	-
Cameroon	20,289	15,289	12,657	1,504	1,128	-	5,000	-	-	5,000	-
Cape Verde Islands	6,545	6,545	6,500	45	-	-	-	-	-	-	-
Central African Empire	1,710	1,710	475	426	809	-	-	-	-	-	-
Chad	7,528	7,528	5,797	1,013	718	-	-	-	-	-	-
Congo	479	479	-	479	-	-	-	-	-	-	-
Ethiopia	32,770	20,670	13,927	6,738	5	-	12,100	1,100	1,000	10,000	-
Gabon	2,623	623	-	162	461	-	2,000	-	-	2,000	-
Gambia, The	830	830	-	511	319	-	-	-	-	-	-
Ghana	24,511	24,311	17,270	4,664	2,377	-	200	-	200	-	-
Guinea	6,498	6,498	1,400	5,098	-	-	-	-	-	-	-
Guinea-Bissau	1,150	1,150	1,150	-	-	-	-	-	-	-	-
Ivory Coast	834	834	-	160	674	-	-	-	-	-	-
Kenya	22,538	7,238	3,592	1,638	2,008	-	15,300	-	300	15,000	-
Lesotho	4,575	4,575	-	3,516	1,059	-	-	-	-	-	-
Liberia	12,592	11,942	8,845	382	2,715	-	650	-	150	500	-
Malagasy Republic	517	517	-	517	-	-	-	-	-	-	-
Malawi	974	974	-	961	13	-	-	-	-	-	-
Mali	8,254	8,254	6,988	523	743	-	-	-	-	-	-
Mauritania	3,600	3,600	1,411	1,855	334	-	-	-	-	-	-
Mauritius	114	114	-	114	-	-	-	-	-	-	-
Niger	7,569	7,569	5,890	608	1,071	-	-	-	-	-	-
Nigeria	633	633	-	633	-	-	-	-	-	-	-
Rwanda	2,161	2,161	1,085	967	109	-	-	-	-	-	-
Sao Tome & Principe	44	44	-	44	-	-	-	-	-	-	-
Senegal	16,817	16,767	8,361	6,969	1,437	-	50	-	50	-	-
Seychelles	181	181	-	136	45	-	-	-	-	-	-
Sierra Leone	6,218	6,218	2,100	2,109	2,009	-	-	-	-	-	-
Somalia	648	648	-	648	-	-	-	-	-	-	-
Sudan	9,748	9,648	-	9,648	-	-	100	-	100	-	-
Swaziland	1,392	1,392	-	485	907	-	-	-	-	-	-
Tanzania	18,497	18,497	7,854	10,643	-	-	-	-	-	-	-
Togo	3,548	3,548	300	2,182	1,066	-	-	-	-	-	-
Upper Volta	6,083	6,083	1,827	3,104	1,152	-	-	-	-	-	-
Zaire	47,491	14,991	-	12,100	2,891	-	32,500	-	2,500	30,000	-
Zambia	4,362	4,362	-	4,362	-	-	-	-	-	-	-
Sahel Development Program	50,000	50,000	50,000	-	-	-	-	-	-	-	-
Sahel Regional Activities	2,039	2,039	-	-	-	-	-	-	-	-	-
Entente Area	5,430	5,430	5,430	-	-	-	-	-	-	-	-
East Africa Regional	700	700	700	-	-	-	-	-	-	-	-
Portuguese-Speaking Africa Regional	3,042	3,042	3,042	-	-	-	-	-	-	-	-
Regional & Other Non-Country Programs/Support Costs	55,228	55,228	54,535	-	693	-	-	-	-	-	-
Security Supporting Assistance for Southern Africa	135,000	135,000	135,000	-	-	-	-	-	-	-	-

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND MILITARY SALES FINANCING
PROGRAMS PROPOSED FOR FY 1978
(in thousands of dollars)

	Economic Assistance Programs					Military Assistance Programs					
	Economic & Military Assistance	Total Economic Assistance	A.I.D.	P.L. 480	Peace Corps	Int'l. Narcotics Control	Total Military Assistance	Military Assistance Grants (MAP)	Foreign Military Training	Foreign Military Sales Financing	Excess Defense Articles
ASIA AND PACIFIC - TOTAL	1,468,375	998,875	368,301	608,783	14,037	7,764	469,500	46,600	8,400	409,500	5,000
ASIA - TOTAL	1,463,188	993,688	368,301	608,464	9,159	7,764	469,500	46,600	8,400	409,500	5,000
Bangladesh	205,205	205,005	101,015	103,990	-	-	200	-	200	-	-
Burma	3,740	3,740	-	-	-	3,740	-	-	-	-	-
China, Rep. of (Taipeh)	25,500	-	-	-	-	-	25,500	-	-	-	-
India	175,712	175,412	-	175,412	-	-	300	-	500	25,000	-
Indonesia	207,969	147,869	57,200	90,669	-	-	60,100	15,000	3,100	40,000	2,000
Korea	391,589	111,189	-	109,300	1,889	-	280,400	4,000	1,400	275,000	-
Malaysia	22,626	2,126	-	-	2,126	-	20,500	-	500	20,000	-
Nepal	15,972	15,922	12,096	2,311	1,515	-	50	-	50	-	-
Pakistan	166,556	166,056	88,208	65,788	-	2,060	500	-	500	-	-
Philippines	141,420	100,020	62,971	34,803	2,246	-	41,400	19,600	800	20,000	1,000
Singapore	52	52	-	52	-	-	-	-	-	-	-
Sri Lanka	40,689	40,639	14,500	26,139	-	-	50	-	50	-	-
Thailand	48,036	7,536	4,405	-	1,167	1,964	40,500	8,000	1,000	29,500	2,000
Regional & Other Non-Country Programs/ Support Costs	18,122	18,122	17,906	-	216	-	-	-	-	-	-
PACIFIC - TOTAL	5,187	5,187	-	319	4,868	-	-	-	-	-	-
British Solomon Islands	445	445	-	189	256	-	-	-	-	-	-
Cook Islands	9	9	-	-	9	-	-	-	-	-	-
Fiji	1,736	1,736	-	130	1,606	-	-	-	-	-	-
Gilbert Islands	16	16	-	-	16	-	-	-	-	-	-
Micronesia	1,539	1,539	-	-	1,539	-	-	-	-	-	-
Tonga	398	398	-	-	398	-	-	-	-	-	-
Western Samoa	893	893	-	-	893	-	-	-	-	-	-
Regional Support Costs	151	151	-	-	151	-	-	-	-	-	-

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U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND MILITARY SALES FINANCING
PROGRAMS PROPOSED FOR FY 1978
(in thousands of dollars)

	Total Economic & Military Assistance	Economic Assistance Programs					Military Assistance Programs				
		Total Economic Assistance	A.I.D.	P.L. 480	Peace Corps	Int'l. Narcotics Control	Total Military Assistance	Military Assistance Grants (MAP)	Foreign Military Training	Foreign Military Sales Financing	Excess Defense Articles
LATIN AMERICA - TOTAL	478,053	328,703	231,380	64,716	15,031	17,576	149,350	350	8,500	140,500	-
Argentina	15,700	-	-	-	-	-	15,700	-	700	15,000	-
Barbados	45	45	-	45	-	-	-	-	-	-	-
Belize	325	325	-	-	325	-	-	-	-	-	-
Bolivia	54,542	39,542	30,882	5,876	-	2,784	15,000	250	750	14,000	-
Brazil	54,484	4,384	-	2,020	2,364	-	50,100	-	100	50,000	-
Chile	5,771	5,771	-	5,000	771	-	-	-	-	-	-
Colombia	37,514	7,514	-	4,780	1,548	1,186	30,000	-	1,000	29,000	-
Costa Rica	13,520	13,520	12,239	303	978	-	-	-	-	-	-
Dominica	30	30	-	30	-	-	-	-	-	-	-
Dominican Republic	18,062	16,297	10,591	5,212	494	-	1,765	15	750	1,000	-
Ecuador	13,358	2,458	-	427	1,410	621	10,900	-	400	10,500	-
El Salvador	16,901	13,776	11,267	1,707	802	-	3,125	25	600	2,500	-
Guatemala	21,361	19,251	11,095	7,126	1,030	-	2,110	10	600	1,500	-
Guyana	187	187	100	87	-	-	-	-	-	-	-
Haiti	27,500	26,800	15,897	10,903	-	-	700	-	200	500	-
Honduras	30,191	27,071	19,144	6,774	1,153	-	3,120	20	600	2,500	-
Jamaica	13,959	13,959	10,661	2,183	1,115	-	-	-	-	-	-
Mexico	10,675	10,475	-	-	-	10,475	200	-	200	-	-
Nicaragua	19,268	16,168	15,115	174	879	-	3,100	-	600	2,500	-
Panama	27,084	25,654	23,774	1,880	-	-	1,430	30	400	1,000	-
Paraguay	9,981	8,881	8,069	110	702	-	1,100	-	600	500	-
Peru	44,631	33,731	21,522	10,079	-	2,130	10,900	-	900	10,000	-
Uruguay	25	25	25	-	-	-	-	-	-	-	-
Venezuela	100	-	-	-	-	-	100	-	100	-	-
Caribbean Regional	17,036	17,036	16,104	-	932	-	-	-	-	-	-
ROCAP Central America	2,876	2,876	2,876	-	-	-	-	-	-	-	-
Regional and Other Non-Country Programs/Costs	22,927	22,927	22,019	-	528	380	-	-	-	-	-

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U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND MILITARY SALES FINANCING
PROGRAMS PROPOSED FOR FY 1978
(In thousands of dollars)

	Total Economic & Military Assistance	Economic Assistance Programs					Military Assistance Programs				
		Total Economic Assistance	A.I.D.	P.L. 480	Peace Corps	Int'l. Narcotics Control	Total Military Assistance	Military Assistance Grants (NAP)	Foreign Military Training	Foreign Military Sales Financing	Excess Defense Articles
NEAR EAST - TOTAL	3,878,183	2,077,983	1,825,587	247,485	4,411	500	1,800,200	176,000	14,200	1,605,000	5,000
Afghanistan	22,069	21,569	19,600	929	540	500	500	-	500	-	-
Algeria	2,691	2,691	-	2,691	-	-	-	-	-	-	-
Bhutan	75	75	-	75	-	-	-	-	-	-	-
Bahrain	514	514	100	-	414	-	-	-	-	-	-
Cyprus	820	820	-	820	-	-	-	-	-	-	-
Egypt	896,022	896,022	750,000	146,022	-	-	-	-	-	-	-
Greece	177,000	-	-	-	-	-	177,000	33,000	2,000	140,000	2,000
Israel	1,796,043	796,043 ^{b/}	785,000	11,043 ^{b/}	-	-	1,000,000	-	-	1,000,000	-
Jordan	232,659	100,659	93,000	7,659	-	-	132,000	55,000	1,500	75,000	500
Lebanon	9,300	8,800	-	8,800	-	-	500	-	500	-	-
Maldives Island	30	30	-	30	-	-	-	-	-	-	-
Malta	9,508	9,508	9,500	-	8	-	-	-	-	-	-
Morocco	68,635	22,435	10,339	10,500	1,596	-	46,200	-	1,200	45,000	-
Oman	523	523	-	-	523	-	-	-	-	-	-
Portugal	58,300	29,800	-	29,800	-	-	28,500	25,000	3,000	-	500
Spain	144,000	7,000	7,000	-	-	-	137,000	15,000	2,000	120,000	-
Syria	109,175	109,175	90,000	19,175	-	-	-	-	-	-	-
Tunisia	44,073	18,073	10,555	6,774	744	-	26,000	-	1,000	25,000	-
Turkey	253,166	1,166	-	1,166	-	-	252,000	48,000	2,000	200,000	2,000
Yemen	12,210	11,710	9,310	2,001	399	-	500	-	500	-	-
Regional Development Support	500	500	500	-	-	-	-	-	-	-	-
Sinai Support	12,200	12,200	12,200	-	-	-	-	-	-	-	-
Middle East Special Requirements Fund	25,000	25,000	25,000	-	-	-	-	-	-	-	-
Regional & Other Non-Country Program/Support Costs	3,670	3,670	3,483	-	187	-	-	-	-	-	-
EUROPE - TOTAL	100	-	-	-	-	-	100	-	100	-	-
Austria	50	-	-	-	-	-	50	-	50	-	-
Finland	50	-	-	-	-	-	50	-	50	-	-
OTHER - TOTAL	1,280,608	1,219,858	834,336^{c/}	353,216^{d/}	19,146^{e/}	13,160^{f/}	60,750	60,550	200	-	-
U.S. CONTRIBUTIONS TO											
IFIs - TOTAL	2,616,123	2,616,123									
Int'l. Bank for Reconst. & Dev.	522,952	522,952									
Int'l. Development Assn.	1,175,000	1,175,000									
Int'l. Finance Corp'n.	44,597	44,597									
Inter-Am. Development Bank	600,003	600,003									
Asian Development Bank	263,571	263,571									
African Dev. Bank: Dev. Fund	10,000	10,000									

^{a/} Includes \$1,602,256 for International Financial Institutions, detailed on the last page of the FY 1978 tables.

^{b/} Includes \$2,743 of P.L. 480 Title II grants for Gaza and the West Bank.

^{c/} Includes interregional programs, \$274,386; American Schools and Hospitals Abroad, \$7,500; International Organizations and Programs \$256,000; International Disaster Assistance, \$45,000; Contingency Fund, \$5,000; Operating Expenses, \$225,000; Foreign Service Retirement Fund, \$21,450.

^{d/} Includes Title I Reserve, \$64,800; Title II Reserve, \$133,300; Ocean Transportation, \$153,116; Section 204 Purchase of Title I currencies, \$2,000.

^{e/} Includes World-Wide Support, \$5,973; share of ACTION Support, \$13,173.

^{f/} Includes International Organizations, \$6,100; Interregional Programs, \$5,760; Program Support and Development, \$1,300.

BUDGET REQUEST

AGENCY FOR INTERNATIONAL DEVELOPMENT
 FY 1978 BUDGET REQUEST AND PROPOSED PROGRAM
 (in millions of dollars)

	Foreign Assistance Act Authorization Act Request			Revised Appropriation Request	Reimbursements	Estimated Recoveries	Revised Proposed Program
	Original	Amendments	Revised Request				
FUNCTIONAL DEVELOPMENT ASSISTANCE							
Food and Nutrition	550.0	-	550.0	550.0	-	37.0	587.0
Population Planning	167.0	-	167.0	167.0	-	10.0	177.0
Health	105.0	-.1	104.9	104.9	-	15.9	120.8
Education and Human Resources Dev.	84.8	-.4	84.4	84.4	-	10.8	95.2
Selected Development Activities	100.0	-.*	100.0	100.0	-	10.3	110.3
Subtotal, Functional Accounts	1,006.8	-.5	1,006.3	1,006.3	-	83.9	1,090.2
(Grants included above)	(681.8)		(681.3)	(681.3)		(18.2)	(699.5)
(Loans included above)	(325.0)		(325.0)	(325.0)		(65.7)	(390.7)
SAHEL DEVELOPMENT PROGRAM	50.0	-	50.0	50.0	-	-	50.0
INTERNATIONAL ORGAN. AND PROGRAMS							
UN Technical Assistance and Other Programs	216.0	+30.0 ^{a/}	246.0	246.0	-	-	246.0
UN Environment Fund	b/	-	b/	10.0	-	-	10.0
Subtotal, Int'l. Orgs. & Progs.	216.0	+30.0	246.0	256.0	-	-	256.0
AMERICAN SCHOOLS & HOSPITALS ABROAD^{c/}	7.5	-	7.5	7.5	-	-	7.5
INTERNATIONAL DISASTER ASSISTANCE	45.0 ^{d/}	-	45.0	45.0 ^{d/}	-	-	45.0 ^{d/}
Subtotal, Development Assistance	1,325.3	+29.5	1,354.8	1,364.8	-	83.9	1,448.7
PRESIDENT'S FOREIGN ASSISTANCE CONTINGENCY FUND	5.0	-	5.0	5.0	-	-	5.0
SECURITY SUPPORTING ASSISTANCE	1,459.2	+428.0	1,887.2	1,887.2	-	5.1	1,892.3
MIDDLE EAST SPECIAL REQUIREMENTS FUND	25.0	-	25.0	25.0	-	-	25.0
OPERATING EXPENSES	220.2	-	220.2	220.2	2.8	2.0	225.0
FOREIGN SERVICE RETIREMENT AND DISABILITY FUND	e/	-	e/	21.45	-	-	21.45
TOTAL, AGENCY FOR INT'L DEV.	3,034.7	+457.5	3,492.2	3,523.65	2.8	91.0	3,617.45

a/ \$20 million for UNDP and \$10 million for the initial U.S. contribution to the UN University.

b/ The UN Environment Program Participation Act of 1973 authorized the appropriation of up to \$40 million for this activity; \$30 million has been appropriated through FY 1977. Beginning in FY 1979 the program will be funded pursuant to authority contained in Chapter 3 of Part I of the Foreign Assistance Act of 1961 as amended.

c/ In addition \$7 million of excess foreign currencies is requested.

d/ Of which \$20 million for Lebanon.

e/ Section 865 of the Foreign Service Act of 1946 authorizes necessary appropriation to the Foreign Service Retirement and Disability Fund, in 30 annual installments, to finance the unfunded liability resulting from increases in benefits or participation. The Foreign Assistance Act of 1973 authorized the participation of A.I.D. career Foreign Service personnel in the Fund and A.I.D. has requested appropriations to fund its share of the liability. Beginning in FY 1979 the State Department will request an appropriation sufficient to cover all Foreign Service personnel.

Note: Totals may not add due to rounding.

* \$50,000 or less.

FY 1978 BUDGET REQUEST

For FY 1978, A.I.D. requests an appropriation of \$3,523,650,000 to provide a total economic program of \$3,617,450,000.

- The \$93.8 million difference between appropriation and program level consists primarily of estimated amounts to be recovered from the pipeline of obligated but unexpended funds from prior year appropriations.

The development assistance program of \$1,419,200,000 consists of:

- \$586,938,000 for Food and Nutrition;
- \$177,000,000 for Population Planning;
- \$120,771,000 for Health;
- \$95,274,000 for Education and Human Resources Development;
- \$110,200,000 for Selected Development Activities;
- \$50,000,000 for long range development in the Sahel;
- \$246,000,000 for support of the development programs of the UN and the OAS;
- \$10,000,000 for the UN Environment Fund;
- \$7,500,000 for American Schools and Hospitals Abroad;
- \$45,000,000 for International Disaster Assistance, including \$20,000,000 for Lebanon.

The economic security assistance program consists of:

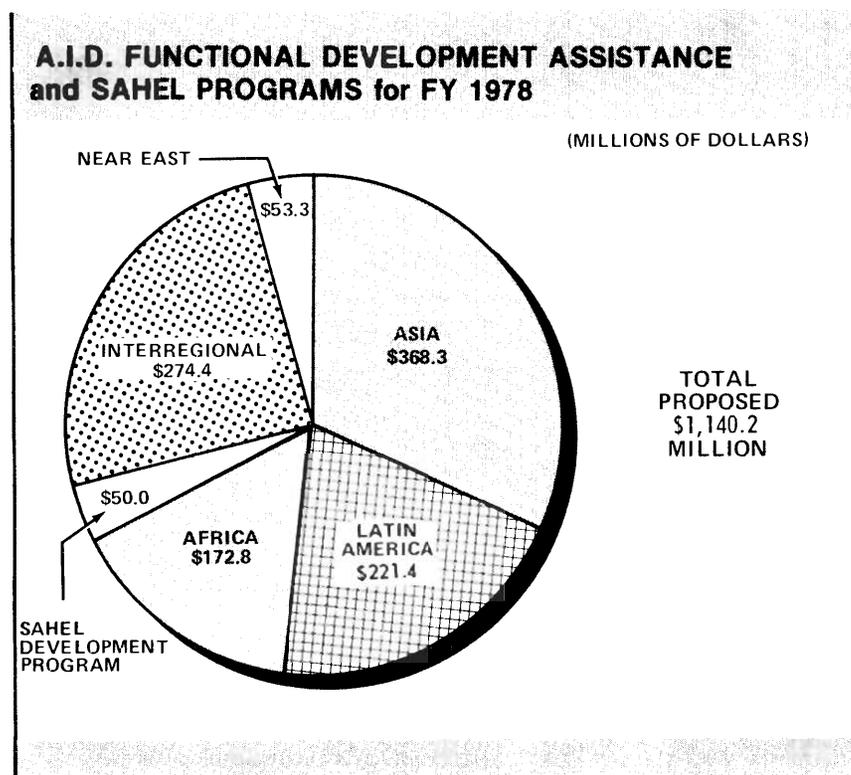
- \$1,892,300,000 for Security Supporting Assistance;
- \$25,000,000 for the Middle East Special Requirements Fund;

- \$5,000,000 for the President's Foreign Assistance Contingency Fund;

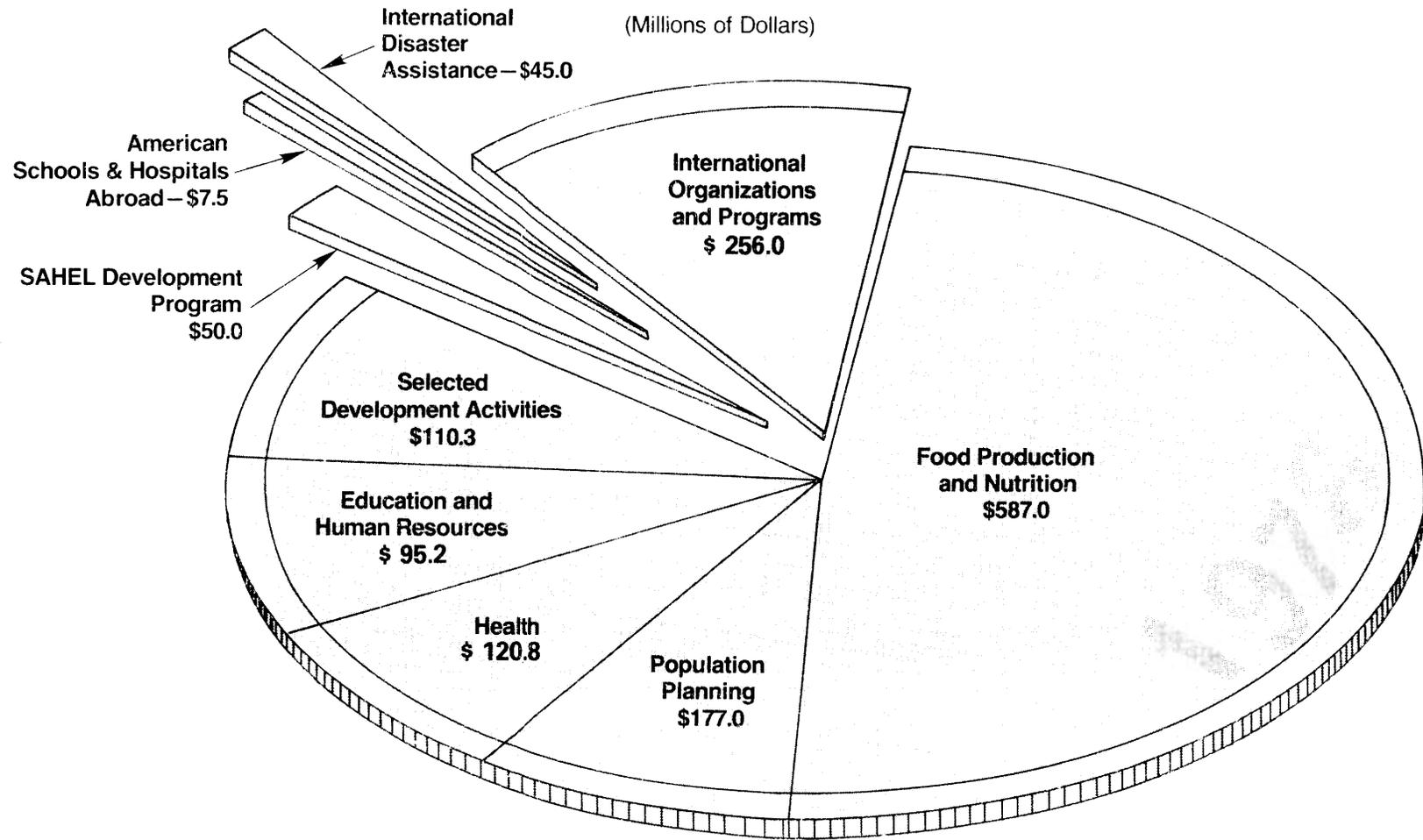
Operating Expenses of \$225,000,000 will finance the costs of operating the total A.I.D. program.

Foreign Service Retirement and Disability Fund:

- \$21,450,000 is requested to cover the FY 1978 installment for the unfunded liability for A.I.D. Foreign Service employees under the Foreign Service Retirement and Disability System;
- Beginning in FY 1979 all such unfunded liability for the Foreign Service Retirement system will be covered by the appropriation request of the Department of State.



A.I.D. DEVELOPMENT ASSISTANCE PROGRAMS PROPOSED FOR FY 1978

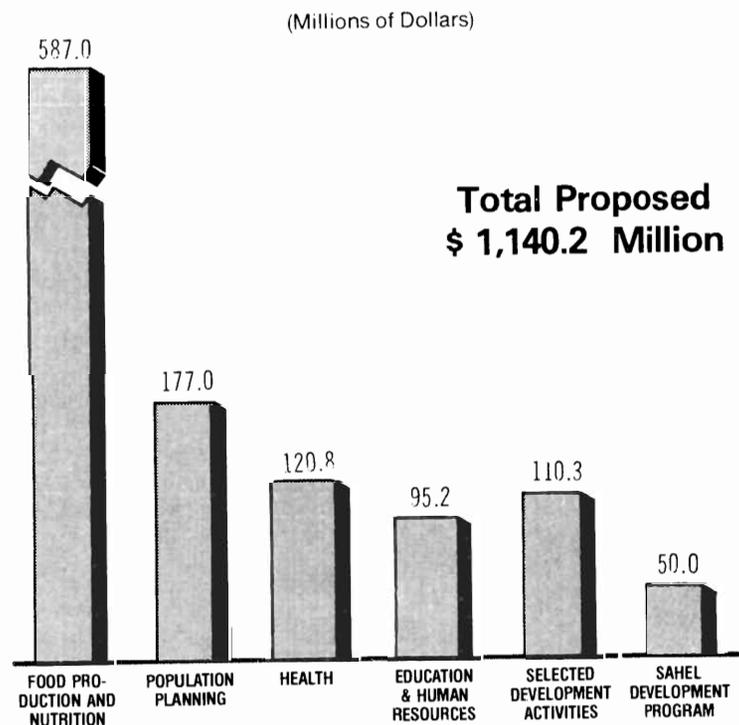


TOTAL \$ 1,448.7 MILLION

Excluding Operating Expenses and Foreign Service Retirement Fund.

A total of \$1,140.2 million will be focused on the critical needs of the poor majority of the populations of developing nations through bilateral development assistance programs, worldwide technical assistance and research and the Sahel Development Program:

**A.I.D. FUNCTIONAL DEVELOPMENT ASSISTANCE
and SAHEL DEVELOPMENT for FY 1978 by CATEGORY**



Food and Nutrition

-- \$587.0 million is requested for programs to overcome malnutrition, improve the quality of life for the rural poor and to expand the agricultural output of small farmers. Emphasis will be on:

- ** expanding small farmer access to inputs and technology necessary for increased production;
- ** rural development projects which will help permit the rural poor to participate in the economic life of their communities;
- ** increasing small farmer access to and management of land and water resources;
- ** cooperative and other systems for agricultural storage and marketing and distribution of production credit and inputs;
- ** research, institutional development, and extension under the Title XII authority to improve agricultural methods and techniques.

Population Planning

-- \$177 million is planned for programs to provide basic family planning services, research and education. The program will emphasize:

- ** implementation of village level information, education and contraceptive delivery systems;

- ** training of professional and paraprofessional family planning personnel;
- ** expansion of operations research and demographic activities to evaluate the demographic impact of various family planning programs;
- ** assistance in determining the fertility impact of overall development plans, policies and projects;
- ** research and studies of the determinants of fertility;
- ** organizations of pilot studies to test new and simpler village and household delivery systems, integrated where possible with health services.

Health

- \$120.8 million is planned for programs to provide health services and education through:
 - ** projects that build effective integrated delivery systems and support increased training of paramedical and nonmedical personnel;
 - ** development of more effective technologies to provide simple, effective and affordable health services for the majority, even in hard-to-reach rural areas;
 - ** programs to focus on the importance of health planning;
 - ** control of major tropical diseases;
 - ** control of environmental conditions, particularly provision of potable water and management of human waste.

Education and Human Resources Development

- \$95.2 million to assist developing countries provide priority learning needs to the poor through:
 - ** experimentation with and development of nonformal educational opportunities;
 - ** improvement in the relevance, efficiency, and equity of existing educational systems;
 - ** improvement in the analytical and administrative capacity of governments and development institutions at all levels.

Selected Development Activities

- \$110.3 million to finance development activities that:
 - ** expand the relationship of A.I.D. and U.S. Private and Voluntary Organizations (PVOs) by providing funds to strengthen their institutional capability in project planning and evaluation, continue basic program support, and finance technical cooperation and development programs
 - ** assist developing countries to select, adapt and use intermediate technologies that are suited to their circumstances.
 - ** intensify studies designed to alleviate energy problems through increased production and conservation of energy;

- ** conduct research on the development process to increase the benefits of assistance to developing countries;
- ** assist in reconstruction following natural or man-made disasters;
- ** help solve special development problems in the poorest countries;
- ** assist the development efforts of regional and international development organizations;
- ** develop approaches to strengthening urban-based activities that support the development of rural areas and meet the basic needs of the urban poor.

Sahel Development Program

- \$50 million is request to provide assistance for the long-term development of the Sahel.
- assistance will be furnished as a part of a multi-donor development plan based on an equitable sharing of costs with other donors and recipient countries.

International Organizations and Programs will finance a total of \$256 million for voluntary contributions to the United Nations, the Organization of American States and the United Nations Environment Fund:

United Nations Technical Assistance and Other Programs

- The \$246 million request for voluntary contributions by the United States to selected development programs of the United Nations and the Organization of American States (OAS) will support ongoing programs of interest to the United States. The principal elements include:

- ** a contribution of \$110 million for the United Nations Development Program (UNDP);
- ** \$52.0 million for the United Nations Relief and Works Agency (UNRWA) for food, health and education services for Palestine refugees;
- ** \$20.0 million for the United Nations Children's Fund (UNICEF);
- ** \$16.5 million for the UN Atomic Energy Agency (IAEA), the World Meteorological Organization (WMO), the World Food Program (WFP), the UN Institute for Training and Research (UNITAR), training for Southern Africans and the UN Revolving Fund for Natural Resources Exploration;
- ** \$17.4 million for contributions to the several assistance programs administered by the OAS throughout Latin America.

United Nations Environment Fund

- A contribution of \$10 million will complete the current U.S. commitment to provide \$40 million to assist this organization to coordinate international cooperation to protect the human environment.

Funds in the amount of \$7.5 million for American Schools and Hospitals Abroad will provide assistance to schools, libraries and hospitals abroad founded or sponsored by U.S. citizens which serve as demonstration centers for American ideas and practices.

International Disaster Assistance funds of \$45 million are requested to permit A.I.D. to provide relief to foreign countries struck by disasters, and assist them in disaster preparedness and contingency planning:

-- \$25 million is proposed for disasters such as floods, hurricanes, earthquakes and civil disturbances throughout the world;

-- \$20 million is planned specifically for relief and rehabilitation in Lebanon.

Security Supporting Assistance programs are proposed for countries whose economic prospects affect U.S. security interests and the achievement of United States foreign policy objectives:

-- In the Middle East the total program will be \$1,747.3 million:

** Major programs are proposed for Israel, Egypt, Jordan and Syria in support of our continuing efforts to achieve a just and durable peace in the Middle East;

** Smaller programs are proposed for Malta, Spain, and Bahrain;

-- In Africa the total program will be \$135 million:

** \$100 million is planned for a Special Requirement Fund to enable the United States to play a constructive role in encouraging and supporting a peaceful southern Africa transition.

** \$35 million will finance ongoing activities in Botswana, Lesotho, Swaziland and Zaire.

Middle East Special Requirements Fund: \$25 million:

-- Continuing uncertainties in the Middle East make it essential the United States be able to respond quickly to special needs arising in this area.

The President's Foreign Assistance Contingency Fund: \$5 million:

-- This fund provides the President with a modest capability to respond to unanticipated foreign emergency requirements beyond those arising from disasters.

FOOD AND NUTRITION

PROGRAM SUMMARY (In millions of dollars)			
FY 1976 Actual	TQ Actual	FY 1977 Estimated	FY 1978 Proposed
\$406.7	\$114.9	\$492.6	\$587.0

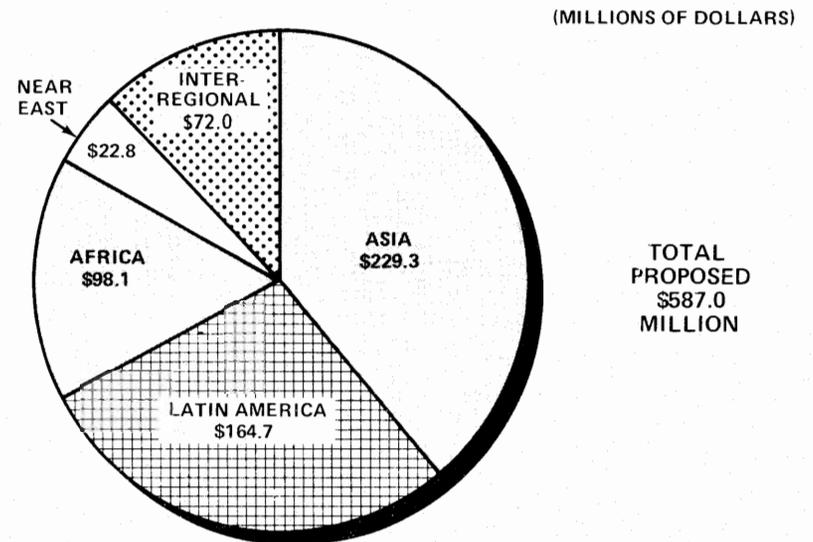
A.I.D.'s food and nutrition programs are directed toward overcoming malnutrition and increasing the productivity and incomes of the rural poor.

- Severe hunger and malnutrition still affect a large percentage of the world's poor.
- A recent study by the International Food Policy Research Institute indicates that the developing country food grain gap could increase to over 100 million tons by 1985, unless the trend growth rate of food grain production in poor countries turns upward; this long-term problem remains despite short-term improvements in the food situation due to good crop years in 1975 and 1976.
- Much of the increase in incomes and employment for the poor must come from expanded agricultural production by small cultivators and herders, and from increased employment in related activities such as agribusiness and rural infrastructure development.
- Increased incomes from increased rural production will contribute to wider acceptance of family planning practices, and will provide revenues to support the broader availability of elemental health, family planning, and education services.

The task ahead is immense. Yet it is clear that rapid increases in food production in poor countries are technically possible.

- It has been demonstrated that widespread yield increases can be achieved, although average production per land unit in developing countries is still only a fraction of that achieved in some places.

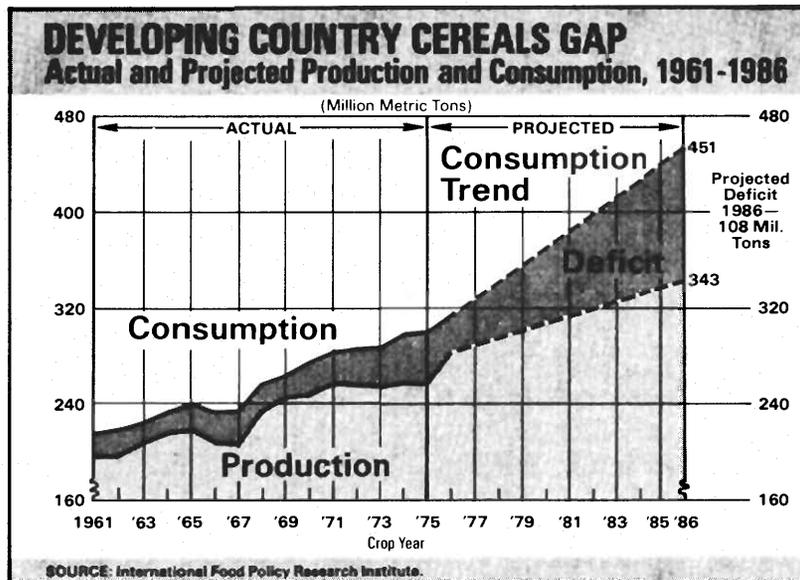
**FOOD AND NUTRITION;
Proposed FY 1978 Program By Region**



- Potential annual yields may exceed those of developed countries because climate and labor availability permit more intensive cultivation.
- Small farmers are generally efficient producers, and can typically grow more per acre than large farmers if given adequate incentives and access to inputs and services.
- The world's capacity for development of agricultural technology relevant to poor countries has expanded substantially over the past decade.

The response to the World Food Conference indicates a growing willingness and ability to translate technical potential into production gains benefitting the malnourished and the rural poor.

- Most governments of poor countries have expressed strong commitment to increased food production and rural development.



- International and bilateral institutions are devoting more attention and resources to helping poor countries overcome the technical, managerial and financial constraints affecting agricultural and rural development.

** According to a recent assessment by the Consultative Group on Food Production and Investment (CGFPI), donor commitments for concessional assistance to agriculture in poor countries increased by 50% to almost \$6 billion in 1975, and should increase further in 1976.

** World Bank commitments to agriculture increased from \$956 million in FY 1974 to \$1,627 million in FY 1976; the share of lending going to agriculture has doubled to 30%.

** Negotiations concerning the creation of the \$1 billion International Fund for Agricultural Development (IFAD) proposed by the World Food Conference are not largely completed.

** A.I.D. obligations under the food and nutrition category are expected to increase from \$275 million in FY 1974 to \$586.9 million requested for FY 1978.

U.S. bilateral assistance combines our food, manpower, institutional and financial resources with those of the developing countries and other donors in a coordinated effort to address the problems of malnutrition and rural poverty.

- P.L. 480 food aid helps assure food supplies while production programs are being pursued; it is increasingly programmed to meet immediate nutritional needs and support longer-term production goals.

-- The bilateral program capitalizes on U.S. competence in the technical and management aspects of nutrition and agricultural development, permitting poor countries to combine valuable U.S. skills with their own resources to accelerate development.

-- In the framework of Title XII of the Foreign Assistance Act ("Famine Prevention and Freedom from Hunger"), U.S. universities can enhance their unique contribution to more rapid progress in areas such as research, planning, extension and education.

-- Food aid and bilateral financial assistance provide a critical margin of support for policies and programs aimed at accelerating the attack on malnutrition and rural poverty.

Reducing malnutrition, expanding food production, and increasing the productivity and incomes of the rural poor is a difficult and complex process. It requires improving a broad range of individual, institutional and infrastructure capabilities at many levels, ranging from the landless laborer or small farmer to regional and central governments. Poor countries vary greatly in their levels of development and endowments of skills, institutional competence and other resources; the nature and persistence of the factors responsible for malnutrition, low food production and rural poverty vary greatly from place to place.

Coordinated pursuit of the objectives of the food and nutrition program demands varying combinations and interventions, ranging from integrated regional rural development through comprehensive crop production and sectoral programs to support for institutional and infrastructure development in functional areas such as nutrition, agricultural research, input supply transport and marketing.

A.I.D.'s proposed FY 1978 program will continue to support improved nutrition, expanded food production, and increased productivity and incomes for the rural poor through:

-- promoting nutrition planning and expanded nutrition programs;

-- speeding the development and transfer of technologies adapted to the problems of small crop and animal producers;

-- supporting crop, livestock and fish production programs;

-- providing resources needed to improve access by small producers to inputs, credit, and markets;

-- facilitating the development and improved utilization of land and water resources;

-- enhancing the capacities of institutions serving agriculture and the rural poor;

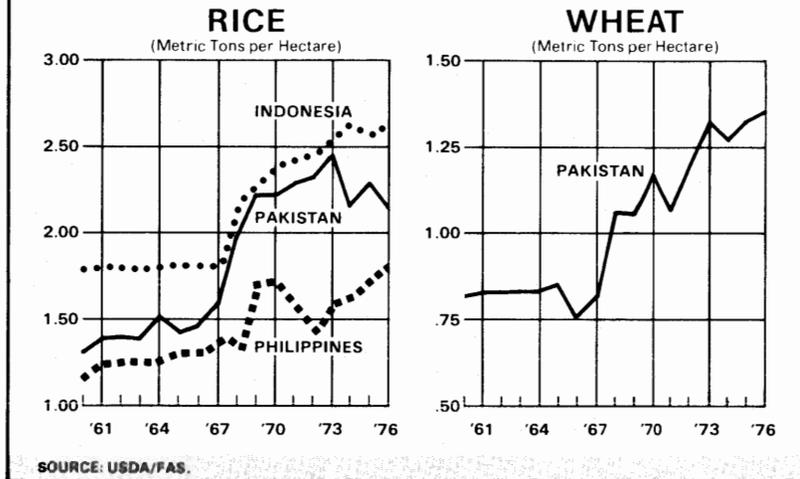
-- assisting the development of rural infrastructure;

-- supporting area and sectoral programs to accelerate food production and rural development;

-- encouraging the development of agribusiness and rural industry.

The proposed FY 1978 Food and Nutrition program is presented below under the headings of nutrition, research and technology, production programs, rural development and agribusiness and rural industry.

TRENDS IN RICE AND WHEAT YIELDS; Selected Countries, 1960-1976



Nutrition

Malnutrition afflicts at least 500 million people in developing countries.

- It is concentrated among the poorest, who are victims of widespread calorie and protein deficits, often accompanied by vitamin and other nutrient shortages.
- Nutrition is a major determinant of health, and malnutrition remains a major contributing factor to high rates of infant mortality among the poorest.
- Nutrition affects the capacity to learn and to work, and thus has a direct impact on individual productivity and earnings and on national production.

A.I.D. can help developing countries reduce malnutrition through programs which:

- raise food production particularly among the undernourished themselves;
- increase the employment and incomes of the undernourished so that they can purchase the necessary food;
- make food available under P.L. 480;
- provide effective health and education services to reduce nutrient loss from infection and parasites and increase awareness of good nutrition practices;
- explicitly address the nutrition problems of poor and vulnerable groups.

The most effective strategy for eradicating malnutrition combines increased access to food and better health and education with specific programs designed to allow poor people to achieve minimal standards of adequate nutrition; A.I.D. supports specific nutrition programs by assisting developing countries to:

- determine the implications for consumption and nutrition of policies and programs in various development sectors;
 - ** A.I.D. has pioneered in the development and application of nutrition planning methodologies.
 - ** By the end of FY 1977 A.I.D. will have helped finance nutrition surveys in 11 countries.
 - ** A new FY 1978 project will investigate the behavioral effects of different degrees of malnutrition in developing countries.

-- design, implement and evaluate direct nutrition interventions aimed at poor and vulnerable population groups:

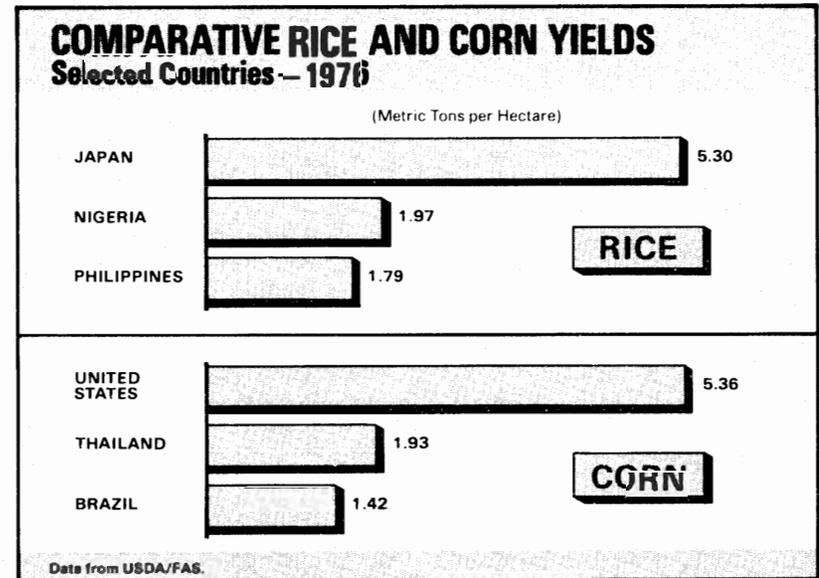
** A.I.D. is carrying out a systematic series of examinations of the relative costs and effectiveness of alternative interventions; new FY 1973 initiatives include investigations of nutrition education, child feeding, and using ferrous sulfate in preventing iron deficiency anemia.

** A.I.D. will provide especially active support for programs related to village-level care of mothers and children, vitamin A and iron deficiency, weaning practices and appropriate food technologies.

Research and Technology

An important key to increased food production and improved welfare for the rural poor is the rapid development and transfer of technologies which permit profitable crop, livestock and fish production, especially by the poor.

- Profitable technologies are a precondition for effective investment in supporting institutions, services and infrastructure; for the generation of local resources to sustain improvements in social services; and for increased participation in development by the disadvantaged.
- The development of profitable technologies requires adaptation to highly varied local conditions through better exchanges of information through networks of national and international researchers and small producers.
- A.I.D. research and technology programs stress orientation of research efforts to problems of small producers, maximum utilization of existing knowledge and techniques, and rapid dissemination



and utilization of relevant research results.

A.I.D. supports research and technology development and dissemination efforts at several levels.

The International Agricultural Research Centers pioneered in the high-yielding wheat and rice varieties which supplied the first successes of the Green Revolution, and have been expanding their programs to cover additional crops, a wider spectrum of production conditions, and new research problems.

- The work of the centers now embraces the major food crops and animals of the developing world and most of its ecological zones.

-- The emphasis has broadened from the purely biological to small-scale mechanization, socio-economic factors affecting production, and constraints viewed within the context of the entire farming system.

-- Support for the centers is coordinated by the Consultative Group on International Agricultural Research (CGIAR), which is sponsored by the World Bank, FAO and UNDP and consists of these organizations and 32 other international and national organizations and foundations, including A.I.D.

Research programs drawing on the expertise of U.S., institutions, with strong linkages to the international centers and developing country institutions, continue to develop improved technologies for crop, livestock and fish production by the rural poor. This research work concentrates on:

- higher-yielding and pest tolerant varieties of foods grown and eaten by poor farmers, especially sorghums, and grain legumes;
- better use of irrigation water on small farms;
- more efficient farming systems for dryland areas, where agriculture is generally less productive and farmers are poorer;
- more intensive cropping systems for farmers with small land holdings;
- biological fixation of nitrogen to benefit farmers with limited access to chemical fertilizers;
- small scale fisheries and aquaculture to improve nutrition and increase employment of the poor.

A.I.D. provides technical and financial assistance to strengthen national research programs in developing countries.

-- New technologies developed by international, U.S. and developing country institutions cannot be successfully assimilated without a strong local research and adaptation capability in developing countries.

** A.I.D. is currently extending bilateral support for research programs in Tanzania, Bangladesh, Pakistan, the Philippines, Central America, Morocco, and Yemen.

** In FY 1978 A.I.D. will initiate support for research programs in Liberia, Sierra Leone, and Sri Lanka.

-- A.I.D. is encouraging innovation in accelerating the process of technology development and adaptation specifically for small producers. For example, in FY 1978 A.I.D. will initiate support for projects which will:

** investigate ways of identifying, developing, and marketing simple implements for small farmers in Africa, based on pilot activities in Ghana and Tanzania;

** test the use of regional field research teams combining technical and social science skills to carry out trials on small farmers' land and provide rapid feedback to the national research and extension systems in Paraguay;

- ** assist in development of technological packages for production of high-value horticultural crops by small farmers in Central America.

Title XII

The Board for International Food and Agricultural Development, as called for in the Title XII legislation, has been established.

- The President has appointed six of the seven Board members authorized; a seventh member is in process.
- The Board is meeting on a monthly basis with A.I.D. staff and representatives of the U.S. Department of Agriculture and National Oceanographic and Atmospheric Administration (Aquaculture and Fisheries).
- The Board is in the process of developing the functions and structures of the subordinate units suggested in the legislation and through which the university community will interact with the Agency pursuant to Title XII.
- The Board is screening nominees for membership on these subcommittees and recruiting staff to support both the Board and its subordinate units.

The Board and its subordinate committees will participate with A.I.D. in the planning, development and implementation of grant and loan activities under Section 103.

These grants and loans are made to developing country governments and regional institutions for the purpose of applying U.S. scientific and technical expertise to:

- the strengthening of national and regional teaching, research and extension systems;

- the development of other infrastructure and processes related to world food production and consumption;

- the conduct of bilateral and regional research programs.

- As an example, the Integrated Agricultural Production and Marketing project in the Philippines will engage a U.S. university in addressing Title XII concerns by:

- ** establishing alternative production, processing, storage, distribution and marketing policies for specific crops;
- ** providing small farmer cooperatives with marketing technical assistance; and
- ** delivering packaged production and management techniques to small farmers.

Under Section 103, A.I.D. proposes for FY 1978 inter-regional activities which fall within the scope of Title XII and the cognizance of the Board and its subordinate committees:

- grants to international research centers for work in developing countries;
- central research programs;
- collaborative research support program grants.
- adaptation, application and service activities in support of both A.I.D. and developing country programs.

Production Programs

Translating improved technologies into increased output and incomes for small producers requires access to material inputs such as fertilizer, seed, pesticides, land and water, access to credit and marketing channels, adequate incentives, and agricultural planning which supports small farmer needs.

Supply of production inputs for small farmers has absorbed a substantial percentage of food and nutrition program resources in recent years; new or expanded activities planned for FY 1978 include:

- production and multiplication of improved seed in Tanzania, Cameroon, Nepal, and Morocco;
- major support for fertilizer production, storage and distribution in Bangladesh;
- credit to enable small farmers to purchase inputs in Tanzania, Ghana, Bangladesh, Pakistan, Bolivia and El Salvador.

A.I.D. supports programs to increase small farmer access to land and water and improve the management of available land and water resources:

- In El Salvador low-income farmers will receive assistance in the construction and management of small-scale irrigation facilities which will extend the growing season and permit multiple cropping in some areas.
- The results of A.I.D.-funded research by Colorado State University will be applied on a large scale in an on-farm water management program for small farmers in Pakistan.
- A project in Peru will develop and test replicable low-cost means of assisting settlers to increase production of food crops in a sparsely-populated area of high potential.

Commodity production programs combine a number of the elements of successful agriculture development--planning, research extension, input supply -- in projects designed to increase the output and availability of specific crops, fish and livestock.

The FY 1978 program includes support for:

- livestock development in selected areas in Kenya, Tanzania, Chad, Mali, Senegal and Upper Volta;
- production of basic cereals in Tanzania, Mali, Niger, Senegal, Indonesia, the Philippines, Pakistan and Bolivia;
- production of labor-intensive, high-value nutritious commodities such as grain legumes in Ethiopia, horticultural crops in Mauritania, Central America and Yemen, and fish in Sierra Leone and Jamaica.

Improved marketing services and facilities are needed to improve incentives and incomes for small producers, reduce post-harvest food losses, and improve developing country capacities to deal with periodic fluctuations in production:

- A new project in Bangladesh will contribute to better protection and management of the country's foodgrain production by the provision of fumigants and the construction of a number of small storage depots.
- In the LDCs of the Eastern Caribbean, an A.I.D. project will increase small farmer productivity by providing the production inputs to help farmers shift to new, more profitable crops, and by supplying assistance in transporting and marketing those crops.

Assuring adequate access and incentives for small farmers is highly complex and imposes added burdens on agricultural analysis and planning. In FY 1978 A.I.D. will

initiate programs to strengthen agricultural and rural development planning institutions in several countries:

- In Sierra Leone, A.I.D. will assist in establishing and developing a Central Rural Development Planning Unit under the auspices of the Office of the Vice President.
- In Bolivia, A.I.D. will improve the delivery of development programs to the rural poor through support for the government's planning and coordination system, strengthening the linkages between regional planning offices and the national government.

Rural Development Programs

Increasing agricultural production by millions of small farmers and herders and assuring that the benefits of increased output are shared equitably requires stronger local institutions and expansion of rural infrastructure.

Stronger local institutions can be vehicles for fuller participation in development by the poor, for more effective economic and social services, for increased mobilization of local resources:

- In Ghana, A.I.D. will assist local governments to test alternative mechanisms for actively involving the rural population in the planning and implementation of district-level development programs.
- In Honduras a FY 1978 project will create rural service centers to improve delivery of public sector services to their members. The centers will provide groups of small farmer organizations with access to services in such areas as farm

management and planning, input supply and produce marketing to increase the income and employment opportunities for their small farmer members.

- A.I.D. will expand its support for the development of cooperatives in A.I.D.-assisted countries; details are in the "Private and Voluntary Organizations" section of the Special Analyses which follow.

Access to improved transport facilities and to electric power and other infrastructure provides a strong stimulus to agricultural production and is necessary for the adequate provision of basic social services:

- A loan will assist five rural electric cooperatives in Nicaragua expand services to 300,000 small farmers and other rural inhabitants.
- Rural works programs will create valuable infrastructure facilities and provide employment for the landless and near-landless in Bangladesh and Afghanistan.

Integrated rural development programs draw together efforts in several fields for a coordinated attack on the problems of low rural productivity, employment incomes and welfare.

- Broad rural development programs are currently receiving A.I.D. support in Ethiopia, Kenya, Mauritania, Niger, Upper Volta, Liberia, Bangladesh, Indonesia, Pakistan, the Philippines, Nicaragua, Panama, Tunisia and Yemen.
- Several of these programs have already evolved proven approaches for reaching large numbers of the rural poor:

** In Nicaragua, an FY 1978 loan will support an expansion of the outreach programs of the Institute of Campesino Welfare (INVIERNO).

As the government's major rural development agency, INVIERNO helps coordinate the delivery of government services to rural communities and provides integrated banking and development services directly to families, rural organizations and rural communities. Activities include guarantees for land sales to small farmers, input supply and flexible credit arrangements, access roads, development of cooperatives and rural enterprises, and low-cost housing improvements.

Agribusiness and Rural Industry

Private sector enterprises can play an important role in promoting small farmer production and increased rural welfare:

-- Small rural commercial, repair and manufacturing enterprises provide inputs, maintain equipment, process agricultural commodities and provide employment and consumer goods for rural areas.

** A.I.D. is supporting village-level food processing in Pakistan.

** FY 1978 loans to Bolivia and Guatemala will provide credit and supporting services for rural small enterprise development.

-- Small-scale and large-scale agribusiness firms can bring unique technical and management skills to bear on bottlenecks at all phases of the food production and marketing cycle.

A.I.D. is expanding its efforts to involve U.S. agribusiness in development programs and strengthen local private sector agribusiness in developing countries:

-- A proposed joint project with the FAO Industrial Cooperation Programme will draw on the expertise of private sector seed enterprises in developed countries to provide training and assistance in the development of viable commercial seed enterprises in developing countries.

-- Agribusiness project missions have recently visited the Philippines, Morocco, and Panama.

FY 1978 Program

The FY 1978 Program proposes \$586.9 million for Food Production and Nutrition. The FY 1978 proposal by country is shown in the table on the following page, "Summary of Food and Nutrition Program Proposal--FY 1978." Details are in the geographic regional and interregional volumes of A.I.D.'s FY 1978 submission to the Congress.

SUMMARY
 FOOD AND NUTRITION PROGRAM PROPOSAL -- FY 1978
 (in millions of dollars)

	<u>TOTAL</u>	<u>GRANTS</u>	<u>LOANS</u>
<u>TOTAL PROGRAM</u>	<u>587.0</u>	<u>310.6</u>	<u>276.3</u>
<u>AFRICA</u>	<u>98.1</u>	<u>84.1</u>	<u>14.0</u>
Burundi	.8	.8	-
Cameroon	2.6	2.6	-
Cape Verde	1.8	1.8	-
Central African Republic	*	*	-
Chad	3.8	3.8	-
Ethiopia	12.7	12.7	-
Ghana	14.8	2.8	12.0
Guinea	1.4	1.4	-
Guinea Bissau	.9	.9	-
Kenya	2.3	2.3	-
Liberia	2.0	2.0	-
Mali	5.9	5.9	-
Mauritania	1.4	1.4	-
Niger	4.4	4.4	-
Rwanda	1.1	1.1	-
Senegal	5.8	5.8	-
Sierra Leone	1.9	1.9	-
Tanzania	6.4	6.4	-
Upper Volta	1.2	1.2	-
East Africa Regional	.7	.7	-
Sahel/West Africa Regional	7.4	5.4	2.0
Africa Regional	18.8	18.8	-

* Less than \$50,000

	<u>TOTAL</u>	<u>GRANTS</u>	<u>LOANS</u>
<u>ASIA</u>	<u>229.3</u>	<u>109.8</u>	<u>119.5</u>
Bangladesh	83.6	83.6	-
Indonesia	38.2	6.2	32.0
Nepal	8.6	8.6	-
Pakistan	50.8	1.8	49.0
Philippines	34.8	3.8	31.0
Sri Lanka	7.5	-	7.5
Asia Regional	5.8	5.8	-
<u>LATIN AMERICA</u>	<u>164.7</u>	<u>29.4</u>	<u>135.3</u>
Bolivia	23.1	2.3	20.8
Costa Rica	8.4	.4	8.0
Dominican Republic	10.3	.3	10.0
El Salvador	8.1	.1	8.0
Guatemala	6.7	1.7	5.0
Haiti	8.1	8.1	-
Honduras	17.1	2.1	15.0
Nicaragua	12.2	1.2	11.0
Panama	22.8	.3	22.5
Paraguay	7.1	1.6	5.5
Peru	20.7	1.2	19.5
Caribbean Regional	10.6	.6	10.0
ROCAP	2.3	2.3	-
Latin America Regional	7.2	7.2	-
<u>NEAR EAST</u>	<u>22.8</u>	<u>15.3</u>	<u>7.5</u>
Afghanistan	9.3	9.3	-
Morocco	6.3	1.8	4.5
Tunisia	4.4	1.4	3.0
Yemen	2.2	2.2	-
Near East Regional	.7	.7	-

	<u>TOTAL</u>	<u>GRANTS</u>	<u>LOANS</u>
<u>WORLDWIDE TECHNICAL ASSISTANCE AND RESEARCH PROGRAMS</u>	<u>71.1</u>	<u>71.1</u>	<u>-</u>
<u>INSPECTOR GENERAL OF FOREIGN ASSISTANCE</u>	<u>.4</u>	<u>.4</u>	<u>-</u>
<u>FOOD FOR PEACE</u>	<u>.5</u>	<u>.5</u>	<u>-</u>

Note: Totals may not add due to rounding.

POPULATION

PROGRAM SUMMARY (In millions of dollars)			
FY 1976 Actual	TQ Actual	FY 1977 Estimated	FY 1978 Proposed
103.0	32.5	143.4	177.0

Since the late 1960s LDC birth rates have declined considerably. Nevertheless the population of the developing world continues to grow rapidly and handicap development efforts designed to improve individual well-being. Among other reasons, major disease control measures, environmental sanitation and health service programs, and accelerated food production between 1955 and 1970 brought about a decline of LDC death rates which exceeded the decline in birth rates.

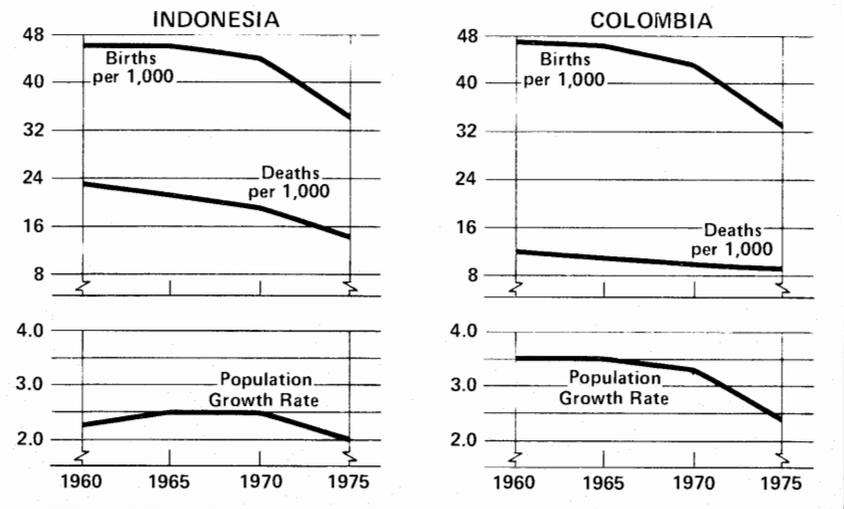
While birth rates have fallen faster than death rates since 1970, total world population is still expected to exceed five billion around the year 2000. Of greater importance, however, is the fact that the bulk of the increase of population will be in the less developed world. But LDC death and birth rates can be expected to continue to decline as family planning programs expand their coverage, incomes grow, education expands, and health and nutritional standards improve.

Expansion of fertility control programs undertaken by many LDCs since the late 1960s, as well as the addition of development policies which encourage smaller families give real hope that population growth can be effectively contained in several decades. But the scope of the problem is enormous and will require concerted effort and commitment of substantially more resources on a global scale to bring population growth to manageable proportions.

Since the late 1960s LDC governments and private agencies have:

- increasingly recognized the need for control of fertility, and many governments have removed legal

BIRTH, DEATH, AND POPULATION GROWTH RATES, 1960 - 1975



and administrative barriers to the use of contraceptives;

- provided increasing amounts of their own resources for family planning services and information and related programs--raising budgets, expanding staffing, extending service coverage, increasing financing of domestically produced contraceptives;

DEVELOPING COUNTRY LEGAL AND ADMINISTRATIVE BARRIERS TO FAMILY PLANNING WHICH HAVE RECENTLY BEEN REMOVED

MEXICO	1974	Constitutional amendment provided right to family planning, removing earlier restrictions.
JAMAICA	1975	Ministerial decree removed prescription requirement for orals, and authorized commercial distribution.
PHILIPPINES	1975	Ministry of Justice ruled that condoms and orals may be sold commercially without prescription.
SINGAPORE	1974	Parliamentary act permitted sterilization on request of any person over 21 years of age.

** For example, Indonesia's family planning budget rose from \$6.0 million (equivalent) in 1973 to \$11.0 million (equivalent) in 1975.

-- stimulated the commercial sector to play a larger role in the distribution of services and encouraged private agencies to organize and run family planning service systems;

** For example, Jamaica and Bangladesh have undertaken major efforts to expand commercial sales of contraceptives through small shops and local salesmen.

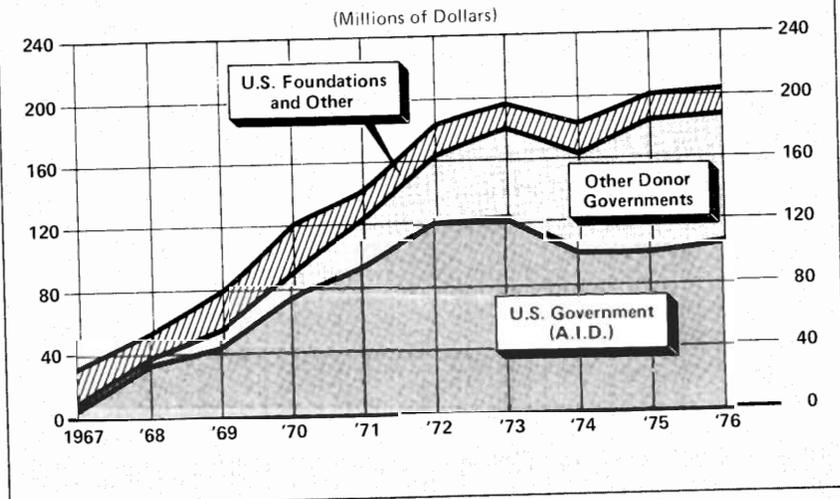
-- obtained increased foreign donor assistance for contraceptives, program planning and management, and the training of professional and paraprofessional family planning and related health services personnel;

-- modified the structure and staffing of health and family planning services to extend beyond the urban-centered hospital-and-clinic system so as to reach rural people;

** Indonesia, the Philippines, and Thailand are continuing to extend their successful programs to provide family planning services to the majority of their populations. In each case increased reliance will be placed on village-level auxiliary personnel working in conjunction with the existing health infrastructure.

** During 1975 Nepal opened 60 new rural health clinics and trained 200 village-level workers for family planning outreach programs operated through those clinics.

INTERNATIONAL ASSISTANCE TO DEVELOPING COUNTRY POPULATION PROGRAMS



- given increased attention to broad-based socio-economic development that encourages small families, e.g. in Sri Lanka and Colombia.

Evidence suggests that sustained support for family planning programs in LDCs has helped reduce birth rates since the late 1960s. But to achieve a "replacement" fertility level of approximately two children per family on average, about 65% of all fertile couples in most countries need to practice some form of contraception. During recent years, family planning services have rapidly increased in many countries. In Indonesia, Taiwan, Korea, Thailand, and Colombia, more than 20% of eligible couples are now using effective means. While this increase in the practice of contraception is a substantial improvement compared to ten years ago, it is a relatively recent achievement and is not yet extended to most of the rural areas. Years of continued effort, new and imaginative approaches in family planning and related programs, and additional attention to the motivation for small families provided by other development programs are all needed for countries to achieve replacement-level fertility goals.

Generally fertility will decline faster when:

- fertility reduction is a major policy goal of a government;
- legal and administrative impediments on family planning are removed;
- family planning programs are expanded and attempts are made to develop new approaches designed to reach rural areas where about 85% of the people live;
- greater attention is given to social, economic and other factors (especially as related to the role of women) which would encourage smaller families, and policies are undertaken to support such

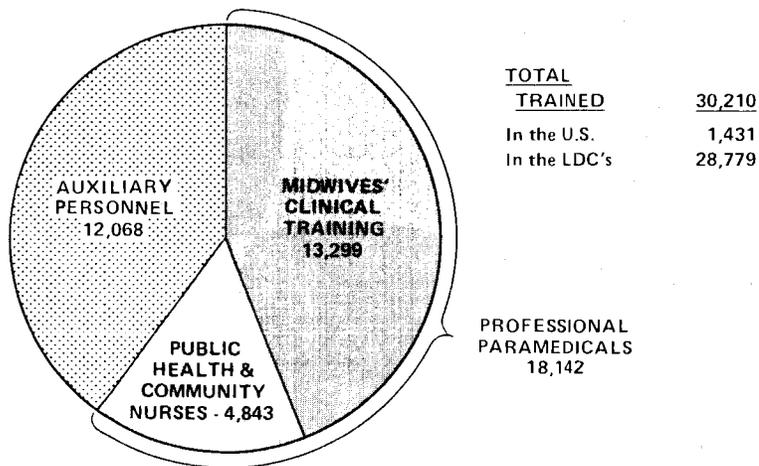
decisions.

Many LDCs have made considerable strides along these lines over the past decade. A.I.D. is examining what steps it can take along with the LDCs, in addition to supporting family planning programs, to help LDCs achieve their demographic goals. In this context A.I.D. will review country circumstances to determine our future policies and programs.

A.I.D. will continue to play a major supporting role for LDC family planning efforts and will work with other foreign donors and international agencies, particularly in Latin America and Africa where many governments are still holding back from a full official commitment to fertility reduction as a national policy because of political, cultural, and religious views.

- A.I.D. will continue to support population policy development projects and innovative family planning efforts carried out by voluntary organizations and other intermediaries whose work is acceptable to governments, e.g. The Pathfinder Fund and The Population Council.
- A.I.D. will continue to finance demographic research like the World Fertility Survey, and studies of the determinants of fertility to improve the design of more effective family planning and related fertility reduction efforts.
- A.I.D. will train doctors and nurses in new surgical sterilization methods through such training programs as carried out by Johns Hopkins University and help organize training programs in the LDCs for midwives and other auxiliary personnel to expand LDC capacity to reach the rural areas, using the institutional training ability developed during the last decade, e.g. at Downstate Medical Center.

NUMBER OF PARAMEDICAL AND AUXILIARY PERSONNEL TRAINED, FY 1972 - 1976



-- A.I.D. will continue to build on the extensive preparatory work done in recent years in the field of sterilization which has resulted in significant advances in the development of new surgical techniques and specialized equipment and the training of medical personnel from developing countries. Such support will be provided, however, only upon request and under circumstances where acceptors act with informed consent on a voluntary basis.

-- A.I.D. will organize pilot studies to be carried out by LDC institutions (some in cooperation with intermediaries) to test new and simpler village and household delivery systems, integrated where possible with health services and linked as appropriate to existing commercial distribution networks.

** Such pilot tests are already underway in Egypt, Korea, Mexico, Tunisia, Bangladesh, Taiwan, and Nicaragua.

** Others are planned in Morocco, Thailand, and the Philippines.

-- A.I.D. will finance contraceptives and family planning services, particularly expanding those programs that emphasize low-cost, village-based services and that are open to innovative approaches developed by pilot tests financed by A.I.D., other foreign donors or LDCs themselves.

** Family planning programs in Indonesia, the Philippines, Liberia, and El Salvador are cases in point.

-- Where countries have both fertility and health objectives, special efforts will be made to integrate the provision of basic health, nutrition, and family planning services so effective and accessible care can be provided at an affordable cost.

** Examples of this approach may be found in Thailand, El Salvador, and Tunisia.

-- Crucial to this effort will be the extension of networks of paramedicals building on the existing health/family planning infrastructure.

** In Java and Bali these networks have been used to extend family planning services to the rural population. In other cases, an early focus on health may be more appropriate.

-- A.I.D. will support the work of experienced non-profit family planning organizations, such as the International Planned Parenthood Federation and the Pathfinder Fund, which have shown that they can develop and demonstrate innovational programs

and can initiate new family planning activities in countries whose governments do not yet participate in population programs.

- A.I.D. will expand operations research, program evaluation, and demographic activities to evaluate the demographic impact of A.I.D. population assistance, and to encourage LDCs to evaluate their own and donor-financed family planning programs.

** For example, a project is planned in Indonesia to test alternative means of supplying family planning services in rural areas outside of Java and Bali.

** A.I.D. has also assisted Indonesia, the Philippines, Pakistan, Jamaica, and a number of other countries in the design and installation of management information systems which provide the basic information for continuing evaluation of family planning programs. A.I.D. is assisting countries with efforts to improve their systems for registering births and deaths and with surveys and sample registration systems for obtaining data on births and deaths in countries where civil registry systems are unlikely to produce adequate data in a reasonable time frame. In addition, A.I.D. is helping countries to measure contraceptive use.

Encouraging parents to space births and to choose to have smaller families requires steps in addition to the provision of family planning services.

- Sustained economic development benefiting the less advantaged is essential if personal expectations and opportunities, especially for women, are to be realized and smaller families encouraged. Increased education and job opportunities for women seem to lead to lower fertility. Steadily rising real income and increased food supplies lead to

better health and nutrition, which in turn produces a higher child-survival rate and thus reduces the need for more births to attain a desired family size.

** In Taiwan, Korea, and Colombia, fertility has declined with concurrent advances in general development, employment, education, and strong family planning.

- Steps to remove restrictions on the sale or use of contraceptives and other laws, policies, or administrative practices can encourage family planning.

- Taxes, other laws, policies and administrative procedures may either actually encourage large families or fail to support existing family planning program objectives.

** The Philippines and Senegal, among other countries, have worked to modify policies in order to encourage smaller families.

- Village organizations can be strengthened so that self-help measures to improve health and limit fertility can be taken and programs implemented with fuller participation by the people affected.

** Again, Indonesia's experience in village-based distribution of services bears special mention.

- Health and education programs, employment, and other public programs to help the rural and urban poor can be designed to improve the socioeconomic incentives for smaller families.

A.I.D. has proposed a new Section 117 for the Foreign Assistance Act which will focus additional attention and resources on the potential impact of development programs and policies on population growth. While this approach is experimental, we are developing guidelines and will identify selected countries for further application of this approach. We intend to:

-- consider ways of designing other aspects of A.I.D. development assistance with a view to encouraging smaller families, again without jeopardizing primary objectives;

** For example, in Pakistan, the A.I.D. Mission has reviewed national development plans and A.I.D. activities for their fertility impact and found ways to modify several projects.

-- improve analysis of the effectiveness of A.I.D.'s development and population assistance in reaching present goals and examine the implications of a more ambitious demographic goal on the size and character of A.I.D. population and general development programs. Such evaluations ideally should be carried out in close collaboration with the LDCs concerned so the evaluations cover all programs affecting fertility;

-- offer assistance to developing countries wishing to consider the likely fertility impact of overall development plans, policies, or projects and willing to consider modifications in those plans, policies, or projects to encourage smaller families while not jeopardizing other objectives;

-- expand research on the determinants of fertility and emphasize that these studies be related to country strategies and real opportunities for changes in policies;

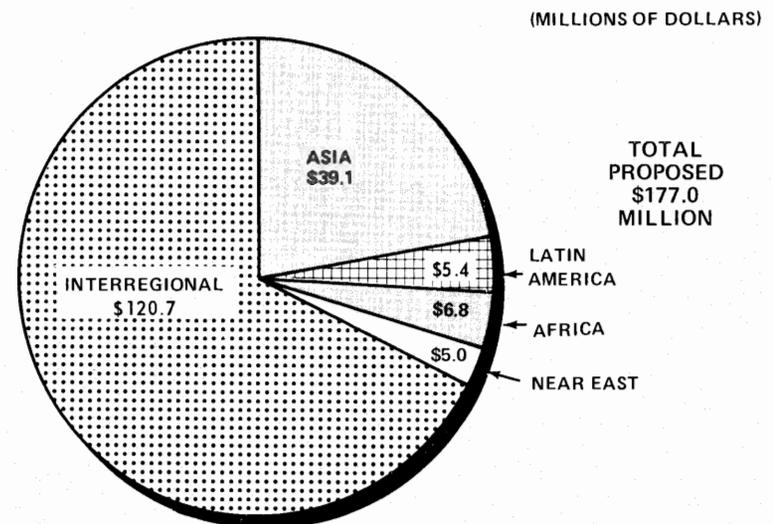
** Research is underway (and some is completed) to improve understanding of the links be-

tween fertility and rural development, education, health and nutrition, etc. For example, with A.I.D. assistance, the Rand Corporation has undertaken a study of fertility determinants in Asia.

The FY 1978 Program proposes \$177 million for Population.

The FY 1978 proposals are shown on the following page in the table, "Summary of Population Program Proposal--FY 1978. Details are in the geographic regional, and in the interregional volumes of A.I.D.'s FY 1978 submission to the Congress.

POPULATION PLANNING Proposed FY 1978 Program By Region



SUMMARY
 POPULATION PLANNING PROGRAM PROPOSAL -- FY 1978
 (in millions of dollars)

	<u>TOTAL</u>	<u>GRANTS</u>	<u>LOANS</u>
<u>TOTAL PROGRAM</u>	177.0	165.3	11.7
<u>AFRICA</u>	6.8	6.8	-
Cameroon	.4	.4	-
Central African Republic	.2	.2	-
Ethiopia	.2	.2	-
Ghana	1.0	1.0	-
Kenya	1.3	1.3	-
Liberia	.2	.2	-
Mali	.3	.3	-
Senegal	.6	.6	-
Tanzania	1.5	1.5	-
Togo	.3	.3	-
Special Population Activities	.5	.5	-
Africa Regional	.3	.3	-
<u>ASIA</u>	39.1	27.4	11.7
Bangladesh	9.1	9.1	-
Indonesia	11.4	3.4	8.0
Nepal	1.3	1.3	-
Pakistan	5.2	5.2	-
Philippines	7.7	4.0	3.7
Thailand	4.4	4.4	-
<u>LATIN AMERICA</u>	5.4	5.4	-
Costa Rica	.3	.3	-
El Salvador	.8	.8	-
Guatemala	.3	.3	-

	<u>TOTAL</u>	<u>GRANTS</u>	<u>LOANS</u>
<u>LATIN AMERICA (continued)</u>			
Haiti	.9	.9	-
Honduras	.4	.4	-
Jamaica	.7	.7	-
Nicaragua	.5	.5	-
Panama	.6	.6	-
Paraguay	.5	.5	-
Peru	.3	.3	-
<u>NEAR EAST</u>	5.0	5.0	-
Afghanistan	.7	.7	-
Morocco	2.6	2.6	-
Tunisia	1.7	1.7	-
<u>INTERREGIONAL POPULATION PROGRAM</u>	91.7	91.7	-
<u>PROGRAM AND MANAGEMENT SERVICES</u>	.8	.8	-
<u>UNITED NATIONS FUND FOR POPULATION ACTIVITIES</u>	28.0	28.0	-
<u>INSPECTOR GENERAL OF FOREIGN ASSISTANCE</u>	.2	.2	-

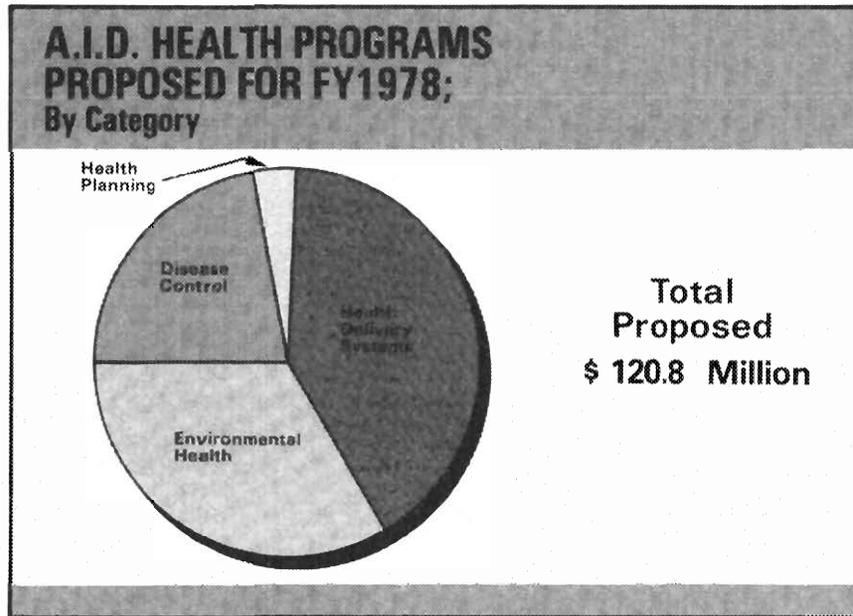
Note: Totals may not add due to rounding.

HEALTH

PROGRAM SUMMARY (In millions of dollars)			
FY 1976 Actual	TQ Actual	FY 1977 Estimated	FY 1978 Proposed
\$54.4	\$19.1	\$93.6	\$120.8

For FY 1978, A.I.D. requests \$120.8 million for health programs, divided into the following categories:*

Health delivery system
Health planning
Environmental health
Disease control



The Agency's view of programming in this field for FY 1978 is consistent with and builds upon the major statement made on program directions for health in last year's Congressional Presentation. As we noted then, development efforts over the past 20 years have helped improve the health of the millions of poor people in the developing countries.

Death and disease rates have declined rapidly, but they are still considerably above those found in the United States and other industrialized nations.

-- Death rates have fallen more rapidly than birth rates, and resulting rapid population growth makes development more difficult and threatens the environment.

Given current modest economic growth rates, the quality of life in most developing countries shows little improvement and may even deteriorate if their populations continue to grow. Most of the 2.5 billion people who live in the developing countries continue to face hunger, malnutrition and disease with little or no access to programs or services needed to ease their plight.

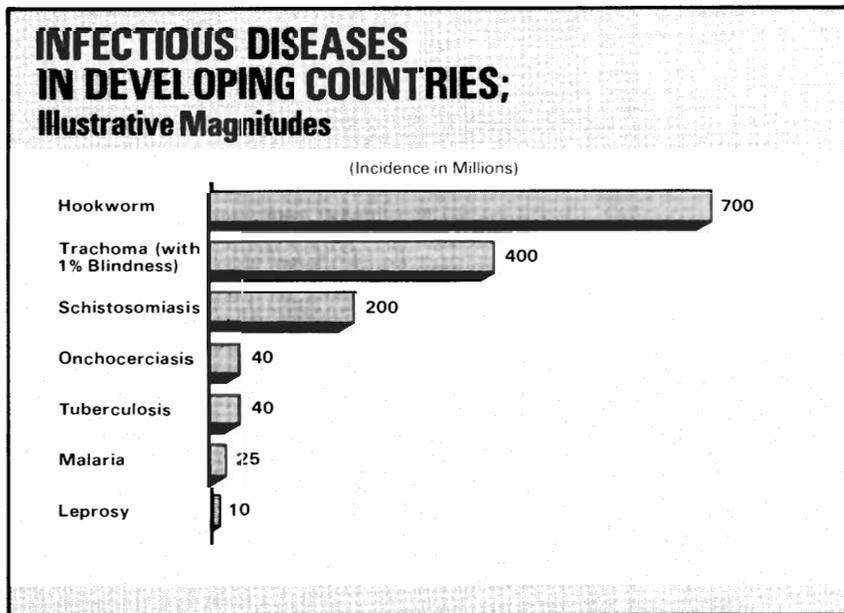
* In addition, \$74 million in Security Supporting Assistance programs (chiefly water and sanitation) affect health directly.

-- In Africa, one in seven, or 15%, of all children die before their first birthday as compared with one in fifty, or 2%, in the United States.

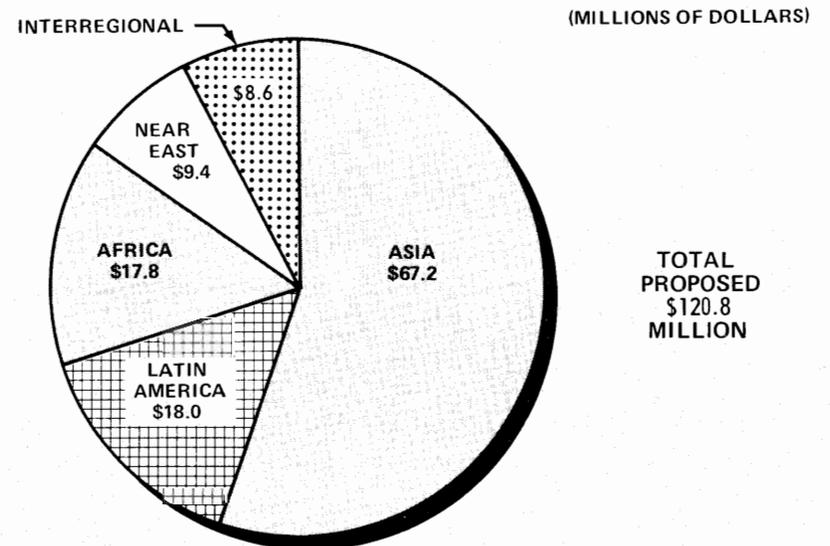
- Nevertheless, half the population in developing countries are children under the age of 15, dependent upon but not yet contributors to economic development.
- Life expectancy in developing countries is still only 50 years or less, compared to 71 years in the United States.

Today, some 85% of the people in developing countries still lack adequate access to basic health, family planning and nutrition services. While their government may put great emphasis on improving health, achieving that objective has proved to be extremely difficult.

The fundamental problem is how to improve health for the majority of these people when financial resources, skilled personnel, and required facilities are all extremely limited.



HEALTH; Proposed FY 1978 Program By Region



- On the average, less than \$3 per capita is spent for all population, health, and nutrition services in the public sector.
- Even that expenditure hides the inequity that \$10 or more per capita is often spent on a small minority, largely in urban areas, for primarily curative services while little or nothing goes to the majority, especially in the rural areas.

A major rethinking of ways to improve health is underway. This should lead to ideas on means to improve the prospects of most people to share more equitably in the benefits of development.

Four main problems must be attacked if the health of the poor majority in the developing countries is really to improve:

- too rapid population growth;
- malnutrition, especially among children;
- major environmental health hazards such as impure water, poor sanitation and tropical diseases;
- absence of effective basic family planning, health and nutrition services particularly at the village level.

In the past few years the developing countries and donor organizations have begun to develop better ways of attacking these problems.

On the basis of recent experience and projects now underway, we are developing more effective technologies to provide simple, effective and affordable services for the majority, even in hard-to-reach rural areas.

A.I.D. is currently developing a strategy for utilizing these technologies which will:

- outline improvements in planning, programming, management, and administration to promote health for the majority;
- focus on providing access to basic, low-cost preventive and curative health services for low-income populations through constructive changes in policy and the use of resources.

But such services must be considered in conjunction with other health measures and other development activities (e.g., in agriculture and education), in both private and public sectors, that affect health.

- Therefore, the A.I.D. health strategy will encourage integrated planning of health services and other measures that affect health.
- The health strategy will reflect growing evidence that many pervasive health problems of the poor can be dealt with effectively through networks of paramedicals, auxiliaries, and volunteers.
 - ** These people can provide less costly but effective health, nutrition and family planning information and basic services sufficient to cope with many problems.
 - ** They can refer more difficult cases to district centers or hospitals.
 - ** They can also teach the relationship between health and programs in other sectors, thus providing focus on the spot for the coordination of activities beyond the health sector that also affect health.

Costs can be kept down and services made more acceptable by combining or integrating services of different types-- e.g., maternal and child health with family planning.

A.I.D. proposes to fund \$46.4 million in health delivery systems in FY 1978.

- No single service mix can be universally appropriate, of course; specific mixes and modes of delivery must be determined in accordance with local conditions, problems and customs. In some cases, concentrating on health, or nutrition, or family planning may be a necessary prerequisite to a subsequent program of integrated service delivery.
- This approach to improving health relies on increasing the involvement of the community, not only through greater public awareness but also through greater actual participation in the diagnosis and treatment of health problems.
- A.I.D.'s efforts to support integrated services are at an early stage. But if administrative, political, and financial hurdles can be overcome, the approach offers promise for improving health significantly over the next decade.

A.I.D.'s efforts to support basic integrated health services have advanced over the past year.

- In Thailand, the Development and Evaluation of Integrated Delivery Systems (DEIDS) project has developed cost-effective ways to use middle-level health auxiliaries and community health workers for basic health care delivery in rural areas. Only two years along, this project has attracted the attention of, and has provided a well-observed demonstration for, several countries of that region; and it has already inspired Thai officials to consider replicating the health auxiliary concept and other innovative features throughout Thailand.

-- In Liberia, an integrated rural health system is linking the major components of health services under a National Health Council to provide preventive and curative services on a national scale to rural Liberians. It builds on experience from the Lofa County Rural Health pilot program, provides for renovation and construction of health outposts, and introduces the concept of village health workers trained and supported to operate within their home areas. The project provides rural communities with innovative means of coping with everyday health problems within their own resources and with limited support of local government.

-- In a unique project in Korea, a quasi-public institute has been organized through the Economic Planning Board to design and operate a rural health delivery system responding to local needs. Although barely operational, this project has already been instrumental in:

- ** involving economic planning and financing officials both in problems of rural health maintenance and in recognition of their importance to overall economic development;
- ** completely reorienting the Ministry of Health toward emphasis on basic health care for rural and low-income families;
- ** initiating an inquiry into possible provision for family health insurance or prepayment as part of the project.

-- In Nicaragua, Panama, and the Dominican Republic, projects have been underway for two years to test and extend basic health services which are within the administrative and financial support capabilities of the respective governments. The Panama project includes kitchen gardens to supply key scarce nutrients, potable water, and integration of health services within appropriate

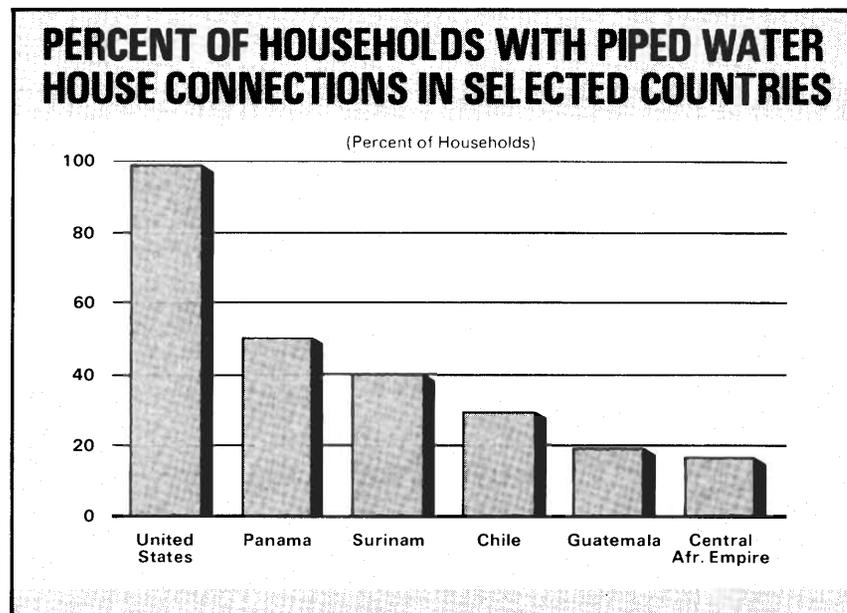
training for additional auxiliaries.

- In Bolivia, Guatemala, and Haiti, loans and grants are planned which will support health planning and extension of low-cost integrated health delivery systems to rural areas. The Bolivia project will replicate a model tested on a pilot scale with A.I.D. assistance.
- In Indonesia, efforts are underway to test alternative systems for delivering low-cost health and family planning services in rural areas, building on the considerable experience with successful family planning outreach systems.
- In the Philippines, a new project will provide basic sanitation, clean water, and essential health services to the rural populations through locally trained personnel supported by village governments.

In conjunction with better health services, more attention must go to health planning, environmental health and disease control.

- Better health planning is essential to assure that all measures affecting health are coordinated and all scarce resources used efficiently. This integrated planning requires, inter alia, considering the health impact of agricultural, educational and other developmental activities, as well as the role of commercial and traditional mechanisms in treatment and medication. A.I.D. proposes \$4.2 million for this category in FY 1978. (Some nine projects are presently underway).
- Control of environmental conditions (particularly provision of potable water and management of human waste) remains essential in preventing or curtailing the spread of both the common enteric viral or bacterial diseases and some major

parasitic diseases like amebiasis and schistosomiasis. As the chart below illustrates, most people in today's developing world lack piped water connections. A.I.D. proposes \$37.9 million for this category in FY 1978. Other diseases like malaria and onchocerciasis which spread through water-inhabiting vectors can also be reduced through effective water management,



** In the Philippines, a barangay or local water systems program is being developed that will train personnel and help establish a clean water system.

** In Costa Rica and Bolivia health loans will contribute to the establishment and maintenance of clean water systems.

-- Control of major tropical diseases such as malaria, schistosomiasis, trypanosomiasis and onchocerciasis remains essential to assuring good health in most LDCs.

** 25 million people in LDCs still suffer malaria;

** 40 million people have onchocerciasis;

** 200 million have schistosomiasis.

A.I.D. proposes \$24.9 million for this category in FY 1978. While a resurgence of malaria has unfortunately occurred in some places where control lapsed, progress is notable in other areas.

-- In Nepal, efforts are underway to eradicate malaria in fertile Terai lands; as malaria declines, malaria workers will be retrained to provide basic health services.

-- With A.I.D. assistance the WHO campaign against smallpox is winding up and the world's last few cases of smallpox should be eliminated within the next few months in Ethiopia, thus eradicating a scourge that once threatened millions of lives.

FY 1978 Program

The FY 1978 Program proposes \$113.5 million for health.

The FY 1978 proposal by country is shown in the table on the following page, "Summary of Health Program Proposal -- FY 1978." Details are in the geographic regional and interregional volumes of A.I.D.'s FY 1978 submission to the Congress.

SUMMARY
HEALTH PROGRAM PROPOSAL -- FY 1978
(in millions of dollars)

	<u>TOTAL</u>	<u>GRANTS</u>	<u>LOANS</u>
<u>TOTAL PROGRAM</u>	<u>120.8</u>	<u>53.2</u>	<u>67.7</u>
<u>AFRICA</u>	<u>17.8</u>	<u>17.8</u>	<u>-</u>
Cameroon	1.8	1.8	-
Cape Verde	.2	.2	-
Central African Republic	.2	.2	-
Chad	.4	.4	-
Ghana	1.0	1.0	-
Liberia	2.6	2.6	-
Mali	.8	.8	-
Niger	1.5	1.5	-
Senegal	1.0	1.0	-
Togo	.1	.1	-
Africa Regional	8.3	8.3	-
<u>ASIA</u>	<u>67.2</u>	<u>11.2</u>	<u>56.0</u>
Bangladesh	5.0	5.0	-
Indonesia	.6	.6	-
Nepal	.9	.9	-
Pakistan	40.0	-	40.0
Philippines	10.0	1.0	9.0
Sri Lanka	7.0	-	7.0
Asia Regional	3.7	3.7	-
<u>LATIN AMERICA</u>	<u>18.0</u>	<u>9.3</u>	<u>8.7</u>
Bolivia	5.7	.5	5.2
Dominican Republic	.3	.3	-
El Salvador	.7	.7	-

	<u>TOTAL</u>	<u>GRANTS</u>	<u>LOANS</u>
<u>LATIN AMERICA (continued)</u>			
Guatemala	3.7	.2	3.5
Haiti	5.9	5.9	-
Honduras	.2	.2	-
Nicaragua	.2	.2	-
Latin America Regional	1.4	1.4	-
<u>NEAR EAST</u>	<u>9.4</u>	<u>6.4</u>	<u>3.0</u>
Afghanistan	1.2	1.2	-
Morocco	.5	.5	-
Tunisia	3.5	.5	3.0
Yemen	3.7	3.7	-
Near East Regional	.4	.4	-
<u>WORLDWIDE TECHNICAL ASSISTANCE AND RESEARCH PROGRAMS</u>	<u>8.5</u>	<u>8.5</u>	<u>-</u>
<u>INSPECTOR GENERAL OF FOREIGN ASSISTANCE</u>	<u>.1</u>	<u>.1</u>	<u>-</u>

Note: Totals may not add due to rounding.

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

PROGRAM SUMMARY (In millions of dollars)			
FY 1976 Actual	TQ Actual	FY 1977 Estimated	FY 1978 Proposed
\$70.8	\$12.9	\$122.4	\$95.2

A.I.D.'s education and human resources development task is to assist poor children, men, and women of the developing countries to gain the skills, information, and knowledge necessary to enhance the quality of their lives.

Skills and knowledge are crucial to efforts designed:

- to increase food production;
- to achieve a more effective and equitable allocation of labor;
- to improve health and nutrition; and
- to reduce population growth rates.

A.I.D. supports the activities of the developing countries themselves to examine the effectiveness of existing formal and nonformal education programs and systems and to develop ways in which they can be modified, strengthened, and supplemented to reach and help the poor.

- Formal schools and traditional education programs confront a myriad of complex problems which affect their ability and effectiveness to meet the educational needs of the poor, particularly the rural poor.

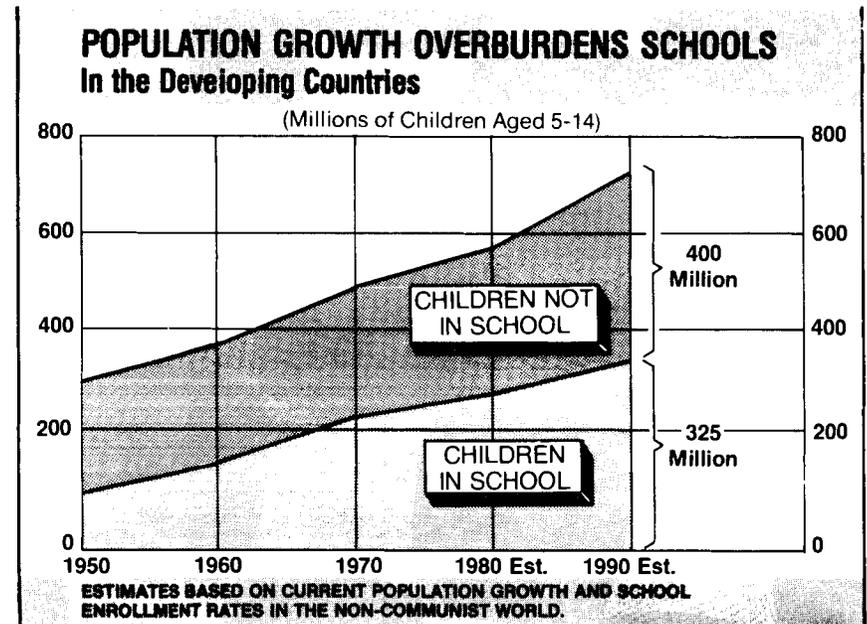
These include:

- ** irrelevant curricula;
- ** inadequate and poorly trained staff;

** unequal geographic distribution of schools;

** costly educational delivery systems.

A.I.D.'s program gives assistance to LDCs to develop and design relevant cost-effective means to extend the outreach of their formal educational systems.



- Developing countries do not, and cannot, rely on the schools alone to carry the entire human resources development burden (see chart above). A wide range of extra school or nonformal channels

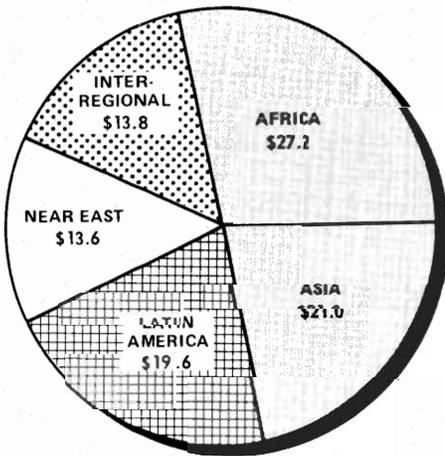
exists and can be established to supplement and complement schooling. To reach disadvantaged groups at affordable cost, A.I.D. is encouraging developing nations to explore and apply alternative educational forms and structures, including nonformal approaches for learning new agricultural, health, nutritional, and family planning practices.

- Developing countries need to expand and improve their own capacity to analyze and evaluate their human resource needs. A.I.D. contributes to this goal through extensive programs of participant training and technical assistance to local research institutions and government agencies concerned with economic and social development.

A.I.D.'s Program for FY 1978 is summarized below:

**EDUCATION AND HUMAN RESOURCES;
Proposed FY 1978 Program By Region**

(MILLIONS OF DOLLARS)



TOTAL
PROPOSED
\$95.2
MILLION

A.I.D. is directing a substantial proportion of its education and human resources assistance to the world's poorest countries. Eighty percent of A.I.D.'s FY 1978

bilateral assistance in this area will go to countries with annual per capita incomes under \$500. Most of these countries are in Africa and Asia.

- Despite considerable progress since 1960 in the extension of primary education, half of the primary-school-aged population in Africa and one-third of this age group in Asia remained out of school in 1970. This proportion remains high in several low-income Latin American countries, especially among rural populations.

- A.I.D.'s FY 1978 program continues to support activities to increase primary school participation and to improve its quality, primarily through programs of teacher training, curricula reform, and the development of inexpensive learning materials.

** Rural primary school teachers are being or will be trained in Guinea-Bissau, Nepal, Liberia, Bolivia, El Salvador, and Honduras. In the case of Nepal, radio technology is being utilized to reach primary teachers in remote rural areas.

** Support will continue to help Nepal institutionalize a process by which relevant educational materials are developed, tested, and evaluated. A major new initiative in the development of educational materials is planned for Afghanistan.

** Limited fiscal resources will go to support ongoing activities to increase the number and dispersion of rural primary schools in Afghanistan.

- Two-thirds of the adult population (15 years and older) in these poor countries are illiterate

Median educational attainments in Africa are less than one year. Although median educational attainments in Asia are higher, they are generally less than two years. The incidence of illiteracy is considerably higher for women than men. Thus, the extension of knowledge and information to improve health, nutritional agricultural, and family planning practices requires the innovative and creative use of communication and learning technologies which assume no literacy skills.

** In many of these countries women play an important role in agriculture in addition to their child rearing and domestic functions. Therefore, A.I.D. supports programs of nonformal education in Ghana, Morocco, Senegal, and Upper Volta to develop and improve women's skills in agriculture, health, nutrition, and family planning.

** Assistance will go to help Ethiopia develop 25 rural community skills development centers to deliver its program of nonformal education to the rural poor. To widen the access of educational opportunities for the rural poor, A.I.D. will support Paraguay's efforts to implement a simplified scheme of nonformal education relying on radio. In the Philippines, A.I.D. will build upon its earlier investment in constructing Barrio schools by relying on 300 of them as community learning centers to reach out-of-school young people

and adults with nonformal educational programs.

-- To be certain that government programs are responsive to the needs of the poor, training of civil servants must be designed with this objective. Further, if decision makers are to have relevant facts and information for policy purposes, stronger indigenous research capabilities are required. Examples of A.I.D.'s FY 1978 activities include:

** expanding the Pan African Institute for Development's (PAID) program of providing rural development and managerial training to African civil servants from both francophone and anglophone countries (PAID, which since 1965 has trained nearly 2,000 Africans in its short- and long-term programs and which already has two centers in Cameroon, will expand its regional operations with the addition of a center in francophone West Africa and one in anglophone East and Southern Africa);

** upgrading the training capacity of the Institute of Management and Training in Ethiopia to respond to the government's efforts to decentralize development activities and expand the participation of the rural poor;

** training personnel in country to administer and implement programs in agricultural extension, rural technical training, and food manufacturing in Indonesia;

- ** training personnel in country to administer and implement programs in agricultural extension, rural technical training, and food manufacturing in Indonesia;
- ** training government and/or academic personnel from Pakistan, Yemen Arab Republic, and the Philippines in the U.S. or third countries to improve their analytical capacity to respond to the development needs of the poor;
- ** strengthening the research capabilities of the Kabul University Research Center in Afghanistan to improve its effectiveness in assisting government policy makers to become more responsive to developmental problems and needs.

One-fifth of the FY 1978 bilateral education and human resources assistance goes to countries with annual per capita incomes between \$500 and \$1,000. A majority of these countries are in Central America, South America, and the Caribbean. These are countries faced with serious problems of:

- labor absorption and productive labor utilization;
- significant inequalities in the distribution of educational resources;
- the need to extend educational and employment opportunities to disadvantaged groups such as women and Indians.

Examples of A.I.D.'s program include:

- assistance to Jamaica in resolving its

labor utilization dilemma of high unemployment amidst a demand by employers for skilled labor;

- a major effort to complement the previous extensive efforts to expand rural primary schools in Guatemala by the establishment of a nonformal education program in agriculture, health and nutrition;
- support to Costa Rica and Nicaragua to train women and increase their participation in the development process;
- development and testing of a low-cost preschool education program in Peru to overcome the learning disadvantages faced by poor children in the Sierra.

Research and Development

The importance of education in the development process is generally recognized. Education contributes to higher agricultural and labor productivity. It is the medium through which success is achieved in health, nutrition, and family planning.

Yet the task confronting the developing countries and assistance agencies is enormous, if problems of illiteracy, dropouts, lack of educational opportunities for the poor, and other problems are to be ameliorated. A.I.D.'s research and development activities are designed to focus on these problems, giving attention to ways to make the learning process, both formal and nonformal, more effective and accessible.

Communication media approaches using films, radio, and cassettes are being combined with the older "technologies" such as textbooks and visual aids.

- Ongoing activities involve the application

of radio in a formal school setting to teach elementary mathematics (Nicaragua) and to extend the accessibility of primary schools in remote rural areas.

- Ongoing activities also emphasize the use of radio in nonformal settings, for such purposes as changing health practices in rural areas and to study ways in which communication practices may enhance the success of agricultural, health, and population projects.

To assist in the development, implementation, and dissemination of communication technology, A.I.D. will contribute in FY 1978 to the creation of communications software development centers in Asia, Africa, and Latin America. These centers will strengthen the capability of LDC specialists to produce effective learning materials and programs for dissemination by electronic means from direct broadcast satellites to low-powered radio stations, depending on which is appropriate given the context.

The majority of the adult population in the LDCs are functionally illiterate and a sizeable proportion of today's school-aged population either has received no formal schooling or has dropped out of school before acquiring functional literacy. A.I.D.'s research and development activities in the area of nonformal education are designed to identify means of meeting the training and knowledge needs of this poor majority.

- A.I.D.'s ongoing program to develop new techniques and instructional materials and means of educating adults and out-of-school youth is based on earlier experiences

with such groups in Ethiopia, Thailand, Ecuador, and Nigeria.

- A.I.D.'s program for FY 1978 will concentrate on newer ways to help small, effective nonformal education initiatives in local communities by developing and testing national government support services.

To meet the educational needs of the poor majority, decision makers in the developing countries need to improve and enhance their capacity to identify and solve educational problems and to find alternative strategies for financing their educational program. Research and development by A.I.D. include:

- Design and testing of appropriate analytical methodologies to help educational decision makers fully understand the dimensions of their educational problems and the policy options available to them.
- Examination of the interrelationships among education, health, and nutrition policies, so that investment decisions made in these sectors take into account such relationships to avoid costly duplication.

In 1972 and 1973 the leaders of the major donor agencies met in Bellagio, Italy, to consider new ways of working together in educational development assistance. They agreed that the role of higher education in the development process deserved special attention. An important aspect of this is the linkage between institutions of higher education in the developed countries and those in the developing countries.

- A.I.D.'s ongoing and new activities in this area support a careful study of the various ways U.S. and LDC post-secondary institutions can work together to bring about a more effective engagement of their teaching, research, and community service capabilities in the national development process.

Development Administration

A.I.D. helps developing countries build their public administration and management capabilities for more effective delivery of services to their people. Management components are vital elements of projects in the key sectors of nutrition, health, agriculture, family planning, education, and rural development.

Broader efforts to build management skills and institutions are especially important in the relatively less developed countries. Examples of these efforts include:

- technical assistance to the Municipal Development Institute of Guatemala to strengthen the administration of rural village services;
- technical assistance to strengthen the management skills of a core of Pakistan government officials engaged in implementing development programs;
- a grant to the African Center for Research and Training in Administration for Development supports Top Management and Project Management training programs serving over 30 African countries.

A.I.D. is providing its development program staff with methods for identifying management needs for service to the poor.

Based on the recommendations of an A.I.D. Work Group on Management Improvement and Development Administration, an Agency action plan is giving greater attention to management factors in U.S. assistance programs.

Education and human resource development is emphasized in other functional areas of the Foreign Assistance Act of 1961, as amended. For example:

- Section 103 which deals with Food and Nutrition calls for the "creation and strengthening of systems to provide other services...needed by farmers such as extension, research, and training..."
- Section 104 which deals with Population Planning and Health emphasizes "...disease prevention, environmental sanitation and health education; and population programs which include education in responsible parenthood and motivational programs..."

Historically about one-fourth of the developmental assistance in these two sectors has had a direct relationship to education and human resource development.

In addition, A.I.D.'s international training program has contributed substantially to the development of human resources in developing countries.

- Since its beginning in the 1940s, the program has trained approximately 180,000 foreign nationals.
- At the present, the program emphasizes training in food production, nutrition, population planning, health, and education.
- Some 250 colleges and universities and many

private business, industrial, and other institutions provide this training for A.I.D.

FY 1978 Program

The FY 1978 Program proposes \$95.2 million for Education and Human Resources Development. The FY 1978 proposal by country is shown in the table on the following page, "Summary of Education and Human Resources Development Program Proposal--FY 1978." Details are in the geographic, regional, and interregional volumes of A.I.D.'s FY 1978 submission to the Congress.

SUMMARY
 EDUCATION AND HUMAN RESOURCES DEVELOPMENT PROGRAM PROPOSAL -- FY 1978
 (in millions of dollars)

	<u>TOTAL</u>	<u>GRANTS</u>	<u>LOANS</u>
<u>TOTAL PROGRAM</u>	95.6	84.1	11.5
<u>AFRICA</u>	27.2	27.2	-
Cameroon	.2	.2	-
Ethiopia	1.0	1.0	-
Ghana	.6	.6	-
Guinea Bissau	.3	.3	-
Liberia	3.6	3.6	-
Portuguese Spkg. Reg'l.	1.9	1.9	-
Regional	19.6	19.6	-
<u>ASIA</u>	21.0	12.5	8.5
Indonesia	6.5	1.5	5.0
Nepal	1.3	1.3	-
Pakistan	2.2	2.2	-
Philippines	4.0	.5	3.5
Regional	7.0	7.0	-
<u>LATIN AMERICA</u>	20.0	17.0	3.0
Bolivia	1.6	1.6	-
El Salvador	1.5	-	1.5
Guatemala	.2	.2	-
Haiti	.7	.7	-
Honduras	.7	.7	-
Nicaragua	2.0	.5	1.5
Panama	.3	.3	-
Paraguay	.3	.3	-
Peru	.4	.4	-
ROCAP	.6	.6	-
Caribbean Reg'l.	.9	.9	-
Regional	10.4	10.4	-

	<u>TOTAL</u>	<u>GRANTS</u>	<u>LOANS</u>
<u>NEAR EAST</u>	<u>13.6</u>	<u>13.6</u>	<u>-</u>
Afghanistan	8.3	8.3	-
Morocco	1.0	1.0	-
Yemen	2.8	2.8	-
Regional	1.5	1.5	-
<u>WORLDWIDE TECHNICAL ASSISTANCE AND RESEARCH PROGRAMS</u>	<u>6.8</u>	<u>6.8 ^{a/}</u>	<u>-</u>
<u>PRIVATE AND VOLUNTARY ORGANIZATIONS</u>	<u>3.5</u>	<u>3.5</u>	<u>-</u>
<u>PROGRAM AND MANAGEMENT SERVICES</u>	<u>2.2</u>	<u>2.2</u>	<u>-</u>
<u>OFFICE OF LABOR AFFAIRS</u>	<u>1.1</u>	<u>1.1</u>	<u>-</u>
<u>INSPECTOR GENERAL OF FOREIGN ASSISTANCE</u>	<u>.2</u>	<u>.2</u>	<u>-</u>

a/ Includes \$300 thousand for Women in Development

Note: Totals may not add due to rounding

SELECTED DEVELOPMENT ACTIVITIES

PROGRAM SUMMARY (In millions of dollars)			
FY 1976 Actual	TQ Actual	FY 1977 Estimated	FY 1978 Proposed
85.1	30.6	81.0	110.3

Funds appropriated for Selected Development Activities finance technical assistance, energy research, reconstruction, special development problems and urban development activities not elsewhere authorized in the Foreign Assistance Act:

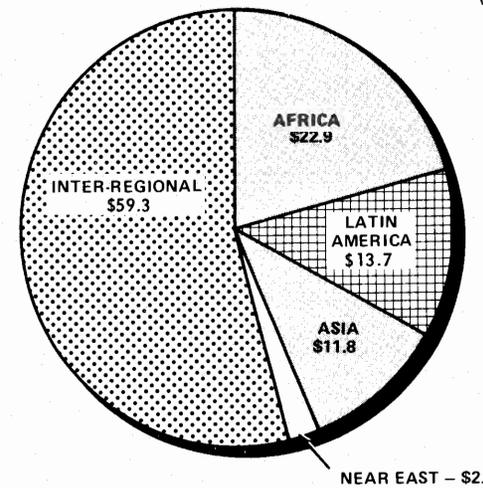
-- Technical Cooperation and Development

- ** grants to strengthen and expand technical cooperation and development programs of U.S. private and voluntary organizations (these programs are described in the special analyses section of this Summary volume);
- ** a concerted approach to the need for intermediate technologies adapted to developing countries (this program is also described in the special analyses section of this Summary volume);
- ** services and commodities on an advance-of-funds or reimbursement basis to friendly countries, international organizations, the American Red Cross, and voluntary non-profit relief agencies (this program is likewise described in the special analyses section of this Summary volume);

** training and technical assistance to technicians in developing countries to help them assess environmental aspects of development;

** transfer of technical information to and among developing countries and the strengthening of their technology policy and institutions;

**SELECTED DEVELOPMENT ACTIVITIES:
Proposed FY 1978 Program by Region**



(MILLIONS OF DOLLARS)

TOTAL PROPOSED
\$110.2
MILLION

** advisory services and economic feasibility studies.

-- Production and Conservation of Energy

** investigation of energy sources for rural uses and better energy technology;

** training of developing country personnel for better utilization and conservation of indigenous energy resources.

-- Research into and Evaluation of Economic Development

** measurement of progress and assessment of impact of development programs in developing countries worldwide;

** increase in and dissemination of knowledge of the process of development;

** economic and social impact analysis in the Philippines;

** multipurpose household survey in El Salvador which includes measuring income changes and household expenditures data.

-- Reconstruction following Disasters

** repair and rehabilitation of infrastructure damaged by flood in the Philippines;

** reconstruction of housing damaged by earthquake in Guatemala;

** continuation of planning coordination of Sahel development activities and assistance to the Niger River Planning Commission;

** assisting Nicaragua in further planning for urban reconstruction.

-- Special Development Problems

** improvements in transportation in the Douala-Yaounde corridor in Cameroon;

** small self-help community projects for rural and urban poor in Africa and Latin America;

** helping LDCs develop national policies and institutions for science and technology that will permit better technological choices, particularly in small and rural industry;

** natural resource assessment and management;

** reducing costs of public investment to conserve LDC foreign exchange and improve rural living conditions;

** application of selected and appropriate new technologies to help solve the priority problems of development, improve the effectiveness and reduce the costs of foreign assistance.

** improvement of tax collections at the provincial level in the Philippines;

** water desalinization assistance in Cape Verde;

** programs under Title IX to encourage civic participation.

FY 1978 Program

-- Urban Development to Assist the Poor

- ** identifying and strengthening those urban-based activities which support the development of rural areas;
- ** developing approaches to meeting the basic needs of the urban poor for productive employment and for access to essential services;
- ** studying how to make greater provisions of low-income housing through sites and services schemes in conjunction with the Housing Investment Guaranty program;
- ** improving Agency and host country capacities to do urban and regional analysis planning and project design.

The FY 1978 Program proposes \$110.3 million for Selected Development Activities. The FY 1978 proposal by country is shown in the table on the following page, "Summary of Selected Development Activities Program Proposal--FY 1978." Details are in the geographic regional and interregional volumes of A.I.D.'s FY 1978 submission to the Congress.

The \$29.3 million proposed increase in FY 1978 funding over estimated FY 1977 obligations is largely attributed to:

- increased grants to U.S. private and voluntary organizations;
- expanded development research and assistance in the field of intermediate technologies;
- project and technical resources development in Bangladesh;
- economic and social impact analysis and improved tax collection in the Philippines;
- desalinization project in Cape Verde;
- transportation improvements in Cameroon.

SUMMARY
 SELECTED DEVELOPMENT ACTIVITIES PROGRAM PROPOSAL--FY 1978
 (in millions of dollars)

	<u>TOTAL</u>	<u>GRANTS</u>	<u>LOANS</u>
<u>TOTAL PROGRAM</u>	110.3	86.8	23.5
<u>AFRICA</u>	22.9	10.9	12.0
Cameroon	7.6	.1	7.5
Cape Verde	4.5	-	4.5
Liberia	.5	.5	-
Sierra Leone	.2	.2	-
Africa/Regional	10.1	10.1	-
<u>ASIA</u>	11.8	7.8	4.0
Bangladesh	3.3	3.3	-
Indonesia	.6	.6	-
Philippines	6.5	2.5	4.0
Asia/Regional	1.4	1.4	-
<u>LATIN AMERICA</u>	13.8*	6.3*	7.5
Bolivia	.1	.1	-
Costa Rica	3.6	.1	3.5
Dominican Republic	.1	.1	-
El Salvador	.2	.2	-
Guatemala	.2	.2	-
Guyana	.1	.1	-
Haiti	.4	.4	-
Honduras	.8	.8	-
Nicaragua	.3	.3	-
Panama	.1	.1	-
Paraguay	.1	.1	-
Peru	.1	.1	-
Uruguay	**	**	-
Caribbean Regional	4.6	.6	4.0
Latin America Regional	3.4	3.4	-

	<u>TOTAL</u>	<u>GRANTS</u>	<u>LOANS</u>
<u>NEAR EAST</u>	<u>2.5</u>	<u>2.5</u>	<u>-</u>
Tunisia	1.0	1.0	-
Yemen	.6	.6	-
Near East Regional	.9	.9	-
<u>WORLDWIDE TECHNICAL ASSISTANCE AND RESEARCH PROGRAMS</u>	<u>19.6</u>	<u>19.6</u>	<u>-</u>
<u>PRIVATE AND VOLUNTARY ORGANIZATIONS</u>	<u>32.8</u>	<u>32.8</u>	<u>-</u>
<u>PROGRAM AND MANAGEMENT SERVICES</u>	<u>6.7</u>	<u>6.7</u>	<u>-</u>
<u>INSPECTOR GENERAL OF FOREIGN ASSISTANCE</u>	<u>.2</u>	<u>.2</u>	<u>-</u>

* Note: Totals do not add due to rounding

** Less than \$50,000

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

REGION: AFRICA

COUNTRY	Total	Food and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs
<u>CENTRAL AFRICA</u>							
BURUNDI	800	800	-	-	-	-	-
CENTRAL AFRICAN EMPIRE	475	40	215	220	-	-	-
RWANDA	1,085	1,085	-	-	-	-	-
<u>EAST AFRICA</u>							
ETHIOPIA	13,927	12,745	200	-	982	-	-
KENYA	3,592	2,282	1,310	-	-	-	-
TANZANIA	7,854	6,354	1,500	-	-	-	-
EAST AFRICA REG.	700	700	-	-	-	-	-
<u>WEST AFRICA</u>							
CAMEROON	12,657	2,640	430	1,787	200	7,600	-
CAPE VERDE	6,500	1,800	-	200	-	4,500	-
GUINEA-BISSAU	1,150	850	-	-	300	-	-
PORTUGUESE SPEAKING AFRICA	1,896	-	-	-	1,896	-	-
GHANA	17,270	14,770	980	965	555	-	-
LIBERIA	8,845	1,965	205	2,610	3,565	500	-
SIERRA LEONE	2,100	1,900	-	-	-	200	-
<u>FRANCOPHONE WEST AFRICA:</u>							
GUINEA	1,400	1,400	-	-	-	-	-
TOGO	300	-	250	50	-	-	-
ENTENTE AREA	5,430	5,430	-	-	-	-	-
<u>AFRICA REGIONAL PROGRAMS</u>							
AFRICA REGIONAL	54,535	18,832	838	8,251	16,554	10,060	-
<u>SAHELIAN AFRICA DEVELOPMENT ASST.</u>							
CHAD	5,797	3,794	-	411	1,592	-	-
MALI	6,988	5,923	265	800	-	-	-
MAURITANIA	1,411	1,411	-	-	-	-	-
NIGER	5,890	4,390	-	1,500	-	-	-
SENEGAL	8,361	5,750	611	1,000	1,000	-	-
UPPER VOLTA	1,827	1,227	-	-	600	-	-
SAHEL REG. ACTIVITIES	2,039	2,039	-	-	-	-	-
SAHEL DEV. PROGRAM	50,000	-	-	-	-	-	50,000
Total	222,829	98,127	6,804	17,794	27,244	22,860	50,000

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

REGION: AFRICA

COUNTRY	Total			Food and Nutrition			Population Planning and Health			Education and Human Resources Development			Selected Development Activities			Other Programs		
	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977
<u>CENTRAL AFRICA</u>																		
CENTRAL AFRICAN EMPIRE	263	-	918	263	-	200	-	-	600	-	-	-	-	-	-	-	-	118
RWANDA	293	242	215	293	242	215	-	-	-	-	-	-	-	-	-	-	-	-
ZAIRE	500	6,954	-	-	6,954	-	500	-	-	-	-	-	-	-	-	-	-	-
<u>EAST AFRICA</u>																		
ETHIOPIA	5,617	10	12,091	4,877	10	12,091	-	-	-	522	-	-	-	-	-	218	-	-
KENYA	3,926	1,041	22,164	2,209	510	20,708	1,006	531	1,017	-	-	-	-	-	-	711	-	439
SUDAN	150	-	-	150	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TANZANIA	7,157	1,275	6,111	3,187	1,035	4,666	958	240	1,445	60	-	-	-	-	-	2,952	-	-
EAST AFRICA REGIONAL	1,055	165	1,048	680	100	720	-	-	-	375	65	328	-	-	-	-	-	-
<u>SOUTHERN REGIONAL</u>																		
BOTSWANA	857	340	250	457	340	-	400	-	250	-	-	-	-	-	-	-	-	-
LESOTHO	918	272	2,351	918	272	1,125	-	-	858	-	-	368	-	-	-	-	-	-
MALAWI	1,455	-	3,500	1,455	-	3,500	-	-	-	-	-	-	-	-	-	-	-	-
MOZAMBIQUE	1,075	10,390	-	-	-	-	-	-	-	-	-	-	-	10,000	-	1,075	390	-
SWAZILAND	690	181	2,425	600	181	426	-	-	1,300	90	-	699	-	-	-	-	-	-
SOUTHERN AFRICA REG.	1,392	254	-	-	-	-	-	-	-	1,392	254	-	-	-	-	-	-	-
<u>WEST AFRICA</u>																		
CAMEROON	2,217	205	3,117	500	20	1,300	648	-	977	750	185	640	319	-	200	-	-	-
CAPE VERDE	1,000	-	2,200	-	-	1,600	-	-	600	-	-	-	-	-	-	1,000	-	-
GUINEA-BISSAU	-	-	1,606	-	-	500	-	-	-	-	-	100	-	-	-	-	-	1,006
SAO TOME PRINCIPE	-	-	300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	300
PORTUGUESE SPEAKING AFRICA REGIONAL	830	-	1,528	-	-	-	-	-	-	-	-	1,528	-	-	-	830	-	-
GHANA	11,889	2,362	4,316	10,280	1,835	919	1,174	285	2,037	350	242	835	85	-	-	-	-	525
LIBERIA	2,872	591	22,035	430	115	15,537	1,692	327	5,476	750	149	1,022	-	-	-	-	-	-
SIERRA LEONE	-	-	970	-	-	970	-	-	-	-	-	-	-	-	-	-	-	-
<u>FRANCOPHONE WEST AFRICA:</u>																		
GUINEA	237	13	600	188	-	600	-	-	-	-	-	-	-	-	-	49	13	-
TOGO	-	-	400	-	-	-	-	-	400	-	-	-	-	-	-	-	-	-
ENTENTE AREA	12,678	7,112	274	12,678	7,112	274	-	-	-	-	-	-	-	-	-	-	-	-
<u>AFRICA REG. PROGRAMS</u>																		
AFRICA REGIONAL	24,731	5,774	34,690	5,158	1,610	10,364	4,774	1,825	6,998	8,294	984	11,652	6,505	1,355	5,676	-	-	-

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

REGION: AFRICA

COUNTRY	Total			Food and Nutrition			Population Planning and Health			Education and Human Resources Development			Selected Development Activities			Other Programs		
	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977
<u>SAHELIAN AFRICA</u>																		
CHAD	673	2,092	4,609	651	-	1,760	-	-	669	-	-	400	-	-	-	22	2,092	1,780
MALI	2,689	811	7,446	689	411	6,046	-	-	450	-	-	-	-	-	-	2,000	400	950
MAURITANIA	335	312	512	-	-	500	-	-	-	-	-	-	-	-	-	335	312	12
NIGER	6,016	350	3,140	94	-	2,140	-	-	-	-	-	-	-	-	-	5,922	350	1,000
SENEGAL	895	289	7,749	-	-	6,600	-	-	1,149	-	-	-	-	-	-	895	289	-
UPPER VOLTA	1,183	263	3,389	783	-	3,039	-	-	-	-	-	300	-	-	-	400	263	50
SAHEL REG. ACTIVITIES	11,302	8,614	25,336	2,304	1,945	14,319	-	-	-	-	-	600	3,128	935	7,200	5,870	5,734	3,217
Total	104,895	49,912	175,290	48,844	22,692	110,119	11,152	3,208	24,226	12,583	1,879	18,472	10,037	12,290	13,076	22,279	9,843	9,397

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

REGION: ASIA

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

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

REGION: ASIA

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

* Figures may not add due to rounding.

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

REGION: NEAR EAST

COUNTRY	Total	Food and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs
Afghanistan	19,600	9,295	743	1,222	8,340	-	-
Morocco	10,339	6,270	2,594	475	1,000	-	-
Tunisia	10,555	4,352	1,650	3,508	-	1,045	-
Yemen	9,310	2,240	-	3,715	2,795	560	-
Regional	3,483	650	-	430	1,508	895	-
Total	53,287	22,807	4,987	9,350	13,643	2,500	

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

REGION: NEAR EAST

COUNTRY	Total			Food and Nutrition			Population Planning and Health			Education and Human Resources Development			Selected Development Activities			Other Programs		
	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977
Afghanistan	6,284	1,412	21,722	1,133	812	18,186	1,403	313	1,939	3,748	287	597	-	-	1,000	-	-	-
Morocco	14,249	494	3,255	13,803	483	1,940	446	11	1,315	-	-	-	-	-	-	-	-	-
Tunisia	2,439	430	10,108	976	430	6,224	1,262	-	2,574	201	-	130	-	-	1,180	-	-	-
Yemen	4,403	1,684	15,826	1,835	684	2,210	1,384	700	11,990	729	250	1,241	455	50	385	-	-	-
Regional	991	644	2,610	155	87	642	130	54	501	205	25	532	501	478	935	-	-	-
Total	28,366	4,664	53,521	17,902	2,496	29,202	4,625	1,078	18,319	4,883	562	2,500	956	528	3,500	-	-	-

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

REGION: LATIN AMERICA

COUNTRY	Total	Food and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs
BOLIVIA	30,882	23,537	-	5,700	1,570	75	-
COSTA RICA	12,239	8,350	339	-	-	3,550	-
DOMINICAN REPUBLIC	10,591	10,275	-	266	-	50	-
EL SALVADOR	11,267	8,114	832	652	1,500	169	-
GUATEMALA	11,095	6,729	300	3,656	200	210	-
GUYANA	100	-	-	-	-	100	-
HAITI	15,897	8,105	850	5,850	677	415	-
HONDURAS	19,144	17,100	445	172	663	764	-
JAMAICA	10,661	-	661	-	-	-	10,000 ^{1/}
NICARAGUA	15,115	12,154	514	190	1,990	267	-
PANAMA	23,774	22,800	631	-	293	50	-
PARAGUAY	8,069	7,131	530	-	358	50	-
PERU	21,522	20,741	295	-	436	50	-
URUGUAY	25	-	-	-	-	25	-
CARIBBEAN REGIONAL	16,104	10,625	-	-	904	4,575	-
CENTRAL AMERICA REGIONAL	2,876	2,289	-	-	587	-	-
LA/REGIONAL	22,019	6,750	-	1,417	10,452	3,400	-
^{1/} Security Supporting Assistance (See SSA Presentation Book for program details.)							
Total	231,380	164,700	5,397	17,903	19,630	13,750	10,000

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

REGION: LATIN AMERICA

COUNTRY	Total			Food and Nutrition			Population Planning and Health			Education and Human Resources Development			Selected Development Activities			Other Programs		
	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977	1976	TQ	1977
Bolivia	22,175	1,745	25,570	16,589	1,655	10,070	312	-	6,000	5,224	75	9,450	50	15	50	-	-	-
Brazil	900	29	461	-	-	-	-	-	-	900	29	461	-	-	-	-	-	-
Chile	14,299	350	11,305	14,199	340	11,230	-	-	-	50	-	-	50	10	75	-	-	-
Colombia	13,118	6,346	767	12,400	6,060	158	240	60	240	443	213	369	35	13	-	-	-	-
Costa Rica	6,434	58	552	6,160	-	170	274	58	332	-	-	-	-	-	50	-	-	-
Dominican Republic	15,786	156	661	15,324	78	270	261	53	273	143	8	68	58	17	50	-	-	-
El Salvador	1,448	174	5,337	446	22	862	629	86	772	135	30	3,239	238	36	464	-	-	-
Guatemala	41,311	3,565	27,932	14,054	190	16,820	436	25	442	350	100	5,480	8,050	13	5,190	18,421	3,237	-
Guyana	1,825	6	100	-	-	-	-	-	-	-	-	-	1,825	6	100	-	-	-
Haiti	8,974	10,906	23,007	7,455	10,537	10,387	1,444	354	9,000	-	-	300	75	15	3,320	-	-	-
Honduras	14,332	1,636	17,139	11,525	847	6,548	302	30	447	2,155	234	9,954	350	525	190	-	-	-
Jamaica	765	107	11,107	75	19	8,261	542	50	696	100	25	2,100	48	13	50	-	-	-
Nicaragua	16,372	869	20,020	246	250	8,224	11,626	452	1,013	-	-	10,500	4,500	167	283	-	-	-
Panama	21,746	3,705	7,945	4,031	-	7,000	6,425	3,590	554	11,360	109	341	30	6	50	-	-	-
Paraguay	4,271	945	6,291	3,526	774	5,584	347	80	369	368	78	288	30	13	50	-	-	-
Peru	12,555	848	11,416	11,713	840	500	248	-	211	554	-	10,655	40	8	50	-	-	-
Uruguay	445	55	220	165	-	-	-	-	-	266	55	195	14	-	25	-	-	-
Caribbean Regional	16,453	143	7,225	16,264	80	6,900	-	-	-	-	-	275	189	63	50	-	-	-
Central America Regional	2,193	15,972	2,798	1,502	15,691	2,254	-	-	-	536	281	508	155	-	36	-	-	-
Latin America Regional	22,009	5,579	23,956	7,605	1,056	6,444	2,990	972	2,849	9,886	3,250	11,627	1,528	301	3,036	-	-	-
Total	237,411	53,194	203,809	143,279	38,439	101,682	26,076	5,810	23,198	32,370	4,487	65,810	17,265	1,221	13,119	18,421	3,237	-

INTERNATIONAL DISASTER ASSISTANCE

International disaster assistance is well established as an important channel through which Americans, both individuals and groups, can direct their traditional humanitarianism. It has also become a key element of our Government's international activity which reflects the special concern of the United States for our stricken, disadvantaged fellow man.

The Agency for International Development is requesting a permanent replenishable fund of \$25 million to support international disaster relief, rehabilitation and preparedness activities.

- Such a permanent authorization would permit the President to respond quickly to disasters abroad by eliminating the need to obtain specific authorizations when it is necessary to replenish the disaster assistance account. In the case of the recent Guatemala and Italy relief efforts, the Congress had to appropriate funds on both occasions to meet the relief and rehabilitation needs. Fortunately, the international disaster assistance account had funds on hand in order to start up relief efforts. However, if the account were at a low level at the times of these disasters, valuable time would have been lost in the request for additional funds to meet the relief needs.
- Congress will retain control over the level of the funds through the appropriation process. The fund will be replenished through supplemental budget requests. The authorizing committees will be kept fully and currently informed of any supplemental requirements as well as the status of major U.S. disaster relief efforts.

While it is impossible to predict the timing, location and intensity of man-made and natural foreign disasters which will occur in coming years, experience indicates that the United States will respond to between 25 and 50 annually.

- Illustrative of the wide array of natural disasters to which the United States Government responded in FY 1976 and the TQ were:
 - ** aid to victims of major earthquakes in Italy, Guatemala and Indonesia;
 - ** floods in Ethiopia;
 - ** an epidemic in Benin;
 - ** landslides in Nepal.
 - Special Congressional appropriations had to be sought for assistance in Italy and Guatemala since needs exceeded funds available in the international disaster assistance account.
 - Assistance was also provided to a number of man-made disasters during that same period. These actions included:
 - ** civil strife in Angola, Lebanon and in the Western Sahara.
 - The \$62.1 million of disaster assistance funds committed by the United States in FY 1976 and the TQ to assist the victims of man-made and natural disasters is indicative of the magnitude of the official humanitarian reaction of the U.S. Government. In addition, of course, there was a vast outpouring of assistance from private organizations and individuals further demonstrating the sympathy of the American people for the afflicted.
- \$2.1 million of the \$25 million requested will be used to support disaster preparedness, contingency planning, research and stockpile support activities:
- Two major international disaster-preparedness seminars will be conducted by A.I.D.

- Technical assistance to lesser-developed disaster-prone countries will emphasize remote sensing techniques and include the provision of such scientific equipment as tiltmeters and other monitoring devices.
- Funds will be used to supply and maintain A.I.D.'s four regional disaster stockpiles located in Guam, Singapore, Italy and Panama.
- Continued support will be given to the development of modeling and other computer applications to contingency planning.
- Funds will be used to support a National Academy of Sciences study on the application of various forms of technology to improve U.S. foreign disaster assistance.

Lebanon Relief and Rehabilitation

In addition to the permanent \$25 million replenishable disaster assistance fund under Section 491 of the Foreign Assistance Act, an increase of \$20 million in FY 1978 is being requested for Lebanon relief and rehabilitation beyond that currently authorized under Section 495C. These additional funds are required to meet the relief and rehabilitation requirements of war-torn Lebanon.

American Schools and Hospitals Abroad

Program Summary (In Millions of Dollars)			
FY 1976 Actual	TQ Actual	FY 1977 Estimated	FY 1978 Proposed
16.7	5.6	19.8	7.5

The American Schools and Hospitals Abroad (ASHA) program provides grants to American sponsors of private institutions in foreign countries to help demonstrate American ideas, practices, and progress in education and medicine.

- American schools and hospitals overseas increase mutual understanding between the people of the United States and the people of other countries and present a favorable image of the United States abroad.
- U.S. foreign assistance grants under Section 214 of the FAA supplement the preponderantly private income which, in most cases, these institutions earn or receive from U.S. and foreign sources.

The FY 1978 request is \$7.5 million plus \$7 million equivalent in U.S.-owned Egyptian local currency.

The Egyptian currency equivalent of \$7 million is requested to supplement funds provided in recent fiscal years to replenish the endowment fund of the American University in Cairo (AUC) and for operating budget support not to exceed half the above sum.

Geographic Dispersion of the ASHA Program

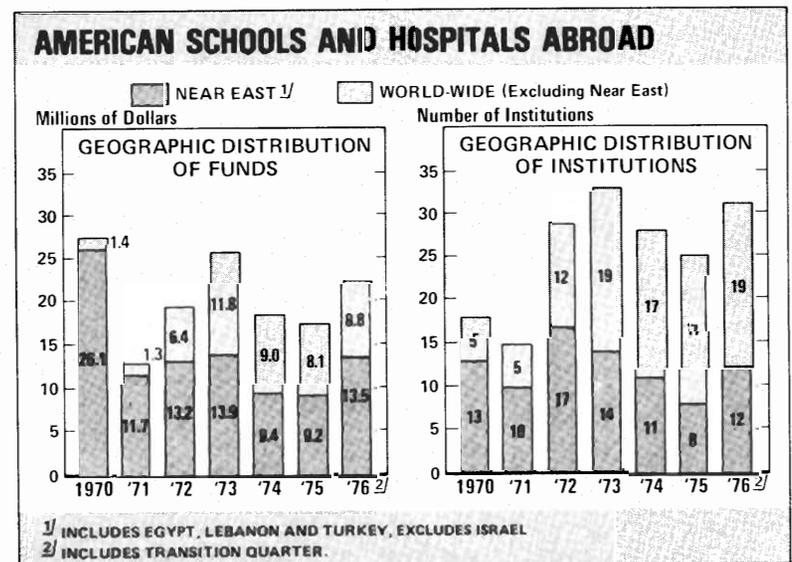
- For historical and political reasons, the ASHA program has been concentrated in the Near East.

-- Consistent with Congressional intent, A.I.D. has diversified the ASHA program geographically in recent years despite approximately the same yearly budget and continuing requirements for institutions in the Near East.

** In FY 1970 and FY 1971, when the Congress made specific line item appropriations for the ASHA program, 90% of ASHA funds were granted for institutions in the Near East.

** From FY 1972 through FY 1976, including the Transition Quarter, ASHA funds obligated by A.I.D. for projects in the Near East averaged 57%.

** The budget proposed does not provide the latitude for diversification of the program as all available funds will be required to maintain ongoing activities.



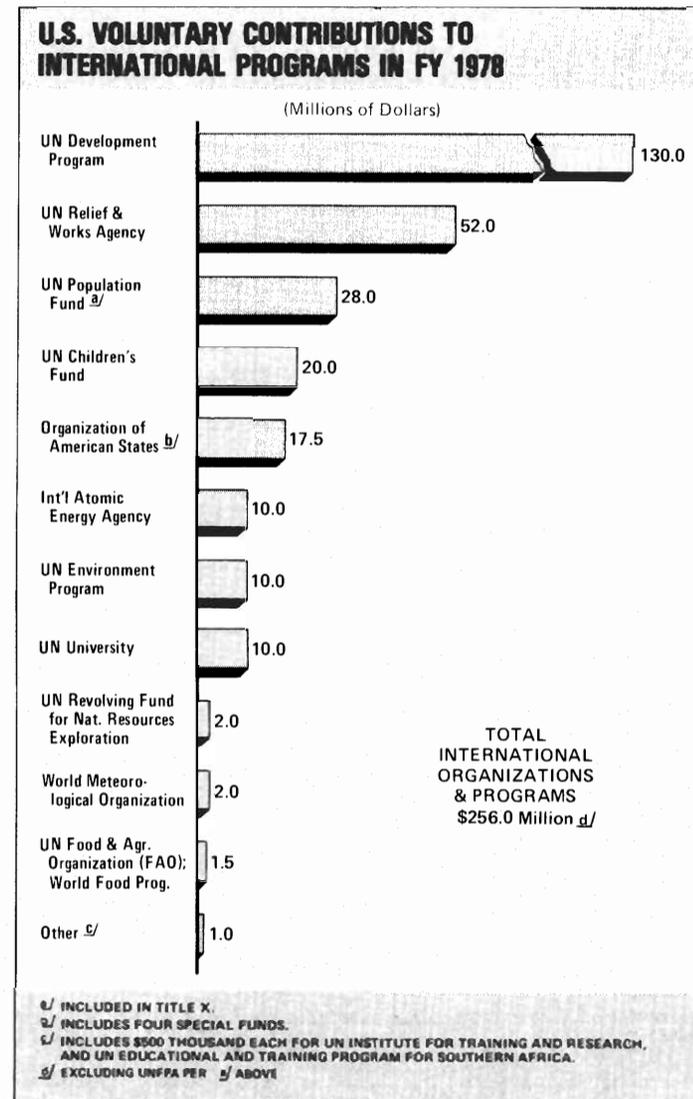
INTERNATIONAL ORGANIZATIONS AND PROGRAMS

The foreign economic, social and political interests of the United States are served by assistance through international organizations dealing with pressing worldwide economic and social problems.

- International programs are very effective and acceptable means of achieving constructive action on many complex and critical problems that affect the international development objectives of the United States with regard, for example, to food, population, energy, and the environment.
- The United States is committed with other nations to achieve mutually satisfactory solutions to these and other issues through the development programs of international organizations.
- The developing countries look to the United Nations (UN) and to regional organizations like the Organization of American States (OAS) as the instruments for cooperative action to address their own development needs as well as global issues.

Voluntary contributions to the programs of the UN and of the OAS support development activities complementary to U.S. bilateral assistance in areas of concern to the United States.

- In FY 1978 it is proposed to continue support of 14 UN and OAS programs, and to initiate support to the United Nations University.
- About one-half of all U.S. voluntary contributions to the International Organizations and Programs account is allocated to the United Nations Development Program (UNDP).



Summary Table
VOLUNTARY CONTRIBUTIONS TO
INTERNATIONAL ORGANIZATIONS AND PROGRAMS ^{a/}
(in millions of dollars)

	FY 1976 <u>Actual^{c/}</u>	FY 1977 <u>Appropriation</u>	FY 1978 <u>Proposed</u>
<u>United Nations Programs</u> ^{b/}	<u>162.4</u>	<u>182.0</u>	<u>238.5</u>
UN Development Program	(100.0)	(100.0)	(130.0)
UN Relief and Works Agency for Palestine Refugees	(26.7)	(38.7)	(52.0)
UN Children's Fund	(20.0)	(20.0)	(20.0)
UN University	-	-	(10.0)
Other UN	(15.7)	(23.3)	(26.5)
<u>Organization of American States</u>	<u>20.8</u>	<u>15.0</u>	<u>17.5</u>
<u>Total UN and OAS</u>	<u>183.2</u>	<u>197.0</u>	<u>256.0</u>

a/ For detailed table see the volume International Organizations and Programs.

b/ Includes funds under UN Environment Program Act.

c/ Does not include Transition Quarter.

The UNDP is the principal funding and programming mechanism for UN technical assistance. It is the world's largest technical cooperation program, benefiting 148 countries and territories. Its members have approved a spending target of \$3.46 billion for the second UNDP five-year program cycle (1977-1981) nearly doubling the resources it channeled into the developing countries during its first five-year cycle.

-- The principal share (\$2.5 billion) is for field programs, and the balance is required to build up reserves for operations and contingencies, for UNDP administrative and program support, and to meet support costs of the Executing Agencies.

** There were 23 Participating and/or Executing Agencies of the UNDP in 1975, with the largest share of project expenditures made by the UN Food and Agricultural Organization.

-- UNDP is overcoming serious management and financial difficulties encountered in late 1975. Under a new Administrator, action has been taken to cut administrative costs, reshape the organization, strengthen field offices, and install improved financial management and reporting measures. These measures will improve UNDP's capacity to implement effectively its expanding activities.

Burden sharing by other UNDP members has increased as the U.S. share has gone down from 37% ten years ago to 20% or less in recent years. UNDP growth has been met by increased contributions from the Nordic and European Community countries, and to some extent from OPEC countries.

-- For the next five years, in which UNDP will almost double its program, it is in the interest of the United States to provide at least 20% and preferably up to 25% of contributions per year. This is essential to help meet UNDP's new growth targets which the United States has endorsed. This is also important as a means to maintain U.S. leadership in the program, and to stimulate support from other donors.

** The revised FY 1978 request of \$130 million will bring the level of U.S. support to about 22% of total anticipated contributions as compared with only 19% in 1977.

** A number of developing countries including Saudi Arabia, Iran, and Kuwait, as well as Czechoslovakia and Yugoslavia, contribute more than the cost of the program in their own country.

- Although 14 developed countries including the United States account for the lion's share of UNDP support, the developing country members -- some 127 -- also contribute substantially to UNDP's resources and fund local costs of projects.

There has been a major program shift to low income countries and peoples in the allocation of UNDP and UN Agency resources for economic and social development.

- The United States has strongly influenced the UNDP formula for allocation of its resources over the next five years, whereby countries with an annual GNP per capita of \$150 or less will receive 50% of all program funds. Eighty percent of UNDP funds in the next five years will be programmed for countries of \$500 per capita or less, with 30% for the least developed countries (\$100 per capita GNP or less).
- The UN Children's Fund (UNICEF) has initiated a strategy to provide "basic services" for poor children in urban and rural areas.

The United States is committed to economic cooperation in the Americas, and has taken the lead in promoting OAS development programs. These reflect U.S. interests and initiatives for Inter-American collaboration. However, the programs emphasize Latin American capabilities to accelerate Latin American development, particularly the flow of expertise from the more advanced countries of the Hemisphere to their lesser developed neighbors.

- OAS development programs are directed towards trade promotion, economic and social development, transfer of science and technology, and the improvement of education. In response to U.S. initiatives, efforts are being made to strengthen the design and evaluation of programs and projects.

The United States finances 66% of the assessed and the voluntary contributions of the OAS. This is actually less than the U.S. capacity to pay relative to other members based on the UN formula for assessed contributions.

(Assessments are annual membership "dues" for operational costs whereas the "voluntary contributions" are for developmental activities).

- The UN formula takes into consideration population and per capita income factors.
- It is the policy of the United States to broaden the funding base of the OAS and counter a misleading impression of U.S. domination on account of its 66% share. The United States has formally declared its intention to seek to reduce its assessments to OAS to 49%.
- The United States is encouraging other members to increase their voluntary assistance. The wealthier countries of the region, notably Brazil, Argentina and Mexico, are already net contributors to three of the four OAS programs, and are collaborating with less developed countries of Latin America through regional programming arrangements.
- Our voluntary contributions to the OAS are only a small portion of our total voluntary contributions, and yet the United States has a special relationship with the developing countries of Latin America and the Caribbean.

The interests of the United States and its citizens are directly served by our support of, and participation in, the UN development system and the development programs of the OAS, as well as in the UN University.

- The United Nations Relief and Works Agency (UNRWA) is easing political tensions in the Middle East through humanitarian efforts, supplementing U.S. peacemaking efforts.

-- The United Nations Environment Program (UNEP) has established "Earthwatch" including a Global Environmental Monitoring System (GEMS) to better assess the limits and effects of pollution of the earth's life support systems. Concurrently, the World Weather Watch of the UN Meteorological Organizations helps counter natural disasters. These kinds of problems require worldwide surveillance and cooperative action through the UN system.

-- United States contributions to the International Atomic Energy Agency advance the peaceful uses of atomic energy while improving acceptance and support for Agency safeguards and physical protection activities.

-- American research and training institutions will play an active role as part of a network of advanced training and research institutions working through the UN University to help find practical solutions to global problems.

-- UNDP procurement benefits U.S. suppliers. In 1975 the United States was the largest supplier of UNDP-funded equipment orders, of subcontracts awarded by UNDP to firms, and of UNDP training fellowships. When combined with the salaries of U.S. experts in the field, and of UNDP Headquarters expenditures in New York City, the value significantly exceeded the U.S. contribution to UNDP in 1975. Similarly, OAS headquarters expenditures in Washington, D. C., and OAS procurement in the United States return a significant share of our contributions to the U.S. economy.

-- American firms benefit from investment opportunities resulting from UNDP feasibility studies and pre-investment projects. UNDP studies serve as an important base for rational capital investment. Investment is made by the World Bank, governments, and private firms.

** In the past three years, for example, UNDP-funded projects in natural resources exploration led to an estimated \$1.6 billion in follow-up investments.

-- U.S. citizens obtain direct benefits from multilateral action against epidemics, traffic in drugs, population expansion, and for the regulation of air and sea traffic and communications.

A.I.D. OPERATING EXPENSES

In FY 1976, Congress, for the first time, appropriated separate funding for the operating expenses of A.I.D. The operating expense concept was introduced by A.I.D. in FY 1974 for two reasons:

- to develop more accurate operational cost data for management control and decision making;
- to inform the Congress of the total cost of planning, administering and supporting A.I.D. programs and projects.

The A.I.D. operating expenses budget consists of direct-hire salaries and supporting costs in Washington and overseas associated with the functions of:

- policy formulation -- program coordination
- program planning -- program support
- program management -- administrative management
- program evaluation -- personnel support

The operating expense concept presents in a single budget not only traditional "administrative" costs, but also significant costs relating to support and management of approved programs and projects, such as:

- technical planning and management of specific projects and programs;
- contracting;
- commodity procurement;
- engineering services;
- participant training services.

A.I.D. operating expenses provide the support requirements for about 97% of all direct hire personnel. (The remaining personnel are funded from other appropriations.)

To present a complete picture of A.I.D. operating expenses, this presentation includes all costs which fit the definition of operating expenses--even though about 4% of these costs are met from nonappropriated funds. A.I.D. operating expenses for FY 1978 will be funded from four types of funds, as shown in Table I:

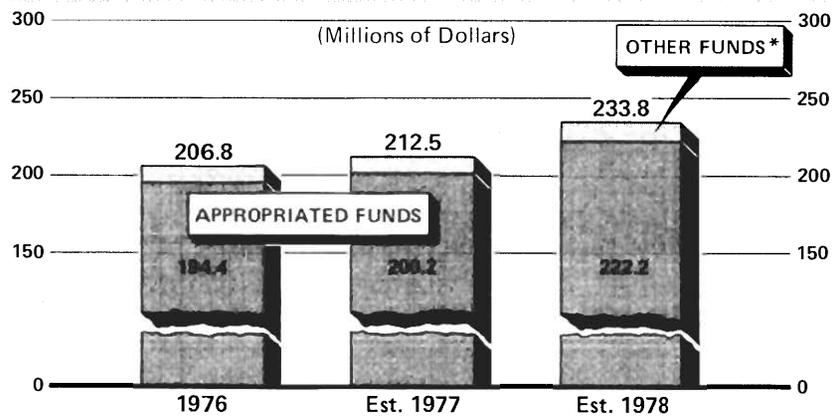
- dollar funds appropriated annually by Congress including carryover of unobligated funds from the preceding period and deobligations of prior year funds;
- reimbursements from other agencies for services performed by A.I.D.;
- dollar funds from the A.I.D. housing guaranty and excess property programs that do not require annual appropriation;
- local currency trust funds provided by the recipient countries themselves to support A.I.D. operations.

Table 1

FY 1978 A.I.D. Operating Expenses
By Funding Source
(\$ Millions)

Appropriated Dollars	222.2
Dollar Reimbursements	2.8
Dollar Fees	2.3
Local Currency Trust Funds(Overseas)	<u>6.5</u>
Total Operating Expenses	233.8

**TREND OF A.I.D. OPERATING EXPENSES;
Fiscal Years 1976-1978
(Including Non-Appropriated Funds)**



*INCLUDES DOLLAR REIMBURSEMENTS, DOLLAR FEES AND LOCAL CURRENCY TRUST FUNDS.

Increased requirements for support of overseas programs combined with pay raises and substantial inflation have greatly affected both overseas and U.S. costs. As shown in Table 2, A.I.D.'s total estimated FY 1978 operating expenses have increased by 13% since FY 1976.

-- During FY 1976, for reasons discussed in the Personnel section, A.I.D. had fewer employees on board than its planned employment level of 6,152. However, the Agency anticipates achieving the full level of 6,150 by the end of FY 1977 and maintaining that level through FY 1978.

-- The increase in employees overseas for FY 1978, plus soaring inflation rates in the developing countries, have contributed to increased operating costs for overseas operations.

-- Although the Washington staff will remain generally at the same on-board strength throughout FY 1978 as it has been since FY 1976, operating expenses will increase largely because of inflationary increases and additional support costs for expanding programs and overseas operations.

-- Additionally, the Agency's total operating expense budget for FY 1978 includes \$5.8 million resulting from the October 1976 pay raise, but does not include provisions for any subsequent pay raises.

Table 2

A.I.D. OPERATING EXPENSES
BY MAJOR LOCATION
(\$ Millions)

	FY 1976 ACTUAL	FY 1977 ESTIMATE	FY 1978 ESTIMATE
Overseas Operations	114.3	121.0	131.3
Washington Operations ^{1/}	92.5	91.5	102.5
TOTAL OPERATING EXPENSES	206.8	212.5	233.8

1/ Funding Sources:

	FY1976	FY1977	FY1978
New Obligation Authority	90.0	85.0	99.1
Dollar Fees	1.8	2.3	2.3
A.I.D./W Share of Reimbursements	.7	1.1	1.1
October 1976 Pay Raise, A.I.D./W Share of Supplemental Request	-	3.1	-
Total Washington Operations	92.5	91.5	102.5

Operating expenses by type of cost, grouped by object classifications, are illustrated in Chart B for the FY 1978 budget and are shown in Table 3 for fiscal years 1976 through 1978.

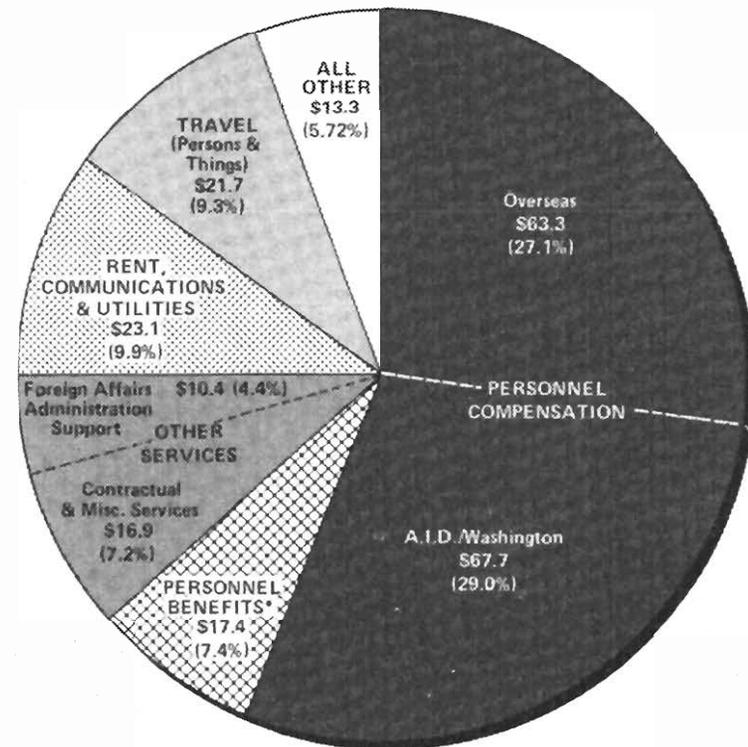
There is a continuing need for flexibility in funding A.I.D. Operating Expenses. Many variables which cannot be projected with complete certainty affect total requirements for new obligational authority for operating expenses. These include:

- New Programs: the need from time to time to start new programs or expand existing ones (e.g., in the Middle East or Africa). Sometimes activities which A.I.D. is called upon to administer cannot be foreseen at the time the operating expense budget is prepared. Operating expenses for such requirements are difficult to project.
- Inflation: substantial inflationary pressure in most of the developing countries in which A.I.D. operates necessitates local employee pay increases and causes other local costs to rise. The effect upon various cost elements of our budget is frequently uneven and unpredictable. In particular, rents, local salaries and utility costs have increased dramatically during the past year. Frequent fluctuations in currency valuations are another variable which affects cost estimates.
- Diminished local currency trust funds: as programs that generate country-owned local currency are reduced, the availabilities of local currency trust funds provided by host countries decrease. This, in turn may increase the requirements for appropriated dollar funds to meet essential operating expenses.

Every effort has been made to incorporate all factors known at this time in the FY 1978 request and to present requirements as accurately as possible.

A.I.D. OPERATING EXPENSES; FY 1978 ESTIMATE, BY OBJECT CLASS (Including Non-Appropriated Funds)

(Millions of Dollars)



TOTAL \$233.8 Million

*FOR CURRENT AND FORMER EMPLOYEES.

Table 3

A.I.D. OPERATING EXPENSES BY OBJECT CLASS
(\$ Millions)

OBJECT CLASS	FY 76 ACTUAL	TRANS- ITION QUARTER	FY 77 ESTI- MATE	FY 78 PRO- POSED					
11 Personnel Compensation					24 Printing and Repro- duction				
A.I.D. Washington	59.7	15.5	63.7	67.7	A.I.D. Washington	1.0	.2	.9	1.1
Overseas	47.0	12.3	59.2	63.3	Overseas	.1	-	.1	.1
Total	106.7	27.8	122.9	131.0	Total	1.1	.2	1.0	1.2
12 Personnel Benefits					25 Other Services				
A.I.D. Washington	5.3	1.3	5.5	6.0	A.I.D. Washington	16.2	3.3	6.7	10.8
Overseas	7.8	2.9	10.4	10.7	Overseas	22.3	7.4	17.1	16.7
Total	13.1	4.2	15.9	16.7	Total	38.5	10.7	23.8	27.5
13 Benefits - Former Personnel					26 Supplies and Materials				
A.I.D. Washington	.3	-	.7	.3	A.I.D. Washington	.9	.3	.8	1.1
Overseas	1.5	.1	.9	.4	Overseas	3.2	1.0	2.7	2.9
Total	1.8	.1	1.6	.7	Total	4.1	1.3	3.5	4.0
21 Travel and Trans- portation of Persons					31 Equipment				
A.I.D. Washington	4.4	1.2	4.5	6.1	A.I.D. Washington	.9	.3	1.0	1.1
Overseas	8.0	2.2	9.1	10.1	Overseas	6.7	1.7	2.4	4.4
Total	12.4	3.4	13.6	16.2	Total	7.6	2.0	3.4	5.5
22 Transportation of Things					32 Lands and Structures				
A.I.D. Washington	.3	.1	.3	.4	A.I.D. Washington	-	-	-	-
Overseas	5.7	1.9	5.4	5.1	Overseas	.1	-	.5	.4
Total	6.0	2.0	5.7	5.5	Total	.1	-	.5	.4
23 Rent, Communications, Utilities					41 Grants, Subsidies, and Contributions				
A.I.D. Washington	3.5	2.0	7.4	7.9	A.I.D. Washington	-	-	-	-
Overseas	9.3	3.0	11.2	15.2	Overseas	2.6	-	2.0	2.0
Total	12.8	5.0	18.6	23.1	Total	2.6	-	2.0	2.0
					SUMMARY				
					A.I.D. Washington	92.5	24.2	91.5	102.5
					Overseas	114.3	32.5	121.0	131.3
					TOTAL	206.8	56.7	212.5	233.8

Table 4

FUNDING SOURCES FOR A.I.D. OPERATING EXPENSES
(\$ Millions)

	<u>FY 76</u> <u>ACTUAL</u>	<u>TRANS-</u> <u>ITION</u> <u>QUARTER</u>	<u>FY 77</u> <u>ESTI-</u> <u>MATE</u>	<u>FY 78</u> <u>PRO-</u> <u>POSED</u>
Operating Expense Requirements	206.8	56.7	212.5 ^{1/}	233.8 ^{2/}
Less: Dollar Fees	1.8	.4	2.3	2.3
Dollar Reimbursements	1.8	.5	2.8	2.8
Local Currency Funds	<u>8.7</u>	<u>2.1</u>	<u>7.2</u>	<u>6.5</u>
Appropriated Funds Required	194.4	53.7	200.2	222.2
Less: Recoveries	-	1.8	1.0	2.0
Carry Forward from				
Prior Periods	<u>-</u>	<u>.2</u>	<u>3.8</u> ^{3/}	<u>-</u>
Requirement for New Funding	194.4	51.7	195.4	220.2
Unobligated Balance Carried Forward to Subsequent Period	<u>.2</u>	<u>3.8</u>	<u>-</u>	<u>-</u>
New Obligational Authority Requested	<u>194.6</u>	<u>55.5</u>	<u>195.4</u>	<u>220.2</u>

1/ Includes \$5.2 million attributed to October 1976 pay raise, \$3.4 million of which will be included in a supplemental appropriation request and \$1.8 million of which will be drawn from funds carried forward.

2/ Includes \$5.8 million attributed to October 1976 pay raise.

3/ Includes \$1.8 million for October 1976 pay raise.

NOTE: Totals may not add due to rounding.

AGENCY FOR INTERNATIONAL DEVELOPMENT
TOTAL PROGRAM AVAILABILITY AND ACTUAL PROGRAM
FY 1976
(in millions of dollars)

	Unobligated Balance Brought Forward	New Obl. Authority	Transfers	Reimburse- ments	Recoveries	Total Available for Oblig.	Program	Unobligated Balance Carried Forward
FUNCTIONAL DEVELOPMENT ASSISTANCE								
Food and Nutrition	-	426.6	-6.8 ^{a/}	-	14.5	434.3	406.7	27.6
Population Planning and Health	-	146.4	-	-	17.4	163.8	157.6	6.2
(Population Planning)	(-)	(103.0)	(-)	(-)	(-)	(103.0)	(103.0)	(-)
(Health)	(-)	(43.4)	(-)	(-)	(17.4)	(60.8)	(54.6)	(6.2)
Education and Human Resources Development	-	60.8	-	.4	14.1	75.3	70.8	4.5
Section 106 Development Activities	10.0	57.4	-	-	23.1	90.5	85.1	5.4
Subtotal, Functional Accounts	10.0	691.2	-6.8	.4	69.1	763.9	720.2	43.7
(Grants included above)	(6.5)	(347.5)	(-)	(.4)	(14.6)	(369.0)	(325.3)	(43.7)
(Loans included above)	(3.5)	(343.7)	(-6.8)	(-)	(54.5)	(394.9)	(394.9)	(-)
INTERNATIONAL ORGANIZATIONS AND PROGRAMS								
UN Technical Assistance and Other Programs	.3	175.2	-	-	.5	176.0	117.5	58.5
UN Environment Fund	-	7.5	-	-	-	7.5	5.0	2.5
Indus Basin Development Fund, Grants	-	9.0	-	-	-	9.0	9.0	-
Indus Basin Development Fund, Loans	-	10.0	-	-	-	10.0	-	10.0
Subtotal, International Organizations and Programs	.3	201.8	-	-	.5	202.5	131.5	71.0
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT								
	-	200.0	-	-	-	200.0	-	200.0
AMERICAN SCHOOLS AND HOSPITALS ABROAD								
	.1	19.8	-	-	-	19.9	16.7	3.3
OTHER ASSISTANCE PROGRAMS								
International Disaster Assistance	2.8	70.0	-	-	.2	73.0	32.6	40.5
Cyprus Relief and Rehabilitation	-	25.0	-	-	-	25.0	10.0	15.0
Famine or Disaster Relief in the Sahel	.1	-	-	-	.7	.9	-	.9
Disaster Relief and Reconstruction	30.7	-	-	-	.8	31.6	19.0	12.6
Portugal and Portuguese Colonies in Africa	4.6	-	-	-	-	4.6	2.9	1.7
Refugee Relief Assistance (Bangladesh)	-	-	-	-	1.3	1.3	-	1.3
African Development Program	-	5.0	-	-	-	5.0	-	5.0
Subtotal Development Assistance	48.7	1,212.8	-6.8	.4	72.7	1,327.8	932.8	394.9
INDOCHINA POSTWAR RECONSTRUCTION								
	11.2	-	-	2.9	104.2	118.3	8.3	^{b/}
PRESIDENT'S FOREIGN ASSISTANCE CONTINGENCY FUND								
	-	5.0	-	-	.3	5.3	-	^{b/}
SECURITY SUPPORTING ASSISTANCE								
	4.1	1,689.9	-	-	6.3	1,700.3	1,087.2	613.2
MIDDLE EAST SPECIAL REQUIREMENTS FUND								
	-	50.0	-	-	-	50.0	35.6	14.4
OPERATING EXPENSES								
	-	194.6	-	1.8	-	196.4	196.3	.1
FOREIGN SERVICE RETIREMENT AND DISABILITY FUND								
	-	16.7	-	-	-	16.7	16.1	.6
TOTAL, AGENCY FOR INTERNATIONAL DEVELOPMENT	64.0	3,168.9	-6.8	5.1	183.6	3,414.9	2,276.2	1,023.3^{b/}

NOTE: Totals may not add due to rounding.

^{a/} Transfers to State Department, Office of Refugee and Migration Affairs.

^{b/} Unobligated balances of \$110 for Indochina Postwar Reconstruction and \$5.3 for Contingency Fund returned to Treasury.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Total Program Availability and Actual Program
Transition Quarter (Actual)
(in millions of dollars)

	Unobl. Bal. Brought Fwd.	New Obl. Authority	Reimburse- ments	Recoveries	Total Avail. for Oblig.	T. Q. Program	Unobl. Bal. Carried Fwd.
FUNCTIONAL DEVELOPMENT ASSISTANCE							
Food and Nutrition	4.3	112.5	-	-	116.8	114.8	2.0
Population Planning and Health	14.5	33.5	-	4.7	52.6	51.7	.9
Population Planning	(-)	(32.5)	-	(-)	(32.5)	(32.5)	-
Health	(14.5)	(.9)	-	(4.7)	(20.1)	(19.2)	(.9)
Education and Human Resources Development	4.5	8.8	-	3.8	17.1	13.2	3.9
Section 106 Development Activities	20.4	11.1	-	.7	32.2	30.6	1.6
Subtotal, Functional Accounts	43.7	165.9	-	9.2	218.7	210.3	8.4
(Grants included above)	(43.7)	(90.9)	(-)	(1.4)	(135.9)	(129.9)	(6.0)
(Loans included above)	(-)	(75.0)	(-)	(7.8)	(82.8)	(80.4)	(2.4)
INTERNATIONAL ORGANIZATIONS AND PROGRAMS							
UN Technical Assistance and Other Programs	58.5	16.3	-	-	74.8	74.5	.3
UN Environment Fund	2.5	-	-	-	2.5	2.5	-
Indus Basin Development Fund, Grants	-	2.3	-	-	2.2	2.2	-
Indus Basin Development Fund, Loans	10.0	-	-	-	10.0	10.0	-
Subtotal, International Organizations & Programs	71.0	18.6	-	-	89.5	89.2	.3
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT	200.0	-	-	-	200.0	-	200.0
AMERICAN SCHOOLS AND HOSPITALS ABROAD	3.3	2.4	-	-	5.7	5.6	.1
OTHER ASSISTANCE PROGRAMS							
Cyprus Relief and Rehabilitation	15.0	5.0	-	-	20.0	20.0	-
International Disaster Assistance	40.5	5.0	-	.4	45.9	29.6	16.3
Famine or Disaster Relief in the Sahel	5.9	-	-	.1	5.9	5.0	.9
Disaster Relief and Reconstruction	11.2	-	-	.4	11.7	4.5	7.2
Refugee Relief Assistance (Bangladesh)	1.3	-	-	-	1.3	-	1.3
Portugal and Portuguese Colonies in Africa	1.7	-	-	-	1.7	.4	1.3
Subtotal, Development Assistance	393.6	196.8	-	10.1	600.4	364.6	235.8
PRESIDENT'S FOREIGN ASSISTANCE CONTINGENCY FUND	-	1.2	-	-	1.2	-	- a/
SECURITY SUPPORTING ASSISTANCE	613.2	269.7	-	1.2	884.1	871.7	12.4
MIDDLE EAST SPECIAL REQUIREMENTS FUND	14.4	10.0	-	1.3	25.7	18.3	7.4
OPERATING EXPENSES	-	55.5	.9	1.5	58.1	54.3	3.8 a/
FOREIGN SERVICE RETIREMENT AND DISABILITY FUND	.6	-	-	-	.6	.6	-
TOTAL, AGENCY FOR INTERNATIONAL DEVELOPMENT	1,022.0	533.3	.9	14.1	1,570.2	1,309.5	259.5 a/

NOTE: Totals may not add due to rounding.
a/ \$1.2 of Contingency Fund returned to Treasury.

AGENCY FOR INTERNATIONAL DEVELOPMENT
TOTAL PROGRAM AVAILABILITY
FY 1977 (ESTIMATED)
(in millions of dollars)

	Unobligated Balance Brought Forward	Appropriation	Estimated Transfers	Estimated Reimbursements	Estimated Recoveries	Proposed Program
FUNCTIONAL DEVELOPMENT ASSISTANCE						
Food and Nutrition	2.0	505.0	-20.6	-	6.3	492.7
Population Planning and Health	.9	214.0	7.6	-	15.3	237.8
Education and Human Resources Development	3.9	70.0	19.3	-	29.1	122.4
Selected Development Activities	1.6	67.0	-6.3	-	18.7	81.0
Subtotal, Functional Accounts	8.4	856.0	-	-	69.4	933.8
(Grants included above)	(6.0)	(556.0)	(-)	(-)	(42.3)	(604.3)
(Loans included above)	(2.4)	(300.0)	(-)	(-)	(27.1)	(329.5)
INTERNATIONAL ORGANIZATIONS AND PROGRAMS						
UN Technical Assistance and Other Programs	.3	215.0 ^{a/}	-	-	-	215.3
UN Environment Fund	-	10.0	-	-	-	10.0
Indus Basin Development Fund, Grants	-	15.8	-	-	-	15.8
International Atomic Energy Agency, Safeguards	-	3.0 ^{b/}	-	-	-	3.0
Subtotal, International Organizations and Programs	.3	243.8	-	-	-	244.1
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT	200.0	-	-	-	-	200.0
AMERICAN SCHOOLS AND HOSPITALS ABROAD	.1	19.8	-	-	-	19.9
OTHER ASSISTANCE PROGRAMS						
International Disaster Assistance	16.3	45.0 ^{c/}	-	-	-	61.3
Famine or Disaster Relief in the Sahel	.9	-	-	-	-	.9
Disaster Relief and Reconstruction	7.2	-	-	-	-	7.2
Portugal and Portuguese Colonies in Africa	1.3	-	-	-	-	1.3
Subtotal, Development Assistance	234.5	1,164.6	-	-	69.4	1,468.5
PRESIDENT'S FOREIGN ASSISTANCE CONTINGENCY FUND	-	5.0	-	-	-	5.0
SECURITY SUPPORTING ASSISTANCE	12.4	1,734.7	-	-	5.1	1,752.2
MIDDLE EAST SPECIAL REQUIREMENTS FUND	7.4	23.0	-	-	-	30.4
OPERATING EXPENSES	3.8	195.4 ^{e/}	-	2.8	1.0	203.0 ^{e/}
FOREIGN SERVICE RETIREMENT AND DISABILITY FUND	-	21.25 ^{f/}	-	-	-	21.25
TOTAL, AGENCY FOR INTERNATIONAL DEVELOPMENT	258.1	3,143.95 ^{d/}	-	2.8	75.5	3,480.35

^{a/} Includes \$28 million supplemental appropriation request for U.N. Relief and Works Agency (UNRWA).

^{b/} Supplemental appropriation requested.

^{c/} Includes \$20 million for Lebanon.

^{d/} Includes supplemental appropriations requests of \$28 million for UNRWA and \$3 million for IAEA (safeguards).

^{e/} Includes supplemental request of \$3.4 for expenses of the October 1976 pay raise.

^{f/} Includes supplemental request of \$4.57.

AGENCY FOR INTERNATIONAL DEVELOPMENT
Cash Outlays and Unliquidated Balances
Fiscal Year 1976 - Actual
(in millions of dollars)

	Unliq. Bal. (Pipeline) 6/30/75	FY 1976 Approp- riation	Other Funds Available	Total Available for Disb.	From Prior Year Funds	From FY 1976 Program	Total	Unliq. Bal. (Pipeline) 6/30/76
FUNCTIONAL DEVELOPMENT ASSISTANCE								
Food and Nutrition	485.7	426.6	162.8	1,075.1	181.7	123.5	305.2	769.9
Population Planning and Health	239.7	146.4	40.2	426.3	130.1	52.4	182.5	243.8
Education and Human Resources Development	77.3	60.8	32.2	170.3	47.1	25.6	72.7	97.6
Selected Development Activities	173.3	57.4	19.8	250.5	14.8	66.0	80.8	169.7
Development Loans, pre 1974	641.6	-	-	641.6	252.8	-	252.8	378.3 ^{a/}
Subtotal, Functional Accounts	1,617.6	691.2	255.0	2,563.8	626.5	267.5	894.0	1,659.3
INTERNATIONAL ORGANIZATIONS AND PROGRAMS								
UN Technical Assistance and Other Programs	47.2	175.3	.3	222.8	42.7	86.5	129.2	93.6
UN Environment Fund	5.0	7.5	-	12.5	5.0	-	5.0	7.5
Indus Basin Development Fund, Grants	-	9.0	-	9.0	.2	-	.2	8.8
Indus Basin Development Fund, Loans	.2	10.0	-	10.2	.2	8.8	9.0	1.2
Subtotal, International Organizs. and Programs	52.4	201.8	.3	254.5	48.1	95.3	143.4	111.1
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT								
AMERICAN SCHOOLS AND HOSPITALS ABROAD	21.0	19.8	.1	40.9	11.6	5.4	17.0	23.9
INTERNATIONAL DISASTER ASSISTANCE	13.1	70.0	2.8	85.9	18.1	3.1	21.2	64.8 ^{a/}
OTHER ASSISTANCE PROGRAMS								
Cyprus Relief and Rehabilitation	-	25.0	-	25.0	-	5.0	5.0	20.0
Famine or Disaster Relief in the Sahel	4.1	-	-	4.1	3.6	-	3.6	.5
Disaster Relief and Reconstruction	96.2	-	30.7	126.9	29.6	-	29.6	97.3
Refugee Relief Assistance (Bangladesh)	5.7	-	-	5.7	3.4	-	3.4	2.3
Portugal and Portuguese Colonies in Africa	19.9	-	4.6	24.5	9.4	-	9.4	15.1
African Development Program	-	5.0	-	5.0	-	-	-	5.0
Albert Schweitzer Hospital	1.0	-	-	1.0	-	-	-	1.0
Social Progress Trust Fund	18.1	-	-	18.1	-	-	-	18.1
Prototype Desalting Plant	20.0	-	-	20.0	.5	-	.5	19.5
Subtotal, Development Assistance	1,869.1	1,212.8	293.5	3,375.4	750.8	376.3	1,127.1	
OPERATING EXPENSES								
FOREIGN SERVICE RETIREMENT AND DISABILITY FUND	9.6	194.6	-	204.2	-	14.8	14.8	189.4
	-	16.7	-	16.7	-	16.7	16.1	.6
INDOCHINA POSTWAR RECONSTRUCTION								
PRESIDENT'S FOREIGN ASSISTANCE CONTINGENCY FUND	180.9	-	11.2	192.1	64.5	-	64.5	127.6
SECURITY SUPPORTING ASSISTANCE	10.4	5.0	-	15.4	2.4	-	2.4	13.0
MIDDLE EAST SPECIAL REQUIREMENTS FUND	458.3	1,689.9	4.1	2,152.3	242.3	358.5	600.8	1,551.5
	100.0	50.0	-	150.0	7.4	28.0	35.4	114.6
TOTAL	2,628.3	3,168.9	308.8	6,106.1	1,067.4	794.3	1,861.1	4,234.5
LESS LOAN RECEIPTS							-357.2	
NET OUTLAYS, AGENCY FOR INTERNATIONAL DEVELOPMENT							1,504.0	

a/ Excludes \$10.5 in deobligations transferred to functional accounts.

AGENCY FOR INTERNATIONAL DEVELOPMENT
Cash Outlays and Unliquidated Balances
TRANSITION QUARTER - ACTUAL
(in millions of dollars)

	Unliq. Bal. (Pipeline) 6/30/76	Transition Quarter Appropriation	Other Funds Available	Total Available for Disb.	From Prior Year Funds	From Trans. Qtr. Prog.	Total	Unliq. Bal. (Pipeline) 9/30/76
FUNCTIONAL DEVELOPMENT ASSISTANCE								
Food and Nutrition	769.9	112.5	-25.8	856.6	-10.0	-1.8	-11.8	868.4
Population Planning and Health	243.8	33.5	19.2	296.5	14.4	3.0	17.4	279.1
Education and Human Resources Development	97.6	8.8	8.7	115.1	- 1.0	- .1	- 1.1	116.2
Selected Development Activities	169.7	11.1	16.6	197.4	6.9	1.9	8.8	188.6
Development Loans, pre-1974	378.3	-	-	378.3	107.6	-	107.6	263.6 ^{a/}
Subtotal, Functional Accounts	1,659.3	165.9	18.7	1,843.9	117.9	3.0	120.9	1,715.9
INTERNATIONAL ORGANIZATIONS AND PROGRAMS								
UN Technical Assistance and Other Programs	93.6	16.3	.2	110.1	20.8	55.2	76.0	34.1
UN Environment Fund	7.5	-	-	7.5	5.0	1.5	6.5	1.0
Indus Basin Development Fund, Grants	8.8	2.3	- 8.9	2.2	-	2.2	2.2	-
Indus Basin Development Fund, Loans	1.2	-	8.8	10.0	-	-	-	10.0
Subtotal, Int'l. Organizs. and Programs	111.1	18.6	.1	129.8	25.8	58.9	84.7	45.1
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOP.	200.0	-	-	200.0	-	-	-	200.0
AMERICAN SCHOOLS AND HOSPITALS ABROAD	23.9	2.4	-	26.3	5.2	1.8	7.0	19.2
INTERNATIONAL DISASTER ASSISTANCE	64.7	5.0	-16.2	53.5	2.1	1.1	3.2	50.3
OTHER ASSISTANCE PROGRAMS								
Cyprus Relief and Rehabilitation	20.0	5.0	-	25.0	5.0	-	5.0	20.0
Famine or Disaster Relief in the Sahel	.5	-	- .4	.1	-	-	-.4	.5
Disaster Relief and Reconstruction	97.3	-	1.9	99.2	15.0	-	15.0	84.2
Refugee Relief Assistance (Bangladesh)	2.3	-	-2.2	-	.1	-	-.1	.1
Portugal and Portuguese Colonies in Africa	15.1	-	-1.3	13.8	.5	-	.5	13.3
African Development Program	5.0	-	-	5.0	-	-	-	5.0
Albert Schweitzer Hospital	1.0	-	-	1.0	-	-	-	1.0
Social Progress Trust Fund	18.1	-	-	18.1	-	-	-	18.1
Prototype Desalting Plant	19.5	-	.5	19.0	.5	-	-.5	19.5
Subtotal, Development Assistance	2,237.8	196.9	1.1	2,435.8	170.5	64.8	235.3	2,192.2
OPERATING EXPENSES	189.4	55.5	- 4.2	240.7	29.3	166.8	196.1	44.6
FOREIGN SERVICE RETIREMENT AND DISAB. FUND	.6	-	-	.6	.6	-	.6	-
INDOCHINA POSTWAR RECONSTRUCTION	127.6	-	-	127.6	- 3.3	-	- 3.3	15.1 ^{b/}
PRESIDENT'S FOREIGN ASST. CONTINGENCY FUND	13.0	1.3	-.4	13.9	.6	.4	1.0	6.2 ^{c/}
SECURITY SUPPORTING ASSISTANCE	1,551.5	269.7	-12.4	1,808.8	265.8	18.8	284.6	1,524.2
MIDDLE EAST SPECIAL REQUIREMENTS FUND	114.6	10.0	- 7.5	117.1	4.0	3.9	7.9	109.2
TOTAL	4,234.5	533.3	-23.4	4,744.5	467.5	254.7	722.2	3,891.5

^{a/} Excludes \$7.1 in deobligations transferred to functional accounts.

^{b/} Excludes \$115.7 unobligated balanced returned to Treasury.

^{c/} Excludes \$6.7 of unobligated funds which lapsed.

AGENCY FOR INTERNATIONAL DEVELOPMENT
Cash Outlays and Unliquidated Balances
Fiscal Year 1977 - Estimated
(in millions of dollars)

	Unliq. Bal. (Pipeline) 9/30/76	FY 1977 Appropriation	Other Funds Available	Total Available for Disb.	Outlays			Unliq. Bal. (Pipeline) 9/30/77
					From Prior Year Funds	From FY 1977 Program	Total	
FUNCTIONAL DEVELOPMENT ASSISTANCE								
Food and Nutrition	868.4	505.0	-18.7	1,354.7	269.1	111.8	380.9	973.8
Population Planning and Health	279.1	214.0	8.2	501.3	113.3	50.1	163.4	337.8
Education and Human Resources Development	116.2	70.0	23.7	209.9	48.9	20.2	69.1	140.9
Selected Development Activities	188.6	67.0	- 4.8	250.8	49.9	24.7	74.6	176.2
Development Loans, pre-1974	<u>263.6</u>	-	-	<u>263.6</u>	<u>140.1</u>	-	<u>140.1</u>	<u>123.5</u>
Subtotal, Functional Accounts	1,715.9	856.0	8.4	2,580.3	621.3	206.9	828.1	1,752.2
INTERNATIONAL ORGANIZATIONS AND PROGRAMS								
UN Technical Assistance and Other Programs	34.1	215.0	-	249.1	30.8	152.0	182.8	66.3
UN Environment Fund	1.0	10.0	-	11.0	1.0	5.0	6.0	5.0
Indus Basin Development Fund, Grants	-	15.8	-	15.8	-	15.7	15.7	.1
Indus Basin Development Fund, Loans	10.0	-	-	10.0	10.0	-	10.0	-
International Atomic Energy Agency Safeguards	-	3.0	-	3.0	-	2.1	2.1	.9
Subtotal, Int'l. Organiz. and Programs	<u>45.1</u>	<u>243.8</u>	-	<u>288.9</u>	<u>41.8</u>	<u>174.8</u>	<u>216.6</u>	<u>72.3</u>
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOP.	-	-	200.0	200.0	-	2.0	2.0	198.0
AMERICAN SCHOOLS AND HOSPITALS ABROAD	19.2	19.8	-	39.0	9.5	9.0	18.6	20.5
INTERNATIONAL DISASTER ASSISTANCE	70.3	45.0	16.3	131.6	42.2	30.6	72.8	58.8
OTHER ASSISTANCE PROGRAMS								
Cyprus Relief and Rehabilitation	20.0	-	-	20.0	5.0	-	5.0	15.0
Famine or Disaster Relief in the Sahel	.5	-	-	.5	.5	-	.5	-
Disaster Relief and Reconstruction	84.2	-	-	84.2	42.1	-	42.1	42.1
Refugee Relief Assistance (Bangladesh)	.1	-	-	.1	.1	-	.1	-
Portugal and Portuguese Colonies in Africa	13.3	-	1.3	14.6	5.1	.7	5.7	8.8
African Development Program	5.0	-	-	5.0	2.3	-	2.3	2.7
Albert Schweitzer Hospital	1.0	-	-	1.0	.5	-	.5	.5
Social Progress Trust Fund	18.1	-	-	18.1	6.0	-	6.0	12.1
Prototype Desalting Plant	20.0	-	-	20.0	3.5	-	3.5	16.5
Subtotal, Development Assistance	<u>2,013.7</u>	<u>1,164.6</u>	<u>226.0</u>	<u>3,403.3</u>	<u>779.9</u>	<u>424.1</u>	<u>1,203.8</u>	<u>2,199.5</u>
OPERATING EXPENSES	44.6	195.4	6.6	246.6	39.3	162.4	201.7	44.9
FOREIGN SERVICE RETIREMENT AND DISABILITY FUND	-	21.3	-	21.3	-	21.3	21.3	-
INDOCHINA POSTWAR RECONSTRUCTION	15.1	-	-	15.1	11.1	-	11.1	(4.0) ^{a/}
PRESIDENT'S FOREIGN ASSISTANCE CONTINGENCY FUND	6.2	5.0	-	11.2	2.4	2.0	4.4	6.8
SECURITY SUPPORTING ASSISTANCE	1,524.2	1,734.7	12.4	3,271.3	642.8	881.0	1,523.8	1,747.5
MIDDLE EAST SPECIAL REQUIREMENTS FUND	109.2	23.0	7.4	139.6	27.3	8.3	35.6	104.0
TOTAL	3,712.0	3,144.0^{b/}	252.4	7,107.9	1,502.8	1,499.1	3,001.7	4,102.7
LESS LOAN RECEIPTS							-496.8	
NET OUTLAYS, AGENCY FOR INTERNATIONAL DEVELOPMENT							2,504.9	

^{a/} \$4.0 deobligated and returned to Treasury.

^{b/} Includes supplemental requests of \$28 for UNRWA, \$3 for International Atomic Energy Agency Safeguards, \$3.4 for expenses of the October 1976 pay raise and \$4.57 for the Foreign Service Retirement and Disability Fund.

AGENCY FOR INTERNATIONAL DEVELOPMENT
Cash Outlays and Unliquidated Balances
Fiscal Year 1978 - Proposed
(in millions of dollars)

	Unliq. Bal. (Pipeline) 9/30/77	FY 1978 Appropriation	Other Funds Available	Total Available for Disb.	Outlays			Unliq. Bal. (Pipeline) 9/30/78
					From Prior Year Funds	From FY 1978 Program	Total	
FUNCTIONAL DEVELOPMENT ASSISTANCE								
Food and Nutrition	973.8	550.0	-	1,523.8	306.6	128.7	435.3	1,088.5
Population Planning and Health	337.8	-	-	337.8	139.8	-	139.8	198.0
Population	-	167.0	-	167.0	-	46.1	46.1	120.9
Health	-	104.9	-	104.9	-	14.9	14.9	90.0
Education and Human Resources Development	140.9	84.4	-	225.3	59.5	21.6	81.2	144.1
Selected Development Activities	176.2	100.0	-	276.2	54.1	30.2	84.2	192.0
Development Loans, pre-1974	123.5	-	-	123.5	65.1	-	65.1	58.5
Subtotal, Functional Accounts	1,752.2	1,006.3	-	2,758.5	625.1	241.5	866.6	1,892.0
SAHEL DEVELOPMENT PROGRAM	-	50.0	-	50.0	-	5.0	5.0	45.0
INTERNATIONAL ORGANIZATIONS AND PROGRAMS								
UN Technical Assistance and Other Programs	66.3	236.0	-	302.3	60.0	46.6	226.6	75.7
UN Environment Fund	5.0	10.0	-	15.0	5.0	5.0	10.0	5.0
Indus Basin Development Fund, Grants	.1	-	-	.1	-	-	-	-
Indus Basin Development Fund, Loans	-	-	-	-	-	-	-	-
UN University	-	10.0	-	10.0	-	10.0	10.0	-
International Atomic Energy Agency Safeguards	.9	-	-	.9	.9	-	.9	-
Subtotal, Int'l. Organiz. and Programs	72.3	256.0	-	328.3	65.9	181.6	247.5	80.7
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOP.	198.0	-	-	198.0	12.0	-	12.0	186.0
AMERICAN SCHOOLS AND HOSPITALS ABROAD	20.5	7.5	-	28.0	10.2	3.4	13.6	14.5
INTERNATIONAL DISASTER ASSISTANCE	58.8	45.0	-	103.8	35.3	22.5	57.8	46.0
OTHER ASSISTANCE PROGRAMS								
Cyprus Relief and Rehabilitation	15.0	-	-	15.0	5.0	-	5.0	10.0
Disaster Relief and Reconstruction	42.1	-	-	42.1	21.1	-	21.1	21.1
Portugal and Portuguese Colonies in Africa	8.8	-	-	8.8	8.8	-	8.8	-
African Development Program	2.7	-	-	2.7	2.2	-	2.2	.5
Albert Schweitzer Hospital	.5	-	-	.5	.5	-	.5	-
Social Progress Trust Fund	12.1	-	-	12.1	4.3	-	4.3	7.8
Prototype Desalting Plant	16.5	-	-	16.5	7.4	-	7.4	9.1
Subtotal, Development Assistance	2,199.5	1,364.8	-	3,564.3	797.8	454.0	1,251.8	2,312.7
OPERATING EXPENSES	44.9	220.2	2.8	267.9	38.7	180.0	218.7	49.2
FOREIGN SERVICE RETIREMENT AND DISAB. FUND	-	21.4	-	21.4	-	21.4	21.4	-
PRESIDENT'S FOREIGN ASST. CONTINGENCY FUND	6.8	5.0	-	11.8	2.6	2.0	4.6	7.2
SECURITY SUPPORTING ASSISTANCE	1,747.5	1,887.2	-	3,634.7	680.5	1,107.0	1,787.5	1,847.2
MIDDLE EAST SPECIAL REQUIREMENTS FUND	104.0	25.0	-	129.0	31.2	6.8	38.0	90.9
TOTAL	4,102.7	3,523.6	2.8	7,629.1	1,550.8	1,771.2	3,322.0	4,307.2
LESS LOAN RECEIPTS							-533.4	
NET OUTLAYS, AGENCY FOR INTERNATIONAL DEVELOPMENT							2,788.6	

AUTHORIZATION AND APPROPRIATION HISTORY FOR ECONOMIC ASSISTANCE
 Under the Foreign Assistance Act of 1961 and Predecessor Legislation
 (Including supplementals, excluding International Narcotics Control)
 FY 1948-1977
 (in millions of dollars)

Fiscal Year	Authorization Request ^{a/}	Authorized by Congress ^{b/}	Appropriation Request ^{a/}	Appropriated by Congress ^{c/}
1948-49	7,370.0	6,913.0	7,370.0	6,446.3
1950	4,280.0	4,280.0	4,280.0	3,728.4
1951	2,950.0	2,762.5	2,950.0	2,262.5
1952	2,197.0	1,585.7	2,197.0	1,540.4
1953	2,475.0	1,894.3	2,499.0	1,782.1
1954	1,543.2	1,475.7	1,543.2	1,301.5
1955	1,798.1	1,571.9	1,788.5	1,528.8
1956	1,812.8	1,851.8	1,812.8	1,681.1
1957	1,860.0	1,815.1	1,860.0	1,749.1
1958	1,964.4	1,786.9	1,964.4	1,428.9
1959	2,142.1	2,070.6	2,142.1	1,933.1
1960	2,330.0	2,176.8	2,330.0	1,925.8
1961	2,875.0	2,786.3	2,875.0	2,631.4
1962	2,883.5	2,559.5	2,883.5	2,314.6
1963	3,281.3	3,074.8	3,281.3	2,573.9
1964	3,124.6	2,602.1	3,124.6	2,000.0
1965	2,461.7	2,452.0	2,461.7	2,195.0
1966	2,704.5	2,605.0	2,704.5	2,463.0
1967	3,443.4	2,628.0	2,469.0	2,143.5
1968	2,785.6	2,165.0	2,630.4	1,895.6
1969	2,554.2	1,609.8	2,498.5	1,380.6
1970	2,210.0	1,624.2	2,210.0	1,424.9
1971	2,093.7	2,093.7	2,008.0	1,733.9
1972	2,355.2	1,868.6	2,355.2	1,718.2
1973	1,970.5	1,026.5	2,256.6	1,664.2
1974	1,760.6	1,726.9	1,884.2	1,632.6
1975	2,603.5	2,584.9	2,948.7	2,049.8 ^{d/}
1976	3,192.3	3,388.3	3,216.5	3,168.9
1977	3,471.1	3,642.6	3,332.8	3,104.9

NOTE: Excludes Investment Guaranty Program (Borrowing Authority and Appropriations) and OPIC.

^{a/} Adjusted to fiscal year basis and includes Executive Branch adjustments.

^{b/} Adjusted to fiscal year basis and includes multiyear authorizations.

^{c/} Includes Borrowing Authority (other than for Investment Guaranties) during Marshall Plan period April 1948-52.

^{d/} Excludes \$15,600 thousand for payment to the Foreign Service Retirement and Disability Fund. The FY 1975 payment of \$16,080 thousand is funded by transfer of \$480 thousand from Development Assistance funds and \$15,600 thousand from funds appropriated for the same purpose in the Department of State Appropriation Act, 1975.

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

This report is submitted in compliance with section 103(g) of the Foreign Assistance Act of 1961, as amended, concerning U.S. participation in the International Fund for Agricultural Development.

The Articles of Agreement establishing the International Fund for Agricultural Development, or IFAD as it has come to be called, were signed on behalf of the United States by A.I.D. Administrator Daniel Parker on December 22, 1976.
This action:

- represents the culmination of two years of international negotiations for a new mechanism to increase the flow of external resources for improving food and agricultural production in the developing countries;
- brings to fruition one of the major initiatives proposed at the 1974 World Food Conference which had focused intensive international concern on the problems of food and nutrition in poorer nations;
- represents a positive step forward in the North-South dialogue and fulfillment of an objective encouraged by all participants in the Conference on International Economic Cooperation;
- reflects a major budgetary decision by the United States to increase our foreign assistance to alleviate hunger and malnutrition.

Initially, the United States was unenthusiastic about the creation of another international organization, but became an active supporter of the Fund when interested governments agreed that IFAD:

- would generate substantial additional resources for agricultural development, rather than simply provide an alternative source of financing;
- would not become duplicative of existing institutions requiring a large new bureaucracy, but would

operate with a small professional staff working closely with the present international and regional organizations on which the Fund would rely for carrying out its agricultural projects:

- funding would be shared on an equitable basis between the two groups of donors:

** the traditional donors who are members of the Organization for Economic Cooperation and Development, Category I;

** the new donors who are members of the Organization of Petroleum Exporting Countries (OPEC), Category II.

The joint funding concept is a major feature of the new Fund.

- Working out the respective responsibilities and obligations of the two groups has posed difficult problems delaying the establishment of the Fund.
- The initial OPEC pledge amounted to only \$400 million causing a shortfall against the agreed overall target of \$1 billion.
- With intensive diplomatic efforts led by the United States, the funding target was finally attained in mid-December when sufficient additional pledges from OPEC members satisfied Category I members with respect to the question of equitable burden sharing.
- Pledges from all sources now in fact exceed the overall target and total \$1,022 million, as follows:
 - ** \$567 million from Category I, the OECD members, including the U.S. contribution of \$200 million;
 - ** \$435.5 million from Category II, the OPEC members;

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

** \$9 million approximately in convertible currencies and \$10 million in local currencies from Category III, the developing country members who will be the recipients of the Fund.

Throughout the lengthy process of making IFAD a reality, the United States has played a strong leadership role.

- In addition to the above-mentioned diplomatic efforts which were instrumental in increasing the OPEC contributions to the Fund, the United States led the overall funding effort by announcing its pledge at an early stage thanks to quick Congressional action on the authorization and appropriation legislation.
- In similar manner, the United States was the first country to sign the Articles of Agreement when these were opened for signature at the United Nations on December 22, 1976.
- The United States is also supplying key consulting services to the Preparatory Commission secretariat to assist in its work and is one of nine member countries represented on an experts' committee which will review this work and formulate a development strategy and lending policies and criteria for IFAD.

Ratification of the agreement and working out the Fund's operating procedures can be handled expeditiously so that IFAD may become operational within a few months.

- U.S. participation in IFAD has been characterized by a high degree of cooperation and coordination between the Executive and Legislative branches, with the Congress being kept abreast at each stage throughout the negotiating process.

- The Senate and House authorizing committees in the new Congress need to complete their formal review of the Articles of Agreement establishing the Fund. The United States will then proceed with ratification.

- The Agreement will enter into force when at least six countries from each Category, representing total pledges of \$750 million, have similarly signed and ratified.

- Within 90 days thereafter, the first meeting of the Governing Council must be called which will officially launch IFAD's operations.

- While the ratification process is being completed, the Preparatory Commission will continue and complete its work with respect to developing:

- ** the Fund's lending policies and procedures;

- ** relationship agreement with the United Nations and appropriate arrangements with other international organizations;

- ** headquarters' agreement and staffing arrangements.

- ** draft rules of procedure for the Fund's Council and Board of Directors.

- All of this work is well underway with active U.S. involvement and can be completed in a few months. Thus, IFAD may very soon begin its important work of helping to improve the global food situation which is essential for the economic and social well-being of the poor people in the developing countries.

HUMAN RIGHTS

Section 116 of the Foreign Assistance Act, as amended, prohibits the provision of Development Assistance to any government which engages in a consistent pattern of gross violations of internationally recognized human rights unless such assistance will directly benefit needy people.

The State Department Coordinator for Human Rights and Humanitarian Affairs keeps A.I.D. posted on the human rights situation in A.I.D. recipient countries.

- If there is sufficient information to indicate that a serious question is presented whether the statutory conditions might exist in an A.I.D. recipient country, activities proposed for that country are reviewed to ensure that proposed country programs address basic human needs of poor people. In this way, A.I.D. ensures compliance with the intent of section 116 in programs for all countries whose governments engage in actions which give rise to serious questions that internationally recognized human rights are being grossly violated in a consistent manner.

Apart from the specific restrictions in Section 116, A.I.D. seeks to make economic assistance a positive force to promote and protect internationally recognized human rights:

- Development Assistance helps the poor majority to secure and enjoy human rights.
- Disaster relief plays a major role in supporting the fundamental right to life.

A.I.D. is determining how it might support selective new initiatives specifically addressed to human rights concerns, such as:

- programs with leading international or regional institutions;
- programs to help the urban and rural poor gain effective access to rights and protections provided for them under law and in development programs;
- sponsorship of studies and conferences on human rights problems and their relation to economic development.

A.I.D. intends to support research and studies on human rights and economic development in Africa with particular regard for these topics:

- the differential impact of legal systems on traditional societies;
- change in ownership and management control of land and water resources in planned agricultural development;
- compatibility, competition, and conflict in communications through traditional, political, and administrative channels;
- the social and economic rights of women in traditional societies;
- the social consequences of monetization in survival cultures.

A.I.D. intends to support an African-American Scholars Council study to identify practical approaches to community participation in decision making in the Sahel in FY 1978.

A.I.D. supports studies and conferences related to human rights in economic development in the Near East, including:

- barriers to participation of women in development in the Near East;
- rural life in Afghanistan, with particular regard for social structures and the rights of the poor;
- rural equity in Yemen.

A.I.D. expects to help at least one Near East country with programs intended to assist farm people to know about their rights to extension and credit services.

A.I.D. is working on requests from Latin American countries for help on rural and urban legal assistance programs. The American Society of International Law is studying the role of public interest law as an instrument for economic and social development in Latin America.

Other A.I.D. efforts include:

- help for Asia Foundation activities which support legal aid for poor people in Korea and Taiwan and probation reform in the Philippines;

-- help for the Law and Population Program at Tufts University, which is working on legal reforms related to the status of women;

-- an effort to improve methods of analyzing the social and human impact of development programs;

-- sponsoring conferences and workshops on human rights and economic development without a regional focus;

-- sponsoring research done under the leadership of the University of Iowa which deals with the ways local people can effectively communicate their needs, problems and suggestions to government people.

CRITERIA FOR ASSESSING COMMITMENT AND PROGRESS*

To assure development assistance is increasingly concentrated in "countries which will make effective use of such assistance to help the poor to a better life", Section 102(d) of the Foreign Assistance Act calls for:

- establishment of "appropriate criteria to assess the commitment and progress of countries" in meeting key development objectives as summarized in Section 102(c) (aimed at increasing substantially the participation of the poor in development);
- encouraging the adoption of similar criteria by international development organizations in which the United States participates;
- selecting these criteria according to their value in assessing the efforts of countries to:
 - ** increase agricultural productivity per unit of land;
 - ** reduce infant mortality;
 - ** control population growth;
 - ** promote greater equality of income distribution;
 - ** reduce rates of unemployment and under-employment.

* This summary statement is submitted in partial compliance with the reporting requirements of Section 102(d) of the Foreign Assistance Act of 1961 as amended. Detailed information, also required by this section, is included in a special report on Section 102(d) transmitted separately, "Socio-Economic Performance Criteria for Development."

Several important criteria are used for allocating development assistance, including those found in the Foreign Assistance Act.

- The overall poverty level is perhaps the most important factor.
- Host country commitment and progress also play an important role in A.I.D.'s decisions.
- This constellation of criteria, both quantitative and qualitative, is discussed in the detailed separate report we are submitting on Section 102(d).

A.I.D. is taking steps to improve and refine criteria for assessing both commitment and progress. While it

is important to distinguish between the concepts of commitment and progress, it is also important to keep in mind the close relationship between the two. A government's commitment as reflected by its programs and policies can provide a current indication of future progress. But development progress in the long run provides a measure of the effectiveness of commitment. Thus, commitment and progress may be viewed as twin aspects of a country's performance.

- It is A.I.D.'s judgment that development and application of performance criteria are likely to have lasting long-run effects in the donor community and within the host countries only if the criteria are developed collaboratively and are truly beneficial for the host countries' own planning and programs.
- We also believe there is such substantial variation in social and economic characteristics among LDCs that the indicators and standards chosen for

measurement of commitment and progress will have to differ from country to country.

- A.I.D. has commissioned outside experts to prepare studies on criteria for assessing commitment and progress and to inventory basic data sources. These studies are appended to our detailed report. In particular, they provide several elaborated and refined versions of the five basic "indicators" listed in Section 102(d) and give concrete alternatives for discussions with other donors, A.I.D. country missions, and host governments.
- The conceptual materials in these studies are particularly important elements of the collaborative strategy we intend to pursue in developing means to analyze and apply socio-economic performance criteria.

A country's commitment is reflected by the policy and program actions it takes. The assessment of a country's commitment to broadly participatory development requires:

- a clear statement of its development strategy, including its priorities at the subsector level;
- quantitative measures over time of its budgets and expenditures for subsectoral activities (such as agricultural research, rural health, family planning and education programs);
- measures of the country's "self-help" efforts over time to raise and allocate development resources domestically, including policies affecting public and private savings as well as credit;

- information on major indirect economic and institutional policies and changes over time (e.g., policies affecting exchange and interest rates, tariffs, quotas, taxes, subsidies, wages, land-tenure security).

- quantitative and qualitative information on the constraints or non-controllable determinants of performance that inhibit a country from taking certain policy actions or that inhibit these actions from having their intended impact:

- ** at one level these include short-term natural phenomena like flooding, drought and earthquakes;
- ** at another, they include externally caused economic fluctuations (e.g., an increase in oil prices);
- ** commitment is also shaped by socio-cultural attitudes and practices, and political opposition from interest groups.

In order to improve A.I.D.'s ability to assess country performance, field missions in early 1977 will be asked to provide more information on host-country commitment and progress as part of the Agency's annual planning, programming, and budgeting procedures. A continuing refinement of performance criteria in future years will allow gradual strengthening, through the use of objective statistics, of our capacity to make informed judgments, particularly as collaboration with recipients and other donors yields concrete agreement. Quantitative criteria will always need to be used as support for, rather than replacement of, informed judgments as a basis for our allocation decisions.

Implementation of these steps may require new staffing patterns for particular USAID country missions or AID/W offices, in order to strengthen the Agency's analytical capacity in selected sectors and professional disciplines.

Assessment of development progress must be judged against commitment and constraints; it also requires measurement of indicators of changes in the well-being of the poor in LDCs.

- Up-to-date and reliable data on such measures of well-being of the poor as changes in infant mortality, real family income, employment, agricultural productivity and population growth are strikingly deficient in most LDCs.
- Our research on data sources has further documented significant discrepancies or inaccuracies in some internationally-published, widely-accepted statistics for key variables.
- It is the A.I.D. judgment, supported by independent consultant studies, U.S. Census reports, and reports of U.N. agencies, that existing LDC data do not allow meaningful worldwide comparative application of statistical socio-economic performance criteria for the time being, that an allocation process based strictly on quantitative criteria will not be feasible even after better data are widely available, and that a persuasive dialogue with other international donors, also called for in the legislation, requires a much more substantial conceptual and statistical basis than hitherto has been available to the international community.

In view of the conceptual and statistical needs for devising adequate measures of progress, A.I. D. has developed a long-run program for developing criteria collaboratively with host countries and for strengthening statistics and research on socio-economic performance.

- The Agency stands ready to assist interested recipient countries improve their own institutional capacities in this area.
- An important component of the A.I.D. program is an expanded capacity to give assistance for developing and executing household sample surveys.
- This activity will necessarily be longer-run in nature but we think improvement in basic data sources is already appropriate for some countries and can be started now.

Consultations with other donors on assessment of commitment and progress have already begun.

- Discussions have been held with staff of the IBRD, the UN Statistical Office, other UN agencies and other bilateral donors.
- These discussions have focused on the desirability of multi-donor support of efforts to improve LDC institutional capacity to measure development progress.
- While we do not believe we are yet in a position to encourage the adoption by international organizations of specific assessment criteria, we have made these organizations aware of our efforts and are seeking their advice.

TERMS OF A.I.D. ASSISTANCE

The terms of U.S. assistance to a particular country are determined by:

- its stage of development;
- its current economic situation and prospects;
- the overall political and economic interests of the U.S. in the recipient country.

Thus, A.I.D. is increasingly softening the terms of aid to the poorest countries and hardening them to the better-off developing countries.

Historically, A.I.D. has provided assistance to the developing countries at very concessional terms, a combination of grants and low-interest, 40-year maturity loans. Current practice is to provide varying terms depending on the current economic position and development potential of the recipient country. In some instances current political considerations will also influence loan terms.

The poorest countries, those on the UN list of Least Developed Countries, receive all assistance, technical and capital, on a grant basis. This practice is being fully implemented in 1977 following the U.S. proposal at the fourth UNCTAD meeting in 1976 that all donors implement such a policy toward the Least Developed Countries.

Those developing countries which have made substantial progress, as measured by the criteria set forth below, continue to be eligible for both loan and grant assistance. However, under an A.I.D. policy established in 1976 these countries are being moved to loan terms harder than the most concessional. These

intermediate terms are 25 years maturity, including a 5 year grace period, and a 5% interest rate. Grants are also provided on a selective basis. These are usually limited to technical assistance activities in agriculture, health education and population.

To identify those countries which can serve A.I.D. loans on intermediate terms as well as those which have reached the stage where they can obtain the foreign capital they require from the private capital market or other non-concessional sources, A.I.D. now systematically review the status of every loan candidate once a year. These reviews take into account all the economic factors relevant to the situation of the particular LDC as well as overall U.S. interests--economic and political--in each country examined. Particular weight is given to:

- the level and rate of growth of per capita income;
- the balance-of-payments current-account position in recent years;
- export growth trends and prospects;
- foreign exchange reserves;
- foreign debt-servicing obligations;
- prospects for capital imports from other donors or the private capital markets.

A third category of less developed countries, those exceeding the criteria established for the least developed but with current and potential economic problems which indicate that their development needs and debt servicing position will be a

continuing problem, receive loans for capital projects at the most concessional rate and grants for technical assistance.

When the A.I.D. policy on harder loan terms was adopted in 1976, it was expected that decisions based on extensive comparative analysis would lead to a distribution of A.I.D. loans reflecting each country's development needs and ability to service debt. In FY 1977, however, the Foreign Assistance and Related Programs Appropriation Act of 1977 requires A.I.D. to make \$90 of functional account loans at harder terms.

The A.I.D. policy and the 1977 statute share the same objective, to harden loan terms for those countries able to afford such terms. However, the inclusion of specific amounts and maturity periods in the statute establishes rigidities in A.I.D.'s programming system which will make it more difficult (and perhaps impossible) to achieve equitable inter-country distribution of loans.

The establishment of quotas by statute could:

- force a decision to make loans to some particularly needy countries at harder terms simply in order to meet the quota;
- result in inter-country inequities where two countries at approximately the same stage of development receive loans of different maturities simply to fill quotas;
- cause a reduction in funds available for the poorest countries because of the requirement to fund at least \$90 million of loans to the better-off developing countries.

Finally, the programming of specified amounts at specified maturities will be complicated and difficult. For example, A.I.D. might have to add a country to the list of those receiving harder terms after having begun negotiations for a loan at most concessional terms.

For these reasons, A.I.D. favors elimination of this legislative restriction in FY 1978 legislation.

In addition to softening its terms to the poorest, hardening them to the better-off, and also concentrating its resources in the poorer countries, A.I.D. is continuing its policy of phasing out aid to developing countries which have progressed to the stage where they can meet their capital requirements from other sources. Thus, starting in FY 1978, Colombia will join the ranks of former aid recipients which no longer need or receive assistance from A.I.D.--countries such as Argentina, Brazil, Ecuador, Iran, Libya, Republic of China (Taiwan), Nigeria, South Korea, Turkey, and Venezuela.

RECIPROCAL UNTYING

A.I.D. is currently engaging in international negotiations within the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) for an agreement among donors to permit their aid to be used for procurement in other donor countries on a reciprocal basis.

- Currently, most foreign aid programs are restricted to procurement of goods and services from the donor country and, in the case of the U.S. and some other donors, from other developing countries.
- These negotiations had their origin in Secretary Kissinger's announcement of May 5, 1976, in Nairobi at the UNCTAD IV conference that the United States would urge other donor nations to permit development assistance to be spent for procurement of goods and services from other donors, on a reciprocal basis.

Reciprocal untying would be an important concession to the developing countries.

- The purchasing power of aid to developing countries would be enhanced if the LDC recipients could use these resources for procurement in the most competitive markets.
- The U.S. initiative is expected to exert great leverage for the improvement in quality of aid from all donors.

- U.S. leadership on reciprocal untying represents a new means of helping the less developed nations which does not require increased budget outlays.

The United States is more likely to gain than lose exports as a result of reciprocal untying.

- Our participation will be conditional upon participation of most of the other DAC donors. The total volume of other developed countries' aid untied must exceed the volume of U.S. aid untied, or the United States will not agree to untie its aid.
- Thus, we will make sure the loss of export orders for U.S. suppliers resulting from untying of American assistance will be offset by new opportunities for our producers to compete for procurement financed by other donor countries.

We will make it clear to other DAC donors that an essential aspect of any untying agreement will be assurance of fair and equitable competitive conditions of access by U.S. firms to aid-financed markets that they cannot now enter. We will require a prohibition of specific informal tying practices, the setting up in the OECD of procedures to deal with allegations of violations of the agreement from suppliers and donor governments, and periodic review of the operation of the whole arrangement.

COOPERATIVES

Section 111 of the Foreign Assistance Act directs that not less than \$20 million shall be used during FY 1976 and FY 1977, including the Transitional Quarter, for assistance in the development of cooperatives in the less developed countries. During this period \$23.7 million has been programmed for this purpose. \$5.6 million of this amount supported the international staff of the major American cooperatives and provided development program grants to these organizations to enhance their capacity to plan, design and evaluate their own projects. These grants permit American cooperatives to initiate their own projects in developing countries in association with cooperative movements indigenous to the areas, rather than to remain simply responsive to A.I.D. initiatives. For example:

- Feasibility studies are under way for low-income self-help housing using local materials in Botswana, Lesotho, and six Latin American countries.
- Rural electrification projects have reached maturity in 11 countries, such as the Philippines, Costa Rica, and Ecuador, and are underway in another ten, including Bangladesh, Indonesia, and Bolivia. Electrification projects are integrated with the components of rural development--irrigation, commerce, education and public health and safety.
- Cooperatives in all regions are working to enable subsistence farmers to become income-producing farmers.
- In the Philippines and Kenya, the cooperative systems, along with credit facilities, are now nationwide.
- Tanzanian farmers have improved storage facilities and the marketing of grain through their cooperatives.

- A credit union's successful group lending project for small coffee growers is now being studied for replication in other Latin American countries.
- In many countries, small farmers are being trained in cooperative management, credit, finance, insurance, food processing and distribution.

An increasing proportion of funds devoted to cooperative development supports LDC cooperatives directly. The early work of American and European cooperatives has provided an increasing base of local organizations now capable of dealing directly with their own problems. Examples of more direct LDC cooperative support include:

- livestock and range management in Tanzania;
- fishing cooperatives in Zaire;
- cooperative craft centers for Bolivians;
- market cooperatives for rural Nicaraguan women;
- para-technical training of Peruvian campesinos.

What could turn out to be the most significant aspect of the A.I.D. program involving cooperatives is the study currently being directed by the Agricultural Development Council (ADC). Working with A.I.D. and the U.S. cooperatives, a thorough introspective analysis has been designed to assist the various elements of the cooperative community to determine what parts of their past experience--in their domestic or their international programs--have the greatest relevance to LDC needs affecting small farmers and the rural poor. Development authorities, scholars, representatives of donor agencies, and the cooperatives are engaged in this exercise. The Land Tenure Center of the University of Wisconsin is an active participant in coordinating the program.

The following table summarizes the distribution of funds in millions of dollars for the cooperative program.

TECHNICAL ASSISTANCE TO COOPERATIVES
 JULY 1, 1975, THROUGH SEPTEMBER 30, 1977

	FY 1976 <u>Actual</u>	TQ <u>Actual</u>	FY 1977 <u>Planned</u>	<u>Total</u>
Asia	2.1	.3	3.0	5.4
Africa	2.2	-	1.9	4.1
Latin America	2.0	1.3	4.1	7.4
Near East	-	-	-	-
SER/Housing	-	-	.6	.6
SER/International Training	.1	-	.5	.6
PHA/Private Voluntary Cooperation	<u>2.1</u>	<u>1.0</u>	<u>2.5</u>	<u>5.6</u>
General Program Support	(1.3)	(.4)	(1.2)	(2.9)
Development Program Grants	(.8)	(.6)	(1.3)	(2.7)
TOTAL	<u>8.5</u>	<u>2.6</u>	<u>12.6</u>	<u>23.7</u>

In FY 1978, A.I.D. plans to continue its support of cooperative activities. These efforts are part of country and interregional programs and are described in other volumes of this submission to the Congress. For example, A.I.D. will provide:

- \$450,000 to the National Rural Electric Cooperative Association (NRECA) to assist developing countries plan and implement electric cooperatives which benefit the rural poor;
- \$4.6 million to establish a network of coffee marketing cooperatives in Haiti, bringing the small producer a higher return for his investment in land, labor and capital.

INTERMEDIATE TECHNOLOGY

Section 107 of the Foreign Assistance Act of 1961 as amended calls for A.I.D. to organize an "expanded and coordinated private effort to promote the development and dissemination of technologies appropriate for developing countries."

After careful study that included series of workshops, participated in by a wide range of individuals from private organizations and business as well as members of Congress and Congressional staff, A.I.D. submitted a report to the Congress that proposed the establishment of a new Appropriate Technology organization. The response of Congress to the proposal was favorable.

The new, non-profit appropriate technology corporation will begin functioning in early 1977. Its major objective will be to meet the urgent need for more appropriate technologies in developing countries in part by drawing upon untapped American capacity in this field. The new organization will:

- identify problems that can be attacked by applications of more appropriate technologies;
- bring to bear the best talents in developing countries and in the United States on these problems;
- develop effective organizational arrangements for appropriate technology projects.

The substantive areas of concentration will be:

- identification of changes in national policies that will facilitate the use of more appropriate technologies;

-- improvement of information and communications systems among the many practitioners (organizational and individual) of appropriate technology;

-- support of specific appropriate technology projects to:

- ** assist local research and development units and small business;
- ** develop farm machinery;
- ** expand alternative energy sources;
- ** establish training and education programs in support of appropriate technology.

Imaginative Americans who have not heretofore taken much part in official programs to help developing countries will have the opportunity to participate in an appropriate technology program. Special efforts will be made to involve the American business community in appropriate technology.

In addition, to support of the new appropriate technology organization, A.I.D. provides funds for appropriate technology programs such as the farm mechanization program of

The International Rice Research Institute (IRRI) in the Philippines and the Volunteer in Technical Assistance (VITA) in the United States and is actively considering support for major regional appropriate technology programs in Africa and the Caribbean.

A.I.D. is also cognizant of the need to review choice of technology in all projects. The Agency has begun to press for a more rigorous approach, one that assesses alternative technologies, in program formulation and design.

PRIVATE VOLUNTARY ORGANIZATIONS

The contribution of private and voluntary organizations (PVOs), including cooperatives, to international development in funds and in services continues to grow in significance. Increasingly, PVOs are turning from their more traditional relief work towards development.

A.I.D. assists PVOs and cooperatives in their development efforts in several ways:

- Development Program Grants encourage PVOs to improve their capabilities and skills in planning, designing, managing, and evaluating projects.
- Operational Program Grants help PVOs undertake specific projects overseas.
- Other grants which help PVOs meet costs of operating international programs.
- Through a process of registration and validation, PVOs become eligible for additional subventions including:
 - ** ocean freight reimbursement;
 - ** P.L. 480 Title II commodities;
 - ** excess government property.

A.I.D. also sponsors a variety of workshops, seminars, and symposia for PVOs.

The Conference Report on the Foreign Assistance and Related Programs Appropriations Bill, 1977 (P.L. 94-441) recommended that A.I.D.:

- establish a registry of PVOs eligible for U.S. Government assistance;
- restrict general support grants to PVOs to amounts not to exceed 50% of their annual cash requirement for overhead and personnel compensation costs.

An explanation of A.I.D.'s efforts to carry out these two recommendations follows:

The Registry

For many years the Advisory Committee on Voluntary Foreign Aid has maintained a registry of PVOs seeking assistance from A.I.D. for programs identified in

Section 216 of the Foreign Assistance Act of 1961, as amended.

As a result of the Appropriations Conference Report recommendation, the Advisory Committee has held public meetings to discuss proposed changes in the current registration process and their implications for the voluntary community. Based on these recent public discussions A.I.D. expects to announce the revised conditions and documentation for registration by March 1, 1977. Subject to further revision or clarification, the registry would be operational within six months thereafter.

- An agency applying for listing in the Registry would demonstrate that it:
 - ** is a legal entity organized under U.S. law;
 - ** is non-governmental;

- ** has tax exemption under provisions of Section 501(c)(3), 501(c)(4), 501(c)(5) or 501(c)(6) of the Internal Revenue Code;
 - ** obtains, expends and distributes its funds and resources in conformity with accepted ethical standards, without unreasonable cost for promotion, publicity, fund raising and administration at home or abroad;
 - ** has financial resources and demonstrated management capability of sufficient substance to enable it to perform the services it proposes;
 - ** is controlled by an active and responsible governing body, serving without compensation for such services, holding regular meetings, with effective policy and administrative control; and that paid officers or staff members will not constitute a majority in any decisions of the voting members of such a body;
 - ** establishes its own priorities and programs;
 - ** is engaged in, or has the potential to be engaged in, voluntary charitable or developmental assistance operations abroad (other than religious) of a type consistent with its stated objectives.
- An agency requesting inclusion in the Registry would be obliged to submit upon application and annually thereafter:
- ** its externally audited financial report-- in accordance with the standards established by the American Institute of Certified Public Accountants;
 - ** a current annual operating budget which shows overhead costs as a separate item from administrative costs, and identifies its overseas program costs;
 - ** a list of its principal officers, trustees, and directors, and, for its principal officers, a statement of their pay and allowances;
 - ** a copy of the Form 990 (Return of Organization Exempt from Income Tax) and attachments as most recently filed with the Internal Revenue Services;
 - ** its latest annual report.
- Additionally, an organization would be required to present a copy of:
- ** its charter;
 - ** its by-laws;
 - ** its IRS tax exempt determination, to include information as to the type of organizational classification given by the IRS;
 - ** and any changes occurring in these.
- Inclusion in the Registry qualifies an organization to seek support from A.I.D. in the form of grants and other subventions.
- An agency under consideration to receive a grant or subvention (other than ocean freight reimbursement and excess property) would additionally be subjected to a pre-award survey to determine:

- ** management capability and professional competence to handle the program or project under consideration;
- ** adequacy of accounting system;
- ** adequacy of internal controls, budget preparation and reviews;
- ** reasonableness of personnel and procurement policies.

-- Receipt of a grant would further depend upon the capability to meet the specific requirements for the particular grant, subvention or project. Country clearance and program priorities are among the tests applied there. The same special conditions that govern eligibility for Development Program Grants, Operational Program Grants, etc., are continued with change.

The 50 Percent Provision

The conference Report requests A.I.D. to establish funding guidelines to restrict general support grants to PVOs to amounts not to exceed 50% of their annual cash requirements for overhead and personnel compensation costs. This statement reflects concern that PVO dependence on U.S. Government funding is harmful to the common interests of both parties. A.I.D. is equally concerned with the possibility of PVO dependency upon government funding. But, we do not view a financial formula as defined in the Conference Report as the ultimate test to determine this dependency. A.I.D. considers an independent board of directors, the absence of intrusion by government into

the management of an agency, a PVO's ability to determine its own programs and management and its attitude and approach to government are better measures of independence and must also be considered.

A.I.D. defines a general support grant as follows:

- a grant to provide partial support to the total budget of an organization whose basic program purpose is in consonance with Foreign Assistance Act objectives, without identifying specific budget elements which are to be supported; or
- a grant to provide partial support along with other donors to a particular segment or project contained in an organization's program, when contributions (including A.I.D.'s) are not restricted to specific budget items.

A.I.D. would apply the 50% rule to the legal entity receiving the general support grant, not to the particular organizational unit directly involved in the grant's implementation. For example, some organizations with which A.I.D. works have international divisions which carry on the foreign assistance programs of the organization. The formula would apply to the parent organization (the legal entity) rather than the international arm of it. Similarly, in defining personnel compensation costs, A.I.D. would include only those costs associated with the general management of an organization, not the personnel costs associated with implementation of specific projects.

Several PVOs which now receive general support grants from A.I.D. (most notably The Asia Foundation and the International Executive Service Corps) may be adversely affected if the 50% support guidelines stated above are

followed. The degree to which these agencies would be adversely affected would vary and can be determined with precision only after extensive examination of their respective budgets. If, however, the 50% formula were applied to organizations which receive other types of grant support, a much wider community of private organizations, including all of the cooperatives (which receive 100% funding for their A.I.D. related programs) would be affected.

COUNTRY-FINANCED TECHNICAL COOPERATION
(REIMBURSABLE TECHNICAL ASSISTANCE)

The Country-Financed Technical Cooperation (CFTC) program, also known as Reimbursable Technical Assistance, is conducted under two sections of the Foreign Assistance Act (FAA):

- Section 607: In existence since 1961, authorizes any agency of the U.S. Government to furnish services and commodities to friendly countries, international organizations, the American Red Cross and certain voluntary non-profit relief agencies on:

- ** an advance-of-funds or reimbursement basis;
- ** deferred payment basis (authorized in 1975).

- Section 661: In existence since 1974, authorizes the promotion and stimulation of country financed (reimbursable) programs to:

- ** facilitate open and fair access to natural resources of interest to the U.S.;
- ** stimulate sales of services or commodities related to the economic development of friendly nations.

Three categories of nations are the initial targets for services allowed under Section 661:

- A.I.D. transition countries, i.e., where A.I.D. programs are being phased out;
- A.I.D. graduate countries, i.e., where A.I.D. programs have concluded;
- non-A.I.D. developing countries, particularly the oil-rich nations.

U.S. foreign policy interest is furthered by the CFTC program by:

- facilitating development of friendly countries which can afford to pay for imported development requisites with their own resources;
- maintaining or strengthening economic, social and cultural relations with such nations;
- expanding U.S. private and public sales of technical services, technology and related equipment.

Payments from recipient countries for services or commodities furnished by federal agencies must be total and may take three forms:

- advance of funds;
- reimbursement (must be paid no later than six months after close of the fiscal year in which services were provided -- no interest charged);
- deferred (must be paid no later than three years from date of agreement -- interest charged at current Export-Import Bank rates).

Progress to date:

- In FY 1976 and T.Q., 14 Section 661 missions were carried out in eight countries at a cost of \$72,000. Illustratively:
 - ** One A.I.D.-sponsored mission to Latin America by U.S. Coast Guard cost \$1,000; results: possible \$15 million sale for U.S. business.
 - ** A.I.D. provided \$11,000 for U.S. Geological Survey to examine project potential in an African country; result: it is anticipated that an agreement leading to a \$1.5 million project will be finalized in early 1977.

- In FY 1976 and T.Q., 29 Section 607 Determinations were approved by A.I.D. involving 20 user countries/international organizations and 12 United States Government agencies with a prospective life-of-project estimated value in excess of \$284 million.
- Technical Services Attache positions have been established, staffed and are functioning in Bahrain (Gulf States area), Korea (Asia region) and Venezuela (to be permanently staffed by January 1977).

- ** developing program opportunities through Technical Services Attaches assigned to key countries/regions;
- ** pursuing ad hoc project opportunities stemming from host country or other U.S. agency initiatives.

FY 1978 Program:

-- Legislative action required:

- ** In fiscal years 1976 and 1977 Congress authorized the use of up to \$2,000,000 of any A.I.D. funds made available for purposes of the FAA, to work with friendly countries, especially those in which U.S. development programs have been concluded or those not receiving assistance under Part I of this Act, in (1) facilitating open and fair access to natural resources of interest to the United States, and (2) stimulation of reimbursable aid programs consistent with Part I of this Act. Legislation authorizing the continuance of Section 661 activities and use of funds up to \$2 million each is requested in FY 1978 and FY 1979.

-- CFTC activities:

- ** continue building an effective outreach capability in the 19 prime target countries;
- ** supporting, as needs warrant, CFTC activities of Joint Economic Commissions (JECs) for Saudi Arabia and Iran;

FIXED AMOUNT REIMBURSEMENT

The Fixed Amount Reimbursement (FAR) system is a useful approach for disbursing A.I.D. funds.

- Under FAR, A.I.D. agrees in advance with host government authorities on design specifications and reasonable cost for a particular project, such as a school building. A.I.D. undertakes to reimburse the host government a percentage of the agreed cost estimate on verified physical completion of construction according to plan.

** Under this system A.I.D. contributes on a prearranged basis to the cost of an agreed end product, or output, when it is completed, in contrast to the more customary method of financing under which A.I.D. pays for inputs as costs are incurred.

FAR has been used successfully since mid-1974 in at least ten countries in small activities which are relatively low cost and of short-term duration, such as:

- rural primary schools and rural health centers;
- self-help, low-cost housing;
- small rural irrigation systems, rural feeder roads and urban streets.

FAR's positive effects are that it appears to have:

- brought about improvements in cost-estimating practices;
- encouraged discipline in design and construction standards;

- forced better project management techniques;
- shifted risks and initial financial burdens to recipient country.

In some cases, FAR has been considered but not used for the following reasons:

- The activity was a new type for the recipient country involving greater unforeseen risks and more uncertain cost estimates.
- There were recipient-country budget constraints restricting its ability to finance a project while waiting for A.I.D. reimbursement.
- The recipient country's current accounting was inefficient.
- The project required payments in foreign exchange.
- There were severe managerial constraints in the recipient country's public and private sectors.

On balance FAR appears, from experience to date, to be valuable as both a disbursing and programming mechanism, although it is not appropriate for all projects nor for every recipient country.

WOMEN IN DEVELOPMENT

Status of Agency's implementation of established policy on "Women in Development" (WID)

The "Women in Development" mandate originated with the "Percy Amendment," Section 113 of the Foreign Assistance Act of 1961, as amended in 1973 to require that the U.S. bilateral development program "be administered so as to give particular attention to those programs, projects and activities which tend to integrate women into the national economies of foreign countries, thus improving their status and assisting the total development effort."

Application of the concept was extended by:

- Section 54 of the Foreign Assistance Act of 1974, which calls for promotion of the "Women in Development" concept by international organizations and other donors.
- Section 309 of the International Development and Food Assistance Act of 1975, which calls for extension of A.I.D. application to all programs under Part I of the Foreign Assistance Act of 1961, as amended.

The A.I.D. Administrator provides personal leadership in establishing, maintaining and carrying out the Agency's effort to bring women into the mainstream of development.

The Agency is making substantial progress in responding to the Congressional mandate on Women in Development.

- To cultivate "professional commitment," the Agency continues initiatives at policy and decision-making levels.
- ** Regional Bureaus and Offices are providing continuous guidance to the field missions.
- ** The Office of the Coordinator for Women in Development conducts systematic reviews of

project documentation, assesses trends and identifies shortfalls.

** The Office of the Coordinator sponsors seminars, such as the Agency-wide conference on "Women in Development."

- Regional Bureaus reported for FY 1977 an estimated investment of \$95 million in projects directly affecting women.
- Of the 40 A.I.D. missions responding to a mid-1976 questionnaire, 37 missions said they had one or more integrated or women-only project efforts underway.
- U.S. participant training of less-developed-country personnel showed an increase in the percentage of women from 4.5% in FY 1973 to 12.3% in FY 1976.
- The Agency's International Development Intern program for recruiting U.S. personnel met the 25% goal of women for the first time in one of the two 1976 classes.

The Agency's program responses are beginning to be more creative, but most fall into the traditional patterns of project development:

- promotion of women's bureaus and organizations;
- funding for special research and expansion of "traditional" programs affecting women, i.e., health, population and nutrition;
- promotion of education/training to provide literacy, nutrition information and crafts production, and furthering of women's employment in health-related and educational fields.

WOMEN IN DEVELOPMENT

New approaches to "Women in Development" are beginning to surface:

- El Salvador is finding ways to include women as beneficiaries and agents of loans to small farmers.
- Afghanistan has put women on "mobilettes" (bicycle-like motorcycles) and has trained them to extend health delivery to rural areas.
- Upper Volta is experimenting with different approaches in "appropriate technology" by and for women.
- Nicaragua has devised a credit system for market women who could not otherwise obtain funds for improvement of their businesses.

A.I.D. is also beginning to institutionalize the "Women in Development" concept and practices through its bureaucratic system.

- The Agency Handbooks provide guidance on the use of the "impact statement" in the project approval process, which assesses how women will be affected by the proposed project.
- The computer is being set to receive special designations on project accountings to determine whether and to what extent a project involves women. Analysis is currently being done by the office of the Coordinator.
- Country-specific information on women's actual roles in development is to be fed into a social and economic data bank.
- Policy papers, such as the Population Analysis, detail the means by which programs can enlarge women's opportunities for income-producing employment.

DEVELOPMENT COORDINATION COMMITTEE

The Development Coordination Committee (DCC) was established on February 28, 1975, in accordance with Section 640B of the Foreign Assistance Act of 1961 as amended. Its purpose is to provide a coordination mechanism for all U.S. policies and programs affecting the development of developing countries, to advise the President thereon and to report to the Congress on actions taken.

By law the Administrator of A.I.D. chairs the DCC and the Departments of State, Treasury, Commerce, Agriculture and Labor are members. In addition the President has designated the following agencies to serve on the DCC:

- Special Representative for Trade Negotiations;
- Office of Management and Budget;
- Council on International Economic Policy;
- National Security Council;
- Export-Import Bank;
- Overseas Private Investment Corporation.

Other agencies participate on specific issues affecting them. All are represented at the Under Secretary level.

The A.I.D. Assistant Administrator for Interagency Development Coordination is Executive Director of the DCC and has a small staff to serve as the DCC secretariat.

The DCC has been in operation two years and has issued two annual reports, titled Development Issues, describing the broad range of U.S. actions and international events affecting developing countries, including:

- development assistance;

- food assistance;
- trade investment; and
- monetary relations and the effects of U.S. actions in these areas on the U.S. economy.

The DCC has held meetings on:

- problems of the most seriously affected (MSA) countries;
- U.S. policy toward less-developed oil producing countries;
- U.S. position for the U.N. General Assembly Seventh Special Session;
- export earnings stabilization;
- improved forward planning for P.L. 480.

The Assistant Administrator for Interagency Development Coordination and members of his staff have served on or headed U.S. delegations to international meetings concerning development issues, including:

- U.N. General Assembly Seventh Special Session;
- Joint IMF/IBRD Development Committee;
- Conference on International Economic Cooperation;
- OECD Development Assistance Committee;
- The Habitat Conference of the U.N.;
- The Consultative Group on Food Production and Investment (CGFPI)(headed the delegation).

In addition the IDC has participated in various interagency policy-making groups, the latest addition to which is the Interagency Group on transfer of technology.

The DCC has been less active this past year in delineating and discussing major issues. This is due in large part to the fact that these issues, such as commodities, indexation, and debt, have been discussed largely at the Ministerial level at UNCTAD IV and CIEC and within the U.S., policy formulation has been at the Cabinet level, with direct involvement of the President and Secretaries of State and Treasury.

-- At the more operational level, a DCC meeting was held to secure interagency agreement on procedures to give greater development impact to P.L. 480 Title I programs. A.I.D. Missions in 9 of 26 pro-

posed Title I recipient countries have presented proposals for making their P.L. 480 programs more development-oriented under the new procedures.

-- Efforts have been made to ensure that development considerations are taken into account when specific trade and commodity issues arise.

Economic problems involving both U.S. domestic interests and development prospects of the poor countries are becoming more important and more numerous. Additional efforts to ensure proper coordination of U.S. policies on these problems may be required.

HOUSING GUARANTY PROGRAM

The principal activity in our foreign assistance program to help meet the shelter needs of lower income groups in developing countries is the Housing Guaranty Program, which stresses the development of national housing policies and local housing institutions to assist countries to meet their future shelter needs with their own resources.

- The program guaranties repayment of loans from private U.S. lenders to housing institutions in the developing countries; loans are not made from appropriated funds.
- Direct operating expenses are covered by fees charged for the guaranties.

Extension of authority for the program is requested from October 1, 1978, to September 30, 1980.

The growth and magnitude of the world's shelter problems prompted the United States in the early sixties to experiment with a new concept, the Housing Guaranty Program (HG Program), which would facilitate the transfer of resources and technologies to other countries concerned with their shelter and related urban problems. A special authority was included in the Foreign Assistance Act of 1961, which has been amended over the years to increase the geographic scope and the authority of the Program.

This is a unique A.I.D. program in which U.S. private sector investors provide long-term financing for low-income housing programs in developing countries. The United States Government underwrites these transactions through the provision of a full-faith and credit guaranty. Fees are charged for the guaranty and are used to cover operating costs. The HG Program is administered by A.I.D.'s Office of Housing and is self-sufficient, with no use of appropriated funds. A reserve fund, established from prior A.I.D. fee earnings is available to cover claims and operating expenses in excess of current income;

at present the reserve fund is \$50,057,820. A major benefit derived from the involvement of the U.S. private sector as lenders or investors, in addition to the maximization of funds available for development assistance, is the introduction of the HG borrowers to the long-term capital markets of the United States which is believed to encourage the development of mature banking relationships between borrowers and the U.S. investment community.

The HG Program has grown from a \$10 million experiment to more than a billion dollar resource. It represents the largest single source of international financing for shelter, and is the United States' primary instrument for assisting countries to address their shelter problems. Since the inception of the pilot effort 117 project loans amounting to almost \$900 million have been authorized in 36 nations.

In August of 1973, the Agency issued a shelter policy paper intended to define and clarify its activities in this sector. The basic position was that the Agency was very much in, and should continue in, the shelter business and that the principal resource available for these activities was the HG Program, although loan and grant resources could be utilized on a selective basis. The policy noted that A.I.D. should continue its efforts to support the development and strengthening of housing institutions and that more should be done to provide improved shelter for lower-income people as a result of A.I.D.'s shelter activities. One year later the policy was revised to reaffirm the role of the HG Program and to establish that effectively all of the resources of the HG Program should be utilized for low-income shelter (i.e., affordable by individuals and families earning less than a median family income). Since July 1974, all HG projects have met A.I.D.'s shelter policy criteria.

In mid-1976, the Agency adopted a policy on urbanization and the urban poor. The Office of Housing, identified in this policy as a major resource, is currently developing an approach that will encourage local

institutions to consider not only the financial and physical aspects of their shelter programs but to also include in the planning process the social and economic components of low-income neighborhoods in an effort to improve, incrementally, the quality of life for the residents of these areas.

The following are examples of the kinds of projects presently financed by the HG program:

- slum upgrading, including facilities for water, sewage, electricity, roads, health, clinics, schools, and building materials for self-help home improvement;
- sites and services, including preparing vacant areas for productive shelter use by levelling the land, installing water and sewage lines, dividing the land into uniform lots and construction of certain common-use facilities such as schools, clinics, and markets;
- core housing, involving basically a sites and services project with the addition of a rudimentary housing shell on each lot (perhaps four walls, a roof, and water facilities) designed to be improved by the owner;
- low cost housing units, for sale or rental;
- institution building, involving the support of housing finance institutions through financing primary and secondary mortgage markets.

Recognizing the enormous need for shelter in the third world and A.I.D.'s limited resources, the goal of the HG Program is to encourage borrowers to make changes in policy and procedures so as to maximize their effectiveness. Among the policies which various HG projects seek to encourage are:

- reducing the standards and cost of construction;

- assuring that slum dwellers and squatters get secure title to their lots so they will make permanent improvements and pay taxes;
- assuring that projects pay for themselves through appropriate charges to the beneficiaries;
- assuring that integrated planning is done for each project to meet the social and economic needs of the beneficiaries; and
- assuring that savings are mobilized and devoted to the housing sector.

In addition to the provision of long-term financing, A.I.D. provides technical assistance (TA) on shelter and related urban problems with special attention directed at assisting countries in the formulation of overall national housing policies. A.I.D.'s view is that such policies, while clearly needing to address the shelter needs of all income groups, must give special emphasis on the shelter problems of lower income people.

Status of Housing Projects

The following table (in Millions of Dollars) summarizes the status on A.I.D.'s Housing Guaranties by region and country as of January 1, 1977.

<u>AFRICA</u>	<u>Number of Projects</u>	<u>Total amount of Authoriza-tion</u>
Botswana	1	\$ 2.6
Cameroon	1	10.0
Ethiopia	1	5.0
Ivory Coast	3	20.4
Kenya	3	17.0
Liberia	1	5.0
Senegal	1	5.0
Zaire	1	10.0

Zambia	<u>1</u>	<u>10.0</u>
	<u>13</u>	<u>\$ 85.0</u>

ASIA

Republic of China	1	\$ 4.8
Korea	7	90.0
Thailand	<u>1</u>	<u>5.0</u>
	<u>9</u>	<u>\$ 99.8</u>

LATIN AMERICA

Argentina	7	\$ 54.3
Bolivia	2	9.6
CABEI	6	67.0
Caribbean Islands	1	2.0
Chile	5	59.7
Colombia	3	26.9
Costa Rica	3	6.6
Dominican Republic	5	19.0
Ecuador	2	7.4
El Salvador	3	11.0
Guatemala	4	7.8
Guyana	2	6.0
Honduras	4	10.6
Jamaica	5	25.6
Mexico	2	14.5
Nicaragua	4	25.9
Panama	8	28.4
Paraguay	1	4.0
Peru	9	61.0
Venezuela	<u>9</u>	<u>51.5</u>
	<u>85</u>	<u>\$498.8</u>

NEAR EAST

Iran	1	\$ 25.0
Israel	4	125.0
Portugal	<u>2</u>	<u>40.0</u>
Tunisia	<u>3</u>	<u>25.0</u>
	<u>10</u>	<u>\$ 215.0</u>

TOTAL ALL REGIONS	117	\$ 898.6
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P.L. 480 FOOD AID
THE FOOD FOR PEACE PROGRAM

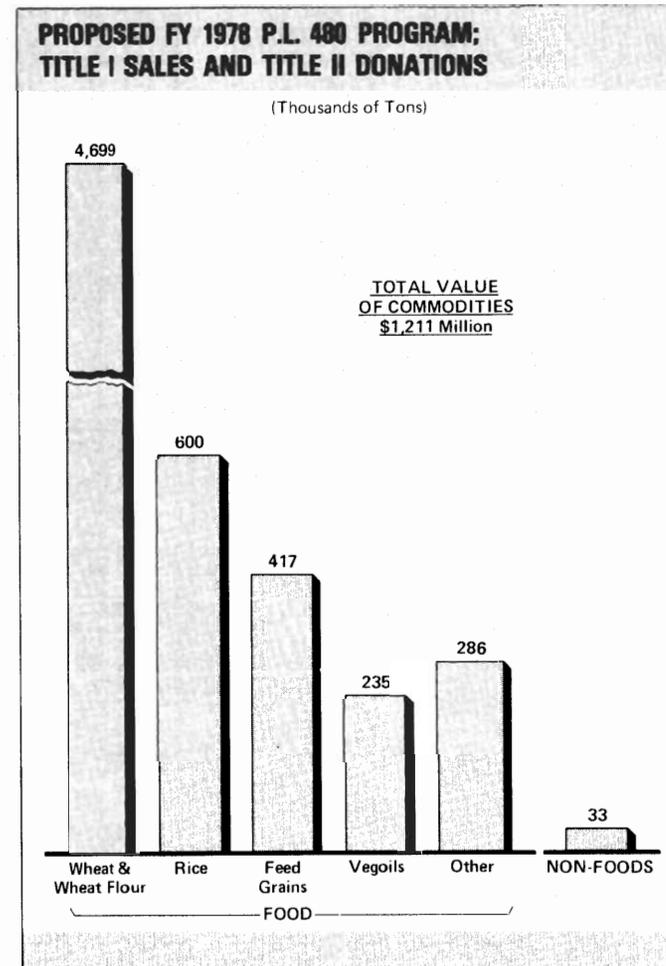
The Food Requirement

In the near term world supplies of food have temporarily improved:

- U.S. corn, wheat, soy and rice crops are at record or near record levels.
- Wheat and other grain crops are also up in Canada, Australia and Argentina. In Europe wheat supplies are adequate but drought has caused a drop in feedgrains.
- The Russian wheat harvest is at the highest level since the record 1973/74 harvest.
- Crops in many of the largest LDCs are also good.
 - ** Wheat crops in Bangladesh, India and Pakistan are at record levels.
 - ** Rice crops in Korea, Burma, Thailand and Bangladesh are also at high levels.

However, the world situation could change rapidly:

- Russian requirements remain uncertain.
- LDC production gains--particularly those on the Subcontinent--although partially related to increased use of new seed varieties and other improved technology have been largely attributable to unusually good weather patterns.



In the longer term the food gap in the LDCs will probably grow:

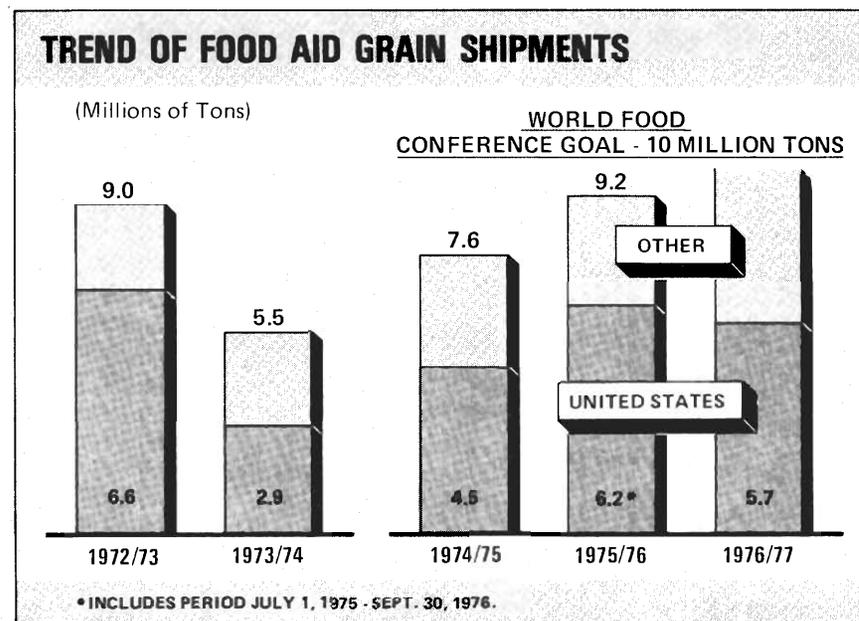
- Population continues to outpace food production.
- New technology helps but many key input costs have greatly increased owing to energy price jumps.
- In 1974 the FAO estimated the grain gap in the LDCs to be 15 million tons.
- By 1985 estimates by FAO, USDA and others under varying assumptions predict that the gap will grow considerably and may range as high as 72 million to 108 million tons.

The Food for Peace Program meets food needs while longer term measures for increasing food production are being worked on. Food for Peace activities, therefore, complement and strengthen our foreign assistance program efforts.

- Nutritional levels of the poor are increased.
- Concessional sales of commodities provide an important resource transfer which enable scarce foreign reserves to be used for development purposes.
- The sales program also generates local currencies which are used for a variety of development purposes.
- The need for Food for Peace resources can be used to create incentives to make policy changes important to development in LDCs.
- The food donation program is directed toward mothers and preschool children as well as school-age children and, through food-for-work projects, the rural and urban poor.

The Food for Peace Program is closely aligned with World Food Conference goals.

- The World Food Conference called for:
 - ** increased food assistance by developed countries;
 - ** stepped-up food production, particularly in developing countries;
 - ** an international system of food reserves.
- The U.S. provides 5 to 6 million tons of grains annually towards the World Food Conference goal of 10 million tons.



- Food for Peace programs, by providing foreign exchange relief, local currency generations and project support, can have an important influence on increasing worldwide food production.
- U.S. food contributions, particularly those to the World Food Program, encourage other donors to maintain and increase their contribution levels.
- Food for Peace resources could become an important element in any worldwide grain reserve plan.

Administration of the Food for Peace Program

The Food for Peace Program has multiple objectives:

- combatting hunger and malnutrition;
- expanding U.S. markets;
- developing food production potential;
- supporting other foreign policy goals of the United States.

Food for Peace programs are decided on the basis of priorities:

- disaster and emergency feeding requirements;
- longer term humanitarian needs such as:
 - ** maternal child feeding;
 - ** school feeding;
 - ** food-for-work projects.

- the food import requirements of the most needy nations;
- other foreign policy objectives.

The administration of the Food for Peace Program is an interagency responsibility:

- Proposals are reviewed and approved by an interagency committee with representation from A.I.D., State, USDA, OMB, Treasury and Commerce.
- The Secretary of Agriculture determines availability of commodities for the program after considering requirements for:
 - ** the domestic market;
 - ** adequate carryover of stocks and commercial exports.
- P.L. 480 shipments are financed by USDA funds.

Food for Peace programs are of two types: Title I and Title II.

Title I

A sales program allowing purchase of U.S. farm products through long-term loans on concessional terms. Title I sales represent about 75% of the total P.L. 480 program.

- Under Title I the U.S. lends the purchasing country funds to buy commodities in the U.S. market. The importing country pays the freight cost except for the differential to cover the costs of shipments required to be carried by U.S. flag vessels. The commodities

- are usually sold in the recipient country through commercial markets.
- Most concessional loan terms are forty years with a ten-year grace period and interest rates of 2% during the grace period, 3% thereafter. Terms may be tighter, however, depending upon the financial standing of the recipient countries.
 - Country program levels and financial terms depend on a variety of country-related factors:
 - ** the need for food as reflected in a country's food production and import statistics;
 - ** a country's inability to finance its total food import needs commercially as evidenced by balance of payments and other financial considerations;
 - ** efforts by the recipient country to improve its agricultural production and nutrition;
 - ** potential for developing markets for U.S. agricultural commodities and other foreign policy interests.
 - Most Title I assistance is provided to the poorest countries:
 - ** In FY 1975 about 80% of Title I was allocated to countries most seriously affected by the energy crisis.
 - ** In FY 1976 approximately 75% went to countries with a per capita income below \$300.
 - ** In FY 1977 it is expected that allocations to countries with a per capita income of \$300 or less will total 75% or more. At present, however, planned allocations for FY 1977 to poorer countries total approximately 74% because of increased grain production in certain poorer countries which has resulted in less demand from below \$300 per capita countries. Additional potential requirements have been identified, however, and it is expected that final FY 1977 allocations will be in full conformance with the requirements of Section 111 of P.L. 480.
 - Title I food assistance is normally related closely to overall U.S. economic development strategy in developing countries. Often it is interrelated with policies aimed at expanding local agricultural production and the welfare of low income peoples of the world.
 - ** In most developing countries food production fluctuates substantially from year to year.
 - ** Increases in agricultural production depend upon complex moves and may not show immediate results. Because of increases in income, employment and population, the demand for food may temporarily exceed supply.
 - ** Title I resources can fill the food gap while providing revenues that can be used to support agricultural production programs.
 - A.I.D. continues to study ways in which the link between food assistance and development may be strengthened. During the past year:
 - ** Approval was obtained from the interagency Development Coordination Committee for a

new system to integrate food aid with bilateral development assistance programs.

- ** A proposal was developed to offer a "core" quantity of commodities on a priority basis to selected developing countries that can demonstrate a significant link between P.L. 480 resources and development. Countries with access to the "core" allocation of commodities will have greater assurances than in the past of the amount and timing of shipments. No binding commitments will be made, however, until availability has been established by USDA. The first "core" programs are expected to be implemented during FY 1978.
- ** Procedures were developed for the use of the "loan forgiveness" authority contained in Section 205 of the International Development and Food Assistance Act of 1975. This provision emphasizes the use of foreign currency proceeds from the sale of commodities under P.L. 480 Title I for carrying out programs of agricultural development, rural development, nutrition and family planning. Use of these proceeds for mutually agreed development purposes may be considered in an equivalent amount as payment of dollar obligations to the United States under P.L. 480 Title I agreements. "Loan forgiveness" will be used as an incentive to encourage difficult policy or fiscal decisions relating to development. First proposals from the field are now under review.

- ** A.I.D. revised its policies on the programming of local currency generations under Title I to facilitate their use where appropriate for economic development. The intent of the policy change was to encourage joint programming in country situations where its use would be developmentally productive, recognizing that U.S. control of local currencies would not be advantageous or advisable in all instances.
- ** Each Title I agreement contains a description of the self-help program which the recipient country is undertaking--usually in the areas of agricultural development, nutritional development or population planning.

Title I Program for FY 1978:

- An \$800 million program is proposed for FY 1978. It will finance, according to the Department of Agriculture's 1978 price projection, 4.7 million tons of food commodities and 33 thousand tons of non-food items.
- Of the 4.7 million tons of food--wheat, rice and vegetable oil--at least 75% will be allocated to developing countries with an annual per capita GNP of \$300 or less.
- ** Countries in the Subcontinent and Egypt will be the largest recipients of wheat/wheat flour with the balance to be programmed in African and Latin American countries.
- ** Indonesia will be the largest recipient of rice.

- ** Only limited supplies of vegetable oil and corn are projected for P.L. 480; therefore, these commodities will be programmed to countries with the greatest need.

Title II

This is a donation program providing food to needy people, particularly preschoolers and mothers and school children, and to the rural and urban poor through food-for-work projects.

-- It is also the major U.S. response mechanism for food aid to victims of natural and man-made disasters.

-- Principal objectives are to:

- ** alleviate the sufferings of disaster victims;
- ** combat hunger and malnutrition;
- ** promote economic development through the use of food aid as a development resource.

Title II program sponsors are U.S. voluntary agencies, the World Food Program and other international organizations, and governments of recipient countries.

-- The principal voluntary agency sponsors are CARE, Catholic Relief Services, Church World Service, Lutheran World Relief, American Joint Distribution Committee and Seventh-Day Adventist Welfare Service.

- ** American voluntary agencies distribute over 50% of Title II commodities through their non-emergency programs.

- ** These agencies have a quarter-century of experience in overseas development and food distribution and each has demonstrated a unique expertise in helping to achieve the objectives of the Title II program.

-- The World Food Program (WFP), an activity of the United Nations' Food and Agriculture Organization, distributes approximately 16% of Title II commodities in regular programs.

- ** The United States has been a strong supporter of the World Food Program since its inception in 1963. Pledges to the Program are made on a biennial basis. The United States continues to be the largest donor, although our percentage of the total pledge has declined as total program resources have grown.
- ** In 1963-1964, the U.S. pledge of \$34 million represented 50% of the total program. In the present biennium, 1977-1978, the U.S. pledge is \$188 million (\$155 million commodities, \$30 million ocean transportation and \$3 million cash), representing 25 percent of the total worldwide target of \$750 million.
- ** WFP project categories are very similar to A.I.D.'s bilateral Title II programs. They include the feeding of vulnerable groups, labor intensive rural development projects and emergency relief.
- ** Projects are approved by the governing body of the World Food Program, the Committee on Food Aid (CFA), of which the United States is a member.

** WFP requests commodity shipment for approved projects from the United States from those commodities pledged by the U.S. and available under Title II.

-- Recipient government-sponsored Title II donation programs represent only 1% of non-emergency allocations.

The remaining 32% of the FY 1978 Title II Program consists of an emergency reserve of 9% and a 23% reserve category allocated primarily for special commodities.

All program sponsors participate in the distribution of food for disaster relief.

The principal recipients of Title II donations are mothers and children; adult workers and disaster victims.

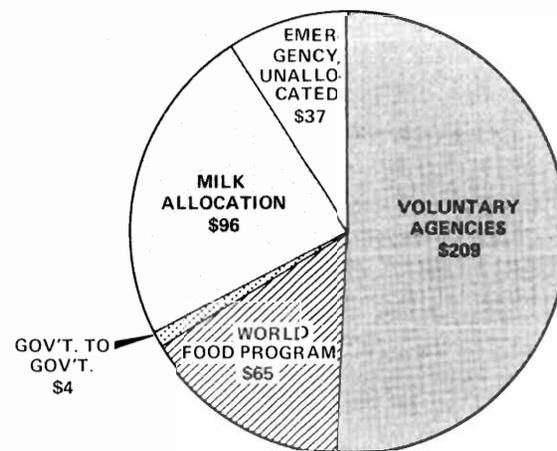
Maternal and Child Health Programs (MCH):

-- Maternal and Child Health Feeding centers and other child feeding programs receive over 28% of all regularly programmed Title II food. The food is directed to the most vulnerable group, i.e. the high-risk women of child-bearing age and their infants under the age of six years whose mental and physical growth and productivity as adults are most severely affected by malnutrition.

-- MCH programs focus on alleviating an absence of adequate nutrients at a critical time in the maturing process--a time when lack of nutrients can retard growth and reduce the body's ability to resist infection. A rate of 50% infant mortality before age five is not uncommon in developing countries. As a result, MCH and other child feeding activities are the highest priority in Title II non-emergency programs.

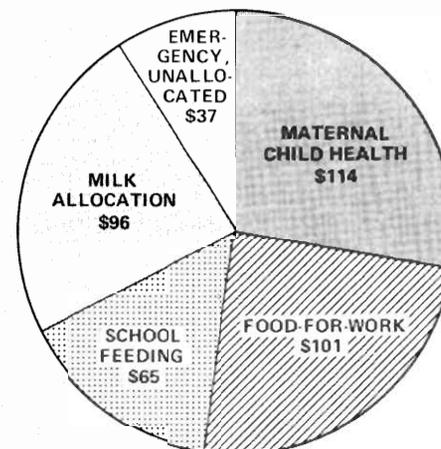
**P.L. 480, TITLE II DONATIONS PROGRAM;
FY 1978 COMMODITIES VALUE — \$411 MILLION**

A. BY PROGRAM SPONSOR



(DATA IN MILLIONS OF DOLLARS)

B. BY PROGRAM CATEGORY



School Feeding Programs:

- School feeding programs incorporate 15% of the dollar value of the total Title II program. The purpose of these programs is to insure adequate nutrient levels and good health to complement educational opportunities in developing countries.
- School feeding programs sometimes also provide the infrastructure and logistical base for the development and extension of maternal and child health feeding activities.

Food for Work Programs:

- Food for work mobilizes human resources to develop improvements in local living conditions. Food-for-work programs are concentrated on agricultural projects but are also used for health, sanitation, family planning and education training projects.
- Food-for-work programs throughout the world are also directed at employment generation.
- Food-for-work projects account for 25% of the dollar value of the total Title II program:
 - ** Economic development projects coordinate Title II food and human energy for agricultural development--construction of roads, bridges, wells, dams, reservoirs and storage facilities.
 - ** Community development projects sponsor construction and renovation of schools, child feeding centers, clearing recreational areas and maintenance of streets.

- ** Health and sanitation projects provide training in nutrition, child care, family planning, food handling and disease control in order that trainees may return to their villages and convey this knowledge to other village families.
- ** Education development projects provide food as an incentive to adults receiving literacy and vocational training.

Emergency Feeding Programs:

- The Title II donation program also provides humanitarian assistance to victims of disasters.
- Since disaster requirements cannot be specifically planned, significant quantities of food must be reserved annually to cover the unforeseen emergencies.
- In the first quarter of FY 1977, Title II emergency foods were provided to Ghana and the Philippines.
- Currently, A.I.D. is monitoring threats of drought in several areas of Africa.

Title II Program for FY 1978:

- Numbers of recipients in maternal and child feeding programs will continue to increase. Between FY 1972 and FY 1978, these programs have grown from 12% to 28% of the Title II program.
- Title II rations for maternal and preschool feeding programs in Africa will be increased to provide at least half of the daily caloric and protein requirements of recipients.

Experience has shown that an increased ration will make a greater nutritional impact on this most vulnerable group.

- Through development of locally-produced high protein foods such as triposha in Sri Lanka and bienestarina in Colombia, efforts will continue in order to supplement Title II foods with greater recipient government resources.

Implementation of 1.3 Million Ton Minimum:

- The FY 1978 proposal for Title II consists of an authorized program level of 1.5 million metric ton grain equivalent of commodities.

- ** This is 200,000 MTGE*over the minimum required under Section 111 of P.L. 480 and 200,000 MTGE more than the quantity made available in FY 1976 and FY 1977.

- ** The additional tonnage will provide greater programming flexibility and increase A.I.D.'s ability to distribute at least 1.3 million MTGE of commodities to program recipients.

Integration of Resources:

- A.I.D.'s goal in FY 1978 is to continue to integrate Title II resources and institutions with other development resources. The integration process is designed to:

- ** identify common or mutually supportive development systems and goals;

- ** add a new development resource to an existing or mutually supportive development system; and

*Metric Ton Grain Equivalent

- ** identify delivery systems which can address complementary aims.

- Examples of the integrated approach include the following:

- ** The Government of Egypt has assigned a high priority to targeted supplemental feeding activities in its overall development plan. As a supplement to Title II, the government has provided partial funding for snacks to over one million rural, primary school children annually.

- ** Through an A.I.D. operational program grant in Lesotho, Catholic Relief Services is developing a project in community health and nutrition. In addition, a UCLA sub-contract will provide the logistical support for a national nutrition survey to identify areas of greatest nutritional deficiency in order to better direct Title II resources.

- ** A CARE food-for-work project in Chad is closely coordinated with dollar funded activities. Here, Title II commodities and A.I.D. development assistance funding will be used together in the high priority "Integrated Rural Development" areas of Chad.

- ** A regional project combining dollar funding and Title II commodities is being developed for Ghana, Kenya and Tanzania. Principal goals of this project will be to improve the nutritional status of participating children; to test the validity of a growth surveillance system developed by Catholic Relief Services in Rwanda; to assess the

impact of Title II Maternal Child Health programs; and to train nutrition personnel for rural assignments.

Title II reaches the rural poor:

In conformance with A.I.D.'s new directions to reach the rural poor, Title II donation program sponsors, such as the American voluntary agencies and the World Food Program, are developing new projects and relocating current activities to reach more of the rural poor. For example:

- The largest Title II donation program in India is primarily directed at rural maternal child health and school children; it complements a much larger Government of India effort to reach these priority groups.
- The Catholic Relief Services' school feeding program in Peru will operate exclusively in the rural sector and focus on the Peruvian Indians--the poorest of that country's poor.
- In the poorest country in the Western Hemisphere, Haiti, where 90% of the population live in rural areas, CARE, Catholic Relief Services and Church World Service are conducting school feeding programs, maternal/child feeding and food-for-work programs in the rural areas.

P.L. 480 TITLE I SALES PROGRAMS
(000 MT/\$ 000,000)

COUNTRY	FY 1976		TOTAL	FY 1978 PROPOSAL								TOTAL FOOD	NON- FOOD
	+ TQ	FY 1977		WHEAT/ WHEAT FLOUR		RICE		OTHER GRAIN		VEGOIL			
	\$	\$ (Est)		\$	MT	\$	MT	\$	MT	\$	MT		
<u>\$ 300 per capita GNP or Less</u>													
Afghanistan	2.6	-	-										
Bangladesh	171.2	36.1	94.2	450	53.1	100	26.7			25	14.4	575	
Egypt	190.8	200.0	129.9	1,000	118.0							1,000	11.9
Ethiopia	3.4	3.0	3.0	25	3.0							25	
Guinea	7.7	4.9	4.9	10	1.1	10	2.7			2	1.1	22	
Haiti	4.7	6.4	6.4	30	3.5					5	2.9	35	
India	71.9	37.2	87.9	500	59.0					50	28.9	550	
Indonesia	90.3	77.4	87.4	175	20.7	250	66.7					425	
Mali	-	1.3	-	-	-							-	
Pakistan	104.2	63.7	63.0	125	14.7					84	48.3	209	
Sri Lanka	20.5	47.6	21.0	133	15.7	20	5.3					153	
Sudan	-	5.9	7.1	60	7.1							60	
Tanzania	6.5	6.5	6.5					60	6.5			60	
Zaire	12.8	14.1	12.1			25	6.7	50	5.4			75	
Subtotal	686.6	504.1	523.4	2,508	295.9	405	108.1	110	11.9	166	95.6	3,189	11.9
<u>Over \$300 per capita GNP</u>													
Chile	52.0	15.0	-										
Honduras	2.1	1.7	1.8	15	1.8							15	
Israel	15.5	8.3	8.3	70	8.3							70	
Jamaica	1.3	-	2.1	3	1.5					1	.6	4	
Jordan	11.8	5.9	5.9	50	5.9							50	
Korea	139.7	79.1	109.3	550	64.9	45	12.0	40	4.3			635	28.1
Lebanon	-	-	8.8	50	5.9					5	2.9	55	
Morocco	9.7	5.9	-									-	
Philippines	-	11.9	19.2									-	19.2
Portugal	23.6	50.0	29.8	75	8.9	50	13.4					125	7.5
Peru	-	-	4.1	35	4.1							35	
Senegal	-	2.5	2.7			10	2.7					10	
Syria	24.1	15.0	15.6			35	9.3			4	2.3	39	4.0
Tunisia	2.8	4.7	-									-	
Zambia	1.2	4.8	4.2	16	1.9					4	2.3	20	
Subtotal	283.8	204.8	211.8	864	103.2	140	37.4	40	4.3	14	8.1	1,058	58.8
Lebanon	-	19.0	-	-	-	-	-	-	-	-	-	-	-
Total	970.4	727.9	735.2	3,372	399.1	545	145.5	150	16.2	180	103.7	4,247	70.7
Reserve	-	72.1	64.8	435	50.2	55	14.6	-	-	-	-	490	-
GRAND TOTAL	970.4	800.0	800.0	3,807	449.3	600	160.1	150	16.2	180	103.7	4,737	70.7

- NOTES: 1. FY 1976 + TQ amounts represent value of shipments.
2. FY 1977 and 1978 dollar figures are based on current price projections. FY 1978 proposed allocations are illustrative and subject to change contingent upon commodity availability, prices, and future program needs.
3. Jamaica - Tonnage under "Wheat" column represents fortified blended foods.
4. Lebanon - For FY 1977, certification waiving the 75/25 ratio food allocation on humanitarian grounds has been sent to Congress. For FY 1978, proposed program covered under "over \$300 per capita GNP" category.

PL 480 Title II SUMMARY

(\$000)

<u>Region/Country</u>	<u>FY 1976 and TQ - TOTAL</u> (Actual)	<u>FY 1977 Estimated TOTAL</u>	<u>FY 1978 Projected</u>			
			<u>Total</u>	<u>Voluntary Agencies</u>	<u>World Food Program</u>	<u>Government to Government</u>
<u>GRAND TOTAL</u>	486,376	537,476	565,904			
Total - Commodity	378,142	401,206	410,788			
Subtotal - All Regions	378,142	310,512	277,488	208,550	65,000	3,938
NEAR EAST	47,963	51,559	49,185	29,442	17,839	1,904
LATIN AMERICA	93,067	69,150	50,316	41,231	8,131	954
AFRICA	72,218	54,744	51,204	27,310	22,814	1,080
ASIA	164,894	135,059	126,783	110,567	16,216	
Emergency/Unallocated Cereals		90,694 (54,427)	133,300 (37,100)			
NFDM		(36,267)	(96,200)			
Section 204 Purchase of Title I Currencies	1,308	2,000	2,000			
Ocean Transportation	106,926	134,270	153,116			

PL 480 Title II SUMMARY By Country

(\$000)

<u>Region/Country</u>	<u>FY 1976 and TQ - TOTAL</u> (Actual)	<u>FY 1977 Estimated TOTAL</u>	<u>FY 1978 Projected</u>			
			<u>Total</u>	<u>Voluntary Agencies</u>	<u>World Food Program</u>	<u>Government to Government</u>
<u>NEAR EAST - TOTAL</u>	47,963	51,559	49,185	29,442	17,839	1,904
Afghanistan	1,082	3,107	929		929	
Algeria	7,092	2,701	2,691		2,691	
Bhutan	32	85	75		75	
Cyprus		823	820		820	
Egypt	5,554	12,405	16,122	13,498	2,624	
Gaza	1,787	1,448	1,520	1,520		
Jordan	1,909	1,934	1,759	251	1,508	
Jordan - West Bank	1,624	1,139	1,223	1,223		
Lebanon	81	2,886				
Maldiv Islands		30	30		30	
Morocco	20,026	13,020	10,500	10,160	340	
Syria	225	2,924	3,575		3,575	
Tunisia	5,273	6,258	6,774	1,464	3,406	1,904
Turkey		690	1,166		1,166	
Yemen	3,278	2,109	2,001	1,326	675	

PL 480 Title II SUMMARY By Country

(\$000)

<u>Region/Country</u>	(Actual) FY 1976 and TQ - TOTAL	FY 1977 Estimated TOTAL	FY 1978 Projected			
			<u>Total</u>	<u>Voluntary Agencies</u>	<u>World Food Program</u>	<u>Government to Government</u>
LATIN AMERICA - TOTAL	93,067	69,150	50,316	41,231	8,131	954
Barbados	50	45	45		45	
Bolivia	7,287	5,424	5,876	5,301	575	
Brazil	1,773	1,191	2,020		2,020	
Chile	14,474	16,101	5,000	5,000		
Colombia	13,010	6,570	4,780	3,023	1,757	
Costa Rica	1,538	1,931	303		303	
Dominica		48	30		30	
Dominican Republic	12,353	7,364	5,212	5,212		
Ecuador	2,171	1,576	427		427	
El Salvador	3,098	1,682	1,707	1,010	697	
Guatemala	12,833	8,102	7,126	7,054	72	
Guyana	244	87	87		87	
Haiti	9,331	6,050	4,503	4,095	408	
Honduras	3,918	2,607	4,974	4,265	709	
Jamaica	87	135	83		83	
Nicaragua	824	490	174		174	
Panama	1,200	2,573	1,880	1,880		
Paraguay	15	415	110		110	
Peru	8,861	6,759	5,979	4,391	634	954

PL 480 Title II SUMMARY By Country

(\$000)

<u>Region/Country</u>	<u>FY 1976 and TQ - TOTAL</u> (Actual)	<u>FY 1977 Estimated TOTAL</u>	<u>FY 1978 Projected</u>			
			<u>Total</u>	<u>Voluntary Agencies</u>	<u>World Food Program</u>	<u>Government to Government</u>
AFRICA - TOTAL	72,218	54,744	51,204	27,310	22,814	1,080
Benin	529	723	659	130	529	
Botswana	2,371	2,674	3,674		3,674	
Burundi	1,302	1,416	1,281	892	389	
Cameroon	1,773	1,972	1,504	539	965	
Cape Verde	1,717	45	45		45	
Central African Republic	271	525	426		426	
Chad	812	1,128	1,013	467	546	
Congo	721	768	479		479	
Ethiopia	3,191	3,515	3,738	2,292	1,446	
Gabon	43	163	162		162	
Gambia	956	551	511	316	195	
Ghana	5,758	5,511	4,664	3,715	949	
Guinea	807	199	198		198	
Guinea - Bissau	120					
Ivory Coast	443	176	160		160	
Kenya	2,427	1,897	1,638	1,638		
Lesotho	5,100	3,758	3,516	2,144	1,372	
Liberia	540	383	382		382	
Malagasy	649	694	517	494	23	
Malawi	288	840	961		961	
Mali	104	523	523		523	
Mauritania	2,962	1,622	1,855	1,243	612	
Mauritius	599	1,633	114		114	
Mozambique	812	1,146	1,146		1,146	
Niger	3,770	608	608		608	
Nigeria	276	634	633		633	
Rwanda	1,447	1,088	967	844	123	
Sao Tome & Principe	65	44	44		44	
Senegal	2,334	2,585	4,269	3,559	710	
Seychelles	118	73	136	136		
Sierra Leone	2,937	2,396	2,109	2,003	106	
Somali Republic	1,359	830	648		648	
Sudan	1,332	4,186	2,548	525	2,023	
Swaziland	145	449	485		485	
Tanzania	18,094	5,346	4,143	2,943	120	1,080

PL 480 Title II SUMMARY By Country
(\$000)

<u>Region/Country</u>	<u>FY 1976 and TQ - TOTAL (Actual)</u>	<u>FY 1977 Estimated TOTAL</u>	<u>FY 1978 Projected</u>		
			<u>Total</u>	<u>Voluntary Agencies</u>	<u>World Food Program</u>
AFRICA - Continued					
Togo	2,254	1,852	2,182	1,128	1,054
Uganda	285				
Upper Volta	3,428	2,571	3,104	2,302	802
Zambia	79	220	162		162

PL 480 Title II SUMMARY By Country
(\$000)

<u>Region/Country</u>	FY 1976 and <u>TQ - TOTAL</u> (Actual)	FY 1977 Estimated <u>TOTAL</u>	FY 1978 Projected			
			<u>Total</u>	<u>Voluntary Agencies</u>	<u>World Food Program</u>	<u>Government to Government</u>
ASIA - TOTAL	164,894	135,059	126,783	110,567	16,216	
Bangladesh	1,631	16,019	9,790	9,360	430	
British Solomon Islands		190	189		189	
India	120,271	85,305	87,512	79,107	8,405	
Indonesia	6,138	5,433	3,269	2,484	785	
Korea	245					
Nepal	839	1,526	2,311		2,311	
Pakistan	8,132	3,724	2,788	458	2,330	
Philippines	21,360	17,754	15,603	14,820	783	
Singapore	61	53	52		52	
Sri Lanka	5,462	4,925	5,139	4,338	801	
Vietnam	755					
Fiji Islands		130	130		130	