

AGENCY FOR INTERNATIONAL DEVELOPMENT

DEVELOPMENT AND

HUMANITARIAN ASSISTANCE PROGRAMS

FY 1973 PRESENTATION TO THE CONGRESS

PROGRAM AND PROJECT DATA

ASIA

ASIA

TABLE OF CONTENTS

	<u>Page No.</u>		<u>Page No.</u>
<u>ASIA</u>		<u>AFGHANISTAN</u>	
Asia Regional Narrative	1 - 15	Country Narrative	83 - 86
Summary of Program by Area and Country (Table I) ...	16	Status of Active Development Loans Summary (Table IV)	87
Summary of Program by Country and Sector (Table II).	17 - 18	Project Fiscal Summary (Table V)	88
Summary of Technicians and Participants by Country (Table III)	19	Project Sheet (Table VI)	89 - 96
Economic and Social Data Tables	20 - 22	Country Economic Table	97
<u>TURKEY</u>		<u>NEPAL</u>	
Country Narrative	23 - 26	Country Narrative	99 - 100
Status of Active Development Loans Summary (Table IV)	27	Project Fiscal Summary (Table V)	101
Project Fiscal Summary (Table V)	28	Project Sheet (Table VI)	102 - 107
Project Sheet (Table VI)	29 - 33	Country Economic Table	108
Country Economic Table	34	<u>INDONESIA</u>	
<u>REGIONAL PROGRAMS</u>		Country Narrative	109 - 115
Country Narrative	35 - 36	Status of Active Development Loans Summary (Table IV)	116
Project Fiscal Summary (Table V)	37	Project Fiscal Summary (Table V)	117
Project Sheet (Table VI)	38 - 40	Project Sheet (Table VI)	118 - 123
Other Programs - Narrative	41	Country Economic Table	124
<u>INDIA</u>		<u>KOREA</u>	
Country Narrative	43 - 47	Country Narrative	125 - 128
Status of Active Development Loans Summary (Table IV)	48	Status of Active Development Loans Summary (Table IV)	129
Project Fiscal Summary (Table V)	49	Project Fiscal Summary (Table V)	130
Project Sheet (Table VI).....	50 - 71	Project Sheet (Table VI)	131 - 135
Country Economic Table	72	Country Economic Table	136
<u>PAKISTAN</u>		<u>PHILIPPINES</u>	
Country Narrative	73 - 75	Country Narrative	137 - 139
Status of Active Development Loans Summary (Table IV)	76	Status of Active Development Loans Summary (Table IV)	140
Project Fiscal Summary (Table V)	77	Project Fiscal Summary (Table V).....	141
Project Sheet (Table VI)	78 - 80	Project Sheet (Table VI)	142 - 146
Country Economic Table	81	Country Economic Table	147
		<u>OTHER</u>	
		Status of Active Development Loans Summary (Table IV):	
		Ceylon	149
		Iran	150

ASIA

UNION OF SOVIET SOCIALIST REPUBLICS

MONGOLIA

CHINA, PEOPLE'S DEMOCRATIC REPUBLIC

KOREA

JAPAN

TURKEY

ISRAEL

SYRIA

IRAQ

IRAN

AFGHANISTAN

Kashmir

NEPAL

PAKISTAN

INDIA

CEYLON

BANGLADESH

BURMA

LAOS

THAILAND

VIETNAM

PHILIPPINES

CHINA, REPUBLIC OF

EGYPT

JORDAN

SAUDI ARABIA

OMAN

YEMEN

YEMEN (Dem. Rep.)

SUDAN

ETHIOPIA

SOMALIA

KENYA

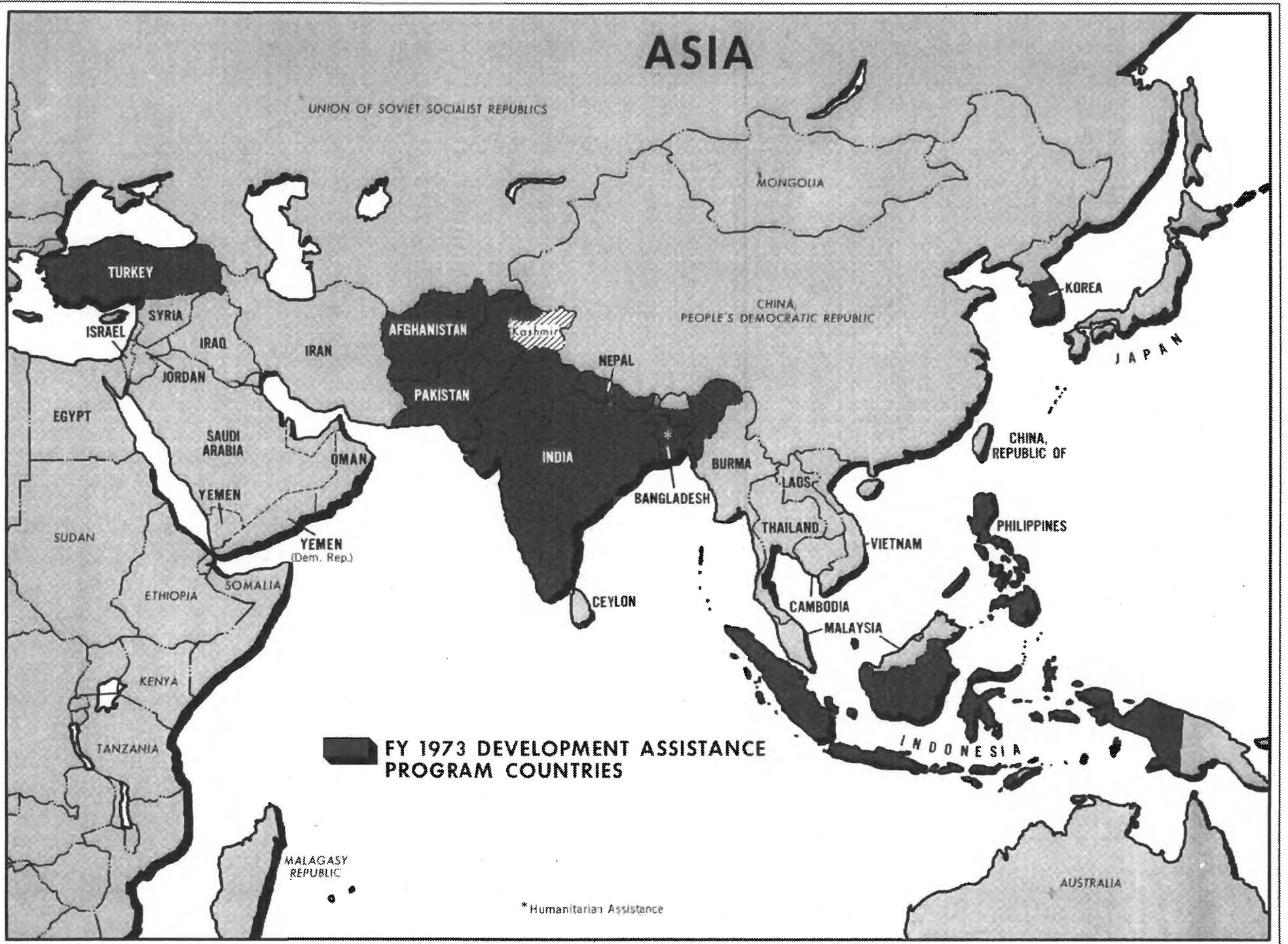
TANZANIA

MALAGASY REPUBLIC

AUSTRALIA

 FY 1973 DEVELOPMENT ASSISTANCE PROGRAM COUNTRIES

*Humanitarian Assistance



ASIA

FISCAL YEAR	PROGRAM SUMMARY (In millions of dollars)						
	Total	Agricultural & Rural Development	Population & Health	Education & Manpower Training	Industry, Transportation & Urban Dev.	Non-Project Loans & Other	Program Development & Support
<u>1971</u>							
Devel. Loans	372.1	55.0	- 1/	6.0	41.1	270.0	-
Tech. Assist.	43.9	12.8	.9	15.3	1.9	-	12.9
Population	15.0	-	15.0 2/	-	-	-	-
Other	1.5	1.5	-	-	-	-	-
Total	432.5	69.3	15.9	21.3	43.0	270.0	12.9
<u>1972</u>							
Devel. Loans	277.0	37.0	-	2.5	132.5	105.0	-
Tech. Assist.	36.1	11.4	.7	12.1	.7	-	11.2
Population	11.8	-	11.8	-	-	-	-
Other	15.7	-	-	-	-	15.7	-
Total	340.7	48.4	12.5	14.6	133.2	120.7	11.2
<u>1973</u>							
Devel. Loans	465.0 3/	75.0	-	-	75.0	315.0 3/	-
Tech. Assist.	38.1	13.4	.3	12.9	1.2	-	10.4
Population	15.2	-	15.2	-	-	-	-
Other	15.0 4/	-	-	-	-	15.0 4/	-
Total	533.4 5/	88.4	15.5	12.9	76.2	330.0 3/	10.4

- /1 Excludes population grant programs.
 /2 Funded from development loan funds.
 /3 Includes \$110 million in currently unallocated Development Loans to support programs in eligible Asian countries.
 /4 International Narcotics Control assistance.
 /5 Excludes \$17.7 million in Technical Assistance and Population programs for Vietnam, Laos, Thailand, Jordan and East Asia Regional, administered by the Supporting Assistance Bureau.

Social and economic development is a long-term matter. It involves a profound transformation of society: from one with fixed social relationships, little upward movement and low expectations, to one with social mobility, economic opportunity and a new style and quality of life. Development means a steady rise in life expectancy, increased literacy, the removal of caste and other social restrictions on individuals' upward movement, and the end to the conditions of abject poverty in which many people of these countries still live.

Economic and social development has been a priority objective of public policy of the Asian countries for the past fifteen years. Their development programs have meant among other things:

- the achievement of food-grain self-sufficiency for many;
- larger and stronger private industrial and commercial sectors, producing and distributing a large variety of consumer goods;
- primary schooling for the rural youngsters and vocational training for the city youth, so that the labor force is increasingly literate.

But despite the phenomenal progress created by sustained national efforts supported by foreign aid --

- the landless laborers in the countryside and the illiterate immigrants to the city remain desperately poor and undernourished;
- the rate of population growth continues to erode the gains made by the total economy and limits any real progress in the reduction of poverty;
- the lack of skilled manpower weakens the capacity of both public and private sectors to manage resources efficiently and to undertake steadily expanding social and economic development programs.

A gap remains not only between the less developed and developed countries, but also between the less developed themselves. The following table illustrates this

Comparing Social Well Being (data from 1969 or 1970)			
	U.S.	Turkey	India
Life Expectancy (at birth)	70	54	50
Persons per hospital bed	120	510	1670
Persons per physician	620	2260	4610
Primary Students, as % of 5-14 age group	91	53	40
Literacy, as % of total population	98	46	28
Daily newspapers (per 1000)	306	41	13
Telephones (per 1000)	580	16	2

PROGRESS AND PROBLEMS

A great deal of progress has been made in the last twenty years. Per capita growth in the less developed world before the Second World War averaged 1/2 of 1%.

ASIA

But in the past two decades annual per capita output in most Asian countries increased on the average of 2 to 3%.

The decade of the 1960s saw a quickened rate of social progress and economic development.

South Asian agricultural growth rates accelerated sharply in the late 1960s -- from 1% a year in the early 1960s to 5% a year after 1967 -- while agricultural output in other countries rose less dramatically. On the other hand, industrial growth in most Asian countries dropped slightly from 8 to 9% a year in the early 1960s, to about 7% in the late 1960s, with the exception of Korea where industry grew at the exceptional rate of 19% a year. Although these rates of economic growth did not affect everyone equally, and the gains were eroded by the high rate of population growth, nonetheless, as the following table indicates, there was significant improvement through the 1960s.

Per Capita Annual Rates of Growth of GNP

	<u>Average 1960-65</u>	<u>Average 1965-70</u>
India	0.8	2.1
Turkey	1.7	4.3
Philippines	2.2	2.5
Korea	3.5	9.5

Life expectancy rose dramatically in the 1960s:

	<u>1960</u>	<u>1970</u>
Korea	52	58
India	41	50
Philippines	49	55

This change was achieved by a large investment in hospitals, clinics, sanitation and extensive inoculation campaigns, as well as some improvement in nutrition. For example, the number of people per physician has dropped:

	<u>1960</u>	<u>1970</u>
India	5700	4610
Philippines	1600	1390

The countries of Asia poured their increasing funds into primary education, increasing the enrollment ratios dramatically:

	<u>1960</u>	<u>1970</u>
India	29%	40%
Korea	60%	67%

Similar improvement can be noted in all aspects of ordinary Asian life. The consumption of textiles, footwear, bicycles and simple household implements has risen dramatically.

What were the main causes of the quickening rate of growth in the 1960s?

The Introduction of High Yielding Varieties (HYV).

The introduction of the HYV transformed the agricultural sector of many of the countries of Asia. The shorter growing period of the new varieties makes possible multiple-cropping and the introduction of new crops. Since the new seeds required a combination of fertilizer and water, governments increased investments in land and water development programs, and in new fertilizer plants. The need for efficient distribution of a much greater volume of fertilizer and seeds led governments to change their distribution, pricing and credit policies for agricultural inputs and products. Since the production of seeds appropriate for the climatic conditions in the different Asian countries required research and testing, the governments began to improve research laboratories, train more research specialists and carry out more test demonstrations.

Increased Investment & Savings. The growth of output and the expansion of social services rested on a sustained volume of investment in industries and infrastructure. As the total output of countries increased, they were able to invest more, both absolutely and as a percentage of national output. For example: Turkey invested 18% of its national product in 1960/62 and increased this to 21% by 1969/70; Philippines investment rose from 13% to 20%.

ASIA

Between 80% and 90% of this investment came from the domestic savings of the countries themselves. Governments were more prepared to tax for development. In the early 1960s, for example, Korean taxes were 10% of the gross national product, but by 1970 they had reached almost 15%. Investment brought into being not only new industrial firms, roads, bridges, dams and power stations, but also schools and clinics. Better medical services and better food made stronger workers; more grade schools increased their literacy; more vocational schools and plant training increased their productivity. The average worker in Turkey in 1950 had three years of schooling; by the late 1960s workers entering the Turkish labor force had five years of schooling. The same occurred in other Asian countries: for Korea from 5 years to 8 years, and for the Philippines from 7 years to 9 years.

More Freedom for the Economy. The governments responded to the changing economic situation by modifying economic and social policies. Korea, for example, undertook a major reform in 1964 involving devaluation, import liberalization and increases of the interest rate on domestic savings. Indonesia introduced monetary and fiscal reforms, changed the exchange rate and opened the door to foreign investment after the fall of the Sukarno government. As the supply of food grains increased after 1967, the Indian government abolished restrictions on the inter-State movement of grains, which had been in force for many years.

What Remains to be Done?

The less developed countries of Asia need to:

- develop social and economic programs specifically designed to achieve a reduction of rural underemployment and urban unemployment;
- expand family planning programs, evaluate current population efforts, and undertake new approaches to reduce the crude birth rate;

- sustain the momentum of the Green Revolution by devoting more resources to research and experimentation, by keeping under constant scrutiny the effects on agricultural output and the distribution of agricultural income of pricing policies, distribution arrangements, land tenure legislation and agricultural credit facilities;

- increase taxation of the economic sectors which are growing most rapidly, especially the agricultural sector which has grown most in the past five years and has been taxed less than proportionally;

- focus attention on the export sector as a means to sustained general economic growth;

- strengthen the capacity of government -- central, provincial and local -- to identify social and economic problems, and to design and implement programs to overcome them.

Need for Aid From Abroad

Accelerated growth has been supported by an increased volume of concessional aid from abroad. The United States has been associated with other aid donors in consortia and consultative groups since the early 1960s. These multilateral aid arrangements have had two primary objectives: (1) to distribute the aid burden more widely among the developed countries, and (2) to concentrate the attention of aid donors and recipients on key development issues and their resolution. The consortia also achieved improvement of the terms under which aid is provided; a substantial part of bilateral assistance is now given with long grace periods and low interest rates. The consortia and consultative groups have also become the primary means for considering arrangements for an equitable sharing of debt relief, as in the cases of India and Indonesia.

Total aid to the six Asian countries which have consortia or consultative groups more than doubled between 1962 and 1971, rising from average of \$1.6 billion in 1962-63 to \$3.2 billion in 1971.

DONOR CONSORTIA AID TO SIX ASIAN COUNTRIES ^{1/}
(\$Millions)

	<u>1962</u>	<u>1963</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
<u>U.S.</u>					
Development Loans	746.1	787.1	399.8	422.2	371.9
Supporting Assistance (Grant)	199.2	179.6	-	-	-
PL 480 (Indonesia only) ^{2/}	2.1	5.3	183.0	150.2	96.3
Export-Import Bank	48.7	39.2	53.1	160.0	296.9
Total U.S.	<u>996.1</u>	<u>1,011.2</u>	<u>635.9</u>	<u>732.4</u>	<u>765.1</u>
U.S. as % of Total	68.6%	57.2%	21.8%	23.3%	24.0%
Other Bilateral Aid	274.6	410.8	1,563.7	1,637.2	1,573.7
IBRD/IDA	254.1	311.4	563.3	590.7	625.1
Other Multilateral	<u>26.8</u>	<u>34.3</u>	<u>147.6</u>	<u>185.8</u>	<u>218.1</u>
Total Multilateral	<u>280.9</u>	<u>345.7</u>	<u>710.9</u>	<u>776.5</u>	<u>843.2</u>
GRAND TOTAL	<u>1,451.6</u>	<u>1,767.7</u>	<u>2,910.5</u>	<u>3,146.1</u>	<u>3,182.0</u>

^{1/} The six countries are: India, Pakistan, Turkey, Indonesia, Korea and the Philippines.

^{2/} Food shipped to other countries under PL 480 agreements were not provided under consortia commitments. If such aid were included, the U.S. share of total aid to the six countries would be higher.

As the table indicates, the U.S. bilateral aid share has fallen from two-thirds at the beginning of the 1960s to one-quarter in 1971, while other bilateral donors have more than quintupled their level of concessional lending. Thus, although the Asian countries have been able to rely increasingly on multilateral and regional lending agencies (e.g., IBRD and Asian Development Bank), bilateral assistance has been essential for them to sustain their development momentum. However, net assistance rose far less rapidly as rising debt service has reduced gross assistance.

The less developed countries of Asia have also drawn on the US, the major European aid donors, Japan, and the UNDP and its specialized technical agencies for a wide range of technical assistance: teams of resident advisors, short-term consultants, and the training of their own people in foreign institutions of higher learning.

ASIA

FY 1973 A.I.D. PROGRAM

Development Loans South Asia. Economic development was seriously interrupted in South Asia in FY 1971 and FY 1972 by the outbreak of civil war in East Pakistan in March 1971 and by the war between India and Pakistan which followed in November and December. Following disruption of Pakistan's development effort, the United States made no new Development Loan commitments to that country after March 1971. In the case of India, part of the program loan pipeline was suspended on December 6 during the war with Pakistan because of a determination that a general economic development program, for which such aid was intended, could not be carried forward. The partial suspension remains in effect.

In the aftermath of the war, new situations have been created which must be taken into consideration in framing aid policy toward the major countries of the area. For these reasons aid plans for development assistance in South Asia are unusually fluid. In the new nation of Bangladesh, before consideration can be given to orderly resumption of economic development, the immediate needs for relief of the large displaced population and rehabilitation of the war-torn economy must be met. We are providing such humanitarian assistance under the special legislative authority enacted for that purpose. In Pakistan, the task of picking up the thread of interrupted economic development is already under way, but the organizational and resource problems are large and raise an urgent requirement for external assistance. The first task of the Consortium, which has supported Pakistan's development program for so many years, is to reschedule debt which has been in default since May 1, 1971. A World Bank sponsored debt rescheduling would provide the basis for the economic reform program Pakistan needs to counter the economic slow-down and resume its development efforts. It would also again make a development lending program possible. In that context Development Loans are currently planned at \$60 million for FY 1972 and \$75 million for FY 1973 for Pakistan. In regard to India, U.S. economic assistance relationships are under review.

Indian leadership is placing increasing emphasis on self-reliance and seeks to reduce the country's dependence upon economic aid from foreign nations. The \$90 million in Development Loans provisionally carried for India in the FY 1973 program reflects all of these current uncertainties.

East Asia. The proposed Development Loan program for FY 1973 includes \$75 million for project loans to Indonesia, primarily for power generators, transmission and distribution systems and \$40 million for purchase of industrial raw materials and agricultural inputs for use by the Indonesian private sector. As one of its first orders of business, the Indonesian Government in the late 1960s emphasized the rehabilitation and expansion of the country's deteriorated and inadequate infrastructure. In keeping with this conclusion, the A.I.D. loan program has focused on power and transportation.

The proposed loan level also includes \$25 million for Korea to be used for agriculture and program assistance. A \$10 million loan to the Philippines will support its rural development effort.

Near East. The only Development Loans proposed in the Near East are for Turkey and amount to \$40 million for a land leveling project to be undertaken by the irrigation department and for essential imported agricultural equipment and supplies.

Unallocated. The FY 1973 Development Loan request includes an unallocated amount of \$110 million to support development programs in eligible Asian countries identified here. The fluid situation in South Asia is a major factor in this treatment. The loan proposal for Pakistan could be a minimum considering the economic disruption caused by the war and the loss of East Pakistan. As noted above, U.S. economic assistance for India is under review. There are also claims for Development Loans by the South Asian neighbors of India and Pakistan, as well as other Asian countries. We, as well as other members of the IBRD-sponsored Ceylon Consortium, have indicated a willingness to extend Development Loans to Ceylon to support an

ASIA

economic reform program needed to stop the continuing deterioration of their economy. Ceylonese action might occur in FY 1973. In Nepal we have also begun to consider a loan for equipment for the Transport Ministry's Construction, Operation and Maintenance Center which might be ready for financing before the end of FY 1973. Although both Korea and the Philippines have adhered to the terms of their stabilization programs with the IMF, improvements in the balance of payments have not been as good as expected, and additional loan assistance may be needed to maintain development momentum in both countries. Finally, in Indonesia, the number of projects ready for financing in FY 1973 is expected to exceed the planning figure of \$115 million.

Technical Assistance

The proposed FY 1973 Technical Assistance request of \$38.1 million continues our support for critically needed programs in agriculture, education and training in management administration and techniques. These projects are directed to the solutions to the problems facing the Asian countries in the coming decade; they build on the sustained work in these areas which have been carried out in the past two decades by the joint efforts of A.I.D. and the aid recipient countries.

Population Assistance

The request for \$15.2 million for family planning programs will finance specialized advice on operations and research and critically needed contraceptives and medical supplies. The request also includes funds to finance a portion of the local costs of the Philippine program.

INVESTING IN AGRICULTURE

The Green Revolution. From 1950 to the early 1960s agricultural output grew less rapidly than industrial production because: (a) governments allocated insufficient funds for agricultural investment; (b) prices of agricultural products were fixed and kept low; and (c) there was little change in agricultural technology. The growth that

did occur resulted from opening up new land and expanding existing irrigation systems.

Agriculture was marking time until the "miracle seeds" --wheat varieties developed in Mexico and rice in the Philippines -- were introduced in the mid-1960s, creating the basis for a "Green Revolution." The new seeds were high-yielding, rapid maturers which made multiple cropping possible. But since the new seeds require fertilizer and a controlled supply of water, the Asian countries had to re-order their investment priorities and produce or import fertilizer, pumps, and tubewells, and invest in expanded drainage systems. Fortunately, they could draw on a growing number of better staffed agriculture universities, and expanding extension and research station staffs for the organizing and implementation of the new programs; the investment in training begun in the early 1950s with U.S. assistance paid off in the 1960s. In the first years of the Green Revolution large amounts of vitally needed fertilizer, pumps and equipment for tubewells were imported under A.I.D. loan program. Governments not only allocated additional funds but also removed restraints on the trade and distribution of agricultural products and inputs and allowed the price of grains to rise so as to encourage farmers to grow more food.

In the six years since the first new seeds were sown, the acreage of rice and wheat planted with the new high yield varieties in the Asian region has risen from 40,000 to 50 million acres; 13% of the total acreage of rice is now planted to the new varieties and 22% of wheat acreage is in the high yield seeds. Virtually all of India's and Pakistan's irrigated wheat acreage is planted with the new seeds. Half of the Philippines' rice acreage is planted with the new seeds. The yield of the new wheat varieties is 2 1/2 to 3 times that of traditional varieties if there are adequate inputs of fertilizer and water while the yield of the new rice varieties are about 25-30% above those of traditional strains. Research being carried out in Asian research stations has also produced new drought resistant wheat varieties which may mean that productivity will rise in the non-irrigated areas.

ASIA

The 1971 India wheat crop was double the average annual harvest of 1961-65. The Philippines' rice crop rose by one-third. To sustain this growth, 1969-70 fertilizer consumption in Asia was more than twice that of 1961-65. The number of tubewells in the Punjab area of Pakistan multiplied threefold between 1965 and 1970. Steadily rising agricultural output and income are creating opportunities for farm families to eat better, improve their housing, and for new entrants into the labor force to seek employment in the new small industries and service trades in towns serving the farmers.

The Main Tasks for the Future

- Continued adaptive research is needed to produce new wheat and rice seed varieties which better suit the particular soil and climatic conditions of Asian countries and are more resistant to pests and disease.
- The dependence of the new varieties on adequate water requires a much larger effort to solve drainage problems and improve water management.
- Increased food grains output depends on timely distribution of adequate supplies of fertilizer and other inputs. The countries have to create more efficient marketing arrangements and institutions.
- Countries that are now growing sufficient grains must begin to diversify and grow new crops, particularly those which provide a more nutritional diet.
- Governments must continue to improve the efficiency and responsiveness of their agriculture ministries and development agencies.
- Governments must re-examine their general policy framework for agriculture. Questions of pricing, taxes, credit, land tenure, the distribution of income within the sector, and other matters affecting the flow of investment and pace of innovation in agriculture must be reconsidered.

Research. The introduction of new varieties is well advanced in the Asian Subcontinent. By 1969 the pure Mexican varieties, which were introduced in 1964, had been replaced by new varieties developed from crosses made in the Subcontinent's agriculture universities. A.I.D. assisted in research and extension for more than a decade. American teams have worked particularly in the areas of varietal modification, plant protection, fertilizer application, and farm implement design.

Turkish specialists and American scientists from Oregon State University are continuing their tests of Mexican, Turkish and Russian wheat varieties in the rainfed central plateau.

Last year we planned to begin a new project in Pakistan to extend earlier efforts in adaptive research and help overcome the problems posed by the new agricultural technology. This effort will be undertaken in FY 1973 if conditions permit. This five year project will help the new Pakistan Agriculture Research Council coordinate all agricultural research, adapt imported seeds to Pakistan's climate and soils, improve domestic varieties, identify diseases attacking the new varieties, and carry out research in new crops, especially peanuts and soybeans.

While Indonesia has a large number of existing research institutions, the quality of agricultural research has suffered from a shortage of adequately trained personnel and the absence of a national framework for planning and execution of research. The US is supporting a coordinated national research program for rice and related crops in Indonesia utilizing existing facilities and institutions through a contract with the International Rice Research Institute (IRRI), Philippines. Japan, the Netherlands and the Ford Foundation are also assisting Indonesian research program.

The US is also supporting the IRRI assistance to Indian and Korean research programs. Korean scientists working with IRRI have developed a temperate zone "miracle rice," which should increase Korean rice yields by 25 percent.

ASIA

Water Management. One quarter of India's cropped area is irrigated; growing concern over water resource use has led the Government to concentrate on minor, fast-producing, rather than large water development projects, and to establish new limits on pumping. A.I.D. is assisting the Ministry of Agriculture and the Indian Central Groundwater Board in a six-year effort to help improve groundwater assessment. Experts from the U.S. Soil Conservation Service are working with Indian specialists in studies of water management problems of a newly irrigated plateau area, drainage problems in a major water basin, water management problems of the canal irrigation system and privately owned tubewells in one state. Both the Central Government and the States are carrying out soil conservation and water control programs including contour terracing, treatment of water logged areas, and lining of water channels; A.I.D. non-project loans finance some of the equipment used in these large public works.

For the past several years, A.I.D. has supported Turkish efforts to carry out small irrigation works and to study more effective water usage on farms. The Turkish Irrigation and Land Leveling Agency has steadily expanded the program of involving small farmers in water conservation practices and a development loan to this agency is under consideration.

Marketing and Distribution. One of the biggest problems farmers have faced has been a lack of agricultural supplies when they are needed. As output increases and the countries meet most of their fertilizer requirements from domestic production as against importing from abroad, distribution and storage must be more efficient. Eventually, a major proportion of Indonesia's fertilizer requirements will be met from domestic productive facilities, including the expanded PUSRI plant for which multi-donor financing is being provided. In further support of market development in Indonesia, A.I.D. financed a TVA group to conduct a training program and policy seminar for public and private fertilizer marketing personnel. American advisors are working with Indian government agencies and private organizations to improve

methods of marketing, distributing, and storing fertilizers and seeds, so that small farmers, as well as larger land owners, will be able to obtain required supplies in adequate amounts and at the proper time. A.I.D. financed a study of handling, marketing and storage to help the National Fertilizer Planning and Control Board plan future requirements, investments and facilities. To encourage the use of fertilizer the Korean Government has reduced the price of phosphate fertilizer, authorized unrestricted sale on credit, and undertaken a reform of marketing arrangements. American specialists will help design better storage and processing facilities.

New Crops. The wider use of the new varieties, with their shorter maturation period, has brought about a great expansion of multiple-cropping. In India, for example, about 150 million acres are now multi-cropped, triple that of three years ago. Clearly governments will need to provide a wider range of advice, and swifter implementation of programs, for farmers who shift to multi-cropping. We are interested in helping countries develop new crops, such as soybeans, which offer a great potential for upgrading nutrition. We are undertaking new projects in Pakistan and India which will involve not only research on production but also questions of pricing, distribution and processing.

Government Administrative Capacity. U.S. technicians are working with Philippine provincial governors, Development Councils, and universities to improve rural government administration and development services and their development plans. The program includes evaluating developmental programs and designing improved methods of rural tax assessments and collections. A.I.D. is also considering a loan of \$10 million in FY 1973 to support the Philippine Government's rural development program. Administrators of Turkish agricultural programs are coming to the US under the A.I.D. program to become acquainted with our methods of designing research and organizing the administration and implementation of programs.

ASIA

Government Policy Framework. One of the major factors affecting agricultural production is the need for changes in government policy. These changes relate to the internal structures and the relationships of different government organizations, to the roles of the government and the private sector with respect to the distribution and pricing of inputs and crops. These questions are extremely complex, going far beyond technical or administrative issues. While the Green Revolution has improved the position of agriculture as a whole, and has supported the growth of the entire economy, its effects on different classes have been uneven though less harmful to the small farmer than some had anticipated. These are matters for the governments to consider. When such assistance is requested, we are helping in the design and execution of research studies and the review of alternative administrative and technical schemes. One example is a project in Turkey to help the Ministry of Agriculture organize its work effectiveness generally and improve the management of the purchase and storage of food stuffs under the government price support program. Another example is the A.I.D.-financed survey of the Korean agricultural sector being carried out by a team from Michigan State University. The study will provide a basis for the Korean Government and aid donors to review agricultural policies and development programs. The major areas to be covered are land and water resources, production, livestock, fertilizer, seed and the organization of producer coops. When the study is completed and the Government of Korea has taken policy actions, aid donors will be in a better position to consider agricultural sector lending. A.I.D. has included an agricultural sector loan in the FY 1973 request on the assumption that the study will indicate areas where investment would be productive.

CONTROLLING POPULATION GROWTH

The Problem. The present rate of population growth in Asia ranges from 2.2% per annum in Korea to 3.4% in the Philippines. The countries with the largest populations -- India and Indonesia -- are growing at about 2.6% per annum, a rate which will double the population of these countries by the end of this century. An annual rate of

population growth in excess of 2% was unheard of prior to the Second World War. For example, European industrialization and economic growth in the mid-19th century was associated with a sharp rise in the population growth rate, which at its height reached only about 1%; since 1900 the European population growth rate has declined to about 0.8% now.

Reducing the population growth rate is a long-term effort that relies as much on social and economic change as on the contraceptive methods made available by modern science. At the present time the crude birth rate of the developed countries is about 18 per thousand and the death rate is 10. In the less developed world the crude birth rate is between 41 and 43 per thousand, and the death rate now stands at about 17 per thousand. It is likely that the death rate will continue to fall with continuing improvement in nutrition, public health and a steadily wider use of simple preventive medicine.

An interim goal of most family planning programs in the developing world is to bring the crude birth rate to 25 per thousand, a reduction of close to 40%, in the next five to ten years. It is clear that this objective cannot be achieved in so short a time and it is unlikely that improved modern contraceptive methods and increased numbers of clinics will do the job alone. New contraceptive methods may be developed which will help. But the historical experience of the developed world and analyses of available social, economic and demographic data from developed and underdeveloped countries suggest that other factors have a very significant bearing on the number of children which families wish to have. These are: the number of years which children of both sexes go to school, particularly if reasonable literacy is achieved; the proportion of girls completing at least four years of schooling; the proportion of women in the labor force, (excluding those working on family farms); the percentage of the total population living in urban areas; and the percentage of children who die in the early years of life.

ASIA

Since these factors affect the demand for contraception, family planning program goals will be achieved only if social and economic development take place. Thus, expanded government programs for the education for 6 to 10 year olds, maternal and child health care, and industrialization play a very important role in creating the climate for receptivity to and participation in family planning programs. Given the size of the problem, it was necessary in the early 1960s for governments to undertake programs to increase the supply of contraceptives and to create a climate for the dissemination of family planning information. Over the next decade it will be important to sustain progress on the supply side while continuing to expand development programs which will affect the demand for family planning.

Instituting Family Planning Programs. Asian governments took their first steps in the early and mid-1960s. India, which first endorsed family planning in 1951, provided only limited amounts of money for the program until the mid-1960s. The Indian budget for family planning rose from \$2 million a year in the early 1960s to \$55 million in 1968 and to \$80 million last year. The Indian Parliament passed a liberalized abortion law in the summer of 1971 and is considering new legislation on the minimum age for marriage. In 1962 the Korean Government initiated a 10-year family planning program and repealed the law which had prohibited the sale of contraceptives. A separate family planning division in the Ministry of Health was established in 1963. The Turkish Government removed the ban on importation, production and sale of contraceptives in 1965, and permitted the dissemination of family planning information. The leading private Turkish university medical school established an Institute of Population Studies in 1967. The Government of Pakistan expanded its budget for family planning in 1965/66 and sought foreign assistance at the same time. The Philippine Government established a Population Commission in 1967, representing private and public sectors, which recommended a national policy in 1968. In 1971 the Philippine Congress passed the Family Planning Act and appropriated funds.

The Character of Government Programs. In general the governments have created a system of clinics devoted either solely to family planning programs, or to family planning and maternal and child health programs because joining family planning to established health programs seemed more effective and less costly. In either case, these efforts involved large training programs for family planning workers, the purchase of equipment, the creation of a distribution system for contraceptive supplies and a continuing effort at mass education. India, which undertook the most massive effort in Asia, initially tried to have all clinics run by fully trained medical personnel. However, the enormous size of the task led to more varied approaches in the last few years. Furthermore, India has carried out very large male sterilization campaigns which can be carried out relatively easily and safely without requiring a large clinic system. In FY 1970 the United States granted India \$20 million to help the government increase its financial outlays for family planning beyond that provided for in the Fourth Plan. This grant which financed imports for the general economy, permitted India to meet part of the cost of training of family planning workers, increasing the staff of family planning clinics, the purchasing of mobile equipment, and building of new clinics. A.I.D. has also provided technical and scientific advisors as well as specialists in in-service training, management and mass media.

The Pakistan Government's program had an impressive beginning, but faltered in 1969 because of the troubled political situation, and the planned expansion of the program proved more rapid than the numbers of trained personnel could manage. The program reached a critical stage in 1970 and the government concluded that operations should be restructured around a smaller and better qualified permanent staff, a larger staff of field workers and that more time should be devoted to the training of workers. The Training, Research and Evaluation Center in Lahore will be used for this. A.I.D. provides Pakistan technical advisers and critically needed equipment and supplies.

The Indonesia Government budget for family planning rose from \$100,000 in 1968 to \$3 million in 1971. This

ASIA

supported a doubling of the number of clinics in Java and Bali (where 2/3rds of the population lives) and a rapid increase in training programs and the number of field workers. The United States provides equipment for these new clinics, contraceptive supplies, vehicles, and assistance in the training programs. In addition, we are helping Indonesia collect and evaluate demographic and clinical data.

Voluntary Agencies in Family Planning. In each of the Asian countries voluntary groups have formed to promote family planning and A.I.D. has assisted these where it seemed appropriate. Such groups have been particularly interested and successful in starting pilot programs with new approaches. For example, family planning associations in Pakistan have established family planning motivation centers in local cooperatives and have set up small clinics attached to industrial centers. In the case of the Philippines, the government has chosen to rely heavily on private and church supported groups, such as the Responsible Parenthood Council, created by lay Catholics which operates clinical programs in eight provinces. A.I.D.'s programs in the Philippines finance local costs and supplies and equipment for these clinics, and provides technical advisors to these voluntary groups. A.I.D. is also relying on American voluntary associations to carry out pilot studies and programs. For example, A.I.D. is financing a Johns Hopkins University program in India trying out different methods of providing family planning services in several locations to test acceptability and sustained effectiveness. The Pathfinder Fund is experimenting with a mobile team approach in Turkey. The Medical Association Program has undertaken an "out-reach" effort in a number of rural areas of Afghanistan.

Incentives and the Private Sector. It is clear that motivation of people is essential. Since the presence of clinics and the availability of contraceptives and family planning information will not do the whole job, and social change is a slow process, various "motivational" schemes have been devised involving either payments to people for joining the program or subsidization to reduce the price of contraceptives. The Indian Government has, for

example, not only paid family planning workers a small "fee" for individuals they themselves have brought to clinics but have also paid Indians who have joined the program a nominal amount. Asian governments have also subsidized the sale of non-prescription contraceptives through private retail outlets thus reducing the financial barrier to potential users. A.I.D. has provided technical advisors to governments which have undertaken such pilot schemes for retail distribution of contraceptives.

Educating People About Family Planning. Bringing the message of family planning to the illiterate masses of rural Asia has proven an extremely difficult task. Governments have responded by training health education workers to answer the questions put to them by village people. Recently Turkey, Korea and India have considered introducing the question of population growth into the primary school curriculum. American health educators have worked with the Ministries of Health and Education in these countries.

Tasks for the Future. The first task for countries which have just begun family planning programs is to collect and analyze social and demographic data. A.I.D. is assisting Afghanistan and Nepal collect data on a simple basis. This will strengthen the capacity of these countries to collect data for other purposes. Countries more advanced and already carrying out large family planning programs are discovering that a good deal more has to be understood about "attitudes" toward family planning. The Turkish State Planning Office has undertaken a survey with the support of the Ministry of Health and the help of A.I.D. financed consultants. The organizing of services needs to be examined. Governments have found that large networks of clinics is not always the most effective way to carry out family planning programs. The Johns Hopkins University study of the effectiveness of different methods of organizing family planning services hopefully will offer useful suggestions. Pakistan is considering delivering the services and contraceptives to the individual families by having teams of health workers join with village people in making individual house calls. Results in the first pilot areas indicate a much higher sustained commitment by clients than the traditional clinical program. A.I.D. will finance contraceptives for this new

ASIA

program if the Government of Pakistan seeks our assistance.

The work which has been going on in the field of nutrition should lead to a wider acceptance of family planning. The Indian Government with our help is promoting pre-school feeding programs and is subsidizing the fortification of basic foods. We are providing the Philippine government and voluntary agencies with Title II food for similar purposes. If the food of young children becomes more nutritious, the mortality of children below three years certainly will decline. The long-term effect of this is likely to be a reduction in the size of the "completed family".

INVESTING IN PEOPLE AND THEIR EDUCATION

Education means access to better jobs and an escape from poverty. Asian Governments are under great pressure to accommodate more children in the primary schools, expand the secondary school system, create new technical schools and higher educational institutions. In the last decade primary school enrollment more than doubled. In India alone primary school enrollment has now reached 55 million children. Enrollment in secondary schools and colleges throughout Asia has risen and requires increased budgets for new schools, additional faculty, more equipment and books. Despite continuing efforts to expand and improve the educational system, serious problems remain which are being attacked with the help of A.I.D. other bilateral donors and the United Nations assistance agencies.

Five areas have been identified as critical for the improvement of the formal educational systems of Asian countries. We will continue to help governments:

-- raise the quality of the elementary school curriculum by (a) modernizing the methods of teaching reading, writing, mathematics and the basic sciences, (b) using examples from the contemporary world in texts and teacher handbooks, and (c) introducing the study of health, agriculture and technical arts;

-- bring modern concepts of science and mathematics into the secondary school curriculum, thus preparing graduates for employment or enrollment in higher technical and scientific schools;

-- create new institutions of higher education to train scientists and other professionals, administrators and managers;

-- upgrade and expand staffs of existing higher educational institutions to increase the total enrollment of young people preparing for scientific, administrative and managerial posts; and

-- improve the competence of ministries of education to plan and evaluate education programs.

Achievement of these objectives requires collaborative efforts. Some examples of such efforts are:

Improving the Elementary School Curriculum. In 1966 Afghanistan asked for help in reforming its primary school curriculum. A team of eight advisors from Teachers College, Columbia University, is now in the fourth year of an eight-year program to revise the reading and math texts used in the six primary grades, and add social studies, health, agriculture and mechanical arts to the traditional subjects. The reform also involves the introduction of new methods of teaching mathematics and simplifying the teaching of the Afghan languages. Since this will be the first time texts will be distributed to primary schools throughout Afghanistan, the reform has required the Afghan Education Ministry to organize a large staff to write, test, print and distribute the new texts. The new reading texts, using stories and examples from contemporary Afghan life and illustrated by Afghan artists, will be tested in schools before being printed and distributed.

Consultants have helped develop a new project in India to use "programmed instruction" in science and mathematics in the elementary school systems of one large city, one small city and one rural district. The curricula for grades 1-5 will be redesigned in sequential form and "programmed texts"

ASIA

will be prepared and tested in Bombay and the other two pilot school systems.

Introducing Modern Methods of Teaching Science and Mathematics. Indian and Pakistani teachers assisted by American Specialists, conducted "summer teacher training institutes" to improve science and mathematics teaching in secondary schools and colleges. Techniques developed in the United States by National Science Foundation consultants were modified to suit the situations in these two countries. For five summers American scientists helped teach new approaches to Indian teachers, and from 1967 to 1970 a similar group of Americans helped the Pakistan program. By 1970 when A.I.D. ended its support of the Indian project, 31,000 Indian teachers had been trained. At present NSF consultants are helping Indian State Ministries of Education prepare texts and teaching guides.

Creating New Institutions of Higher Education - The Kabul University Faculty of Engineering in Afghanistan is an example of successful assistance to a new institution. When A.I.D.-funded assistance ends next year, 65 Afghan participants will have studied in the United States. The school's curriculum has been developed through the cooperative efforts of the American advisors and the Afghan faculty, especially the returned participants; laboratory and practical work is fully integrated in the curriculum. Research projects related to the private sector are being undertaken by fourth year students. The Engineering Faculty has about 450 students. Its graduates work in the Ministries of Public Works and Agriculture designing roads, bridges, dams and irrigation systems, and in the private industrial sector.

Upgrading Existing Institutions of Higher Education. The Turkish Government has agreed to maintain the distinctively modern character of what was the college and graduate divisions of American supported Robert College. The new Bosphorus University, like Middle East Technical University in Ankara, offers an alternative to Turkey's traditional institutions of higher learning. Its administration and faculty are western-trained and, because of their long association with Robert College, are accustomed to

experimenting with curricula. To maintain its position in the forefront of Turkish higher education Bosphorus University must be able to attract both highly qualified Turkish and foreign faculty. The University means to keep a significant proportion of visiting foreign staff; it also wishes to offer senior Turkish staff members opportunities to broaden and up-date their career interests through research grants and one year academic appointments in the United States. A.I.D. plans to help Bosphorus University achieve these goals by providing a basic grant -- diminishing over time -- and matching funds against those raised privately by the University for faculty development.

A second example is our program to help the two leading Indonesian Agricultural Universities develop graduate teaching and research programs. These two national "centers of excellence", in turn, will help 22 smaller provincial universities strengthen their programs.

A.I.D. has assisted eight Indian agricultural universities for the past decade by financing an advisory group of 6 to 8 Americans for each University. This team helped the Indians develop modern curricula, integrate laboratory work into classroom teaching and relate agricultural research to practical agriculture, economic and social questions. Following the return of a large number of Indian scientists from A.I.D. - financed training in the United States, the Indian universities are reaching the stage where they are able to proceed on their own. However, these universities must still achieve sufficient depth in selected subject matter areas so that they can provide technical assistance to the eight new Indian agricultural universities which have been established since 1968. The older and more advanced Indian universities need continued access to current, advanced work being carried on in developed countries, particularly the United States, to be able to advise the newer schools. Consequently, A.I.D. is developing a new approach which will involve assistance to the Indian Council of Agricultural Research (ICAR), the coordinating arm of the agricultural scientific community. We will rely on the Indian universities and ICAR to determine their consultant and essential training requirements. A few fulltime American specialists will work with ICAR to help the new universities in planning and administration. Short-term advisors will be

ASIA

called upon for help in specific subject fields. Attention will be directed to strengthening the agricultural research system as a whole rather than to individual elements within it.

Improving the Capacity of Governments to Plan and Evaluate Education Programs. In FY 1968 A.I.D. began a five-year program to help the Turkish Ministry of Education create a research and evaluation staff to advise the Minister on the relative merits of programs developed by technical departments, and to develop alternative approaches. The unit is studying past investment in education and the implications of present curricula.

The Indonesian Government is completing a national assessment of education with Ford Foundation assistance. In addition to providing a broad overview of educational problems and priorities, the assessment will include in-depth studies of such areas as math and science education, vocational education, educational planning, finance and administration. The United States contribution includes a consultant team to assist in the survey of science education from the secondary through the university levels. A number of other donors -- UNDP, UNESCO, UNICEF, the World Bank and the Ford Foundation -- are now providing or considering assistance.

Upgrading the Skills of the Labor Force. The scarcity of analytical and managerial skills weakens the capacity of the Asian countries to design and implement development programs. A.I.D. finances participant training in the United States, at the American University of Beirut and other qualified third-country universities in order to increase the number of administrators, economists, statisticians, planners and industrial engineers who can assume leadership roles in the planning and management of development programs.

The Financial Administration Improvement project in Afghanistan provides training and a team of advisors to improve revenue collection. A.I.D. is drawing on the expertise of New York State's Budget Division to help the Turkish Budget Directorate develop a program budget system.

New York State budget officers are helping the Directorate run a summer training program which has already graduated nearly 400 Turkish budget personnel. In addition, on-the-job training is provided in Albany for Ministry of Finance personnel and budget personnel from other Turkish agencies.

There are critical shortages of trained government civil servants in every Asian country. The private sector demand for managerial personnel has also increased with the sustained economic growth. The increasing demand generated by the Green Revolution for more and better government services in the rural areas has created a growing demand for development-oriented civil servants. To help meet this demand, we are financing general participant training programs in Afghanistan, India, Indonesia, Nepal, Turkey and the Philippines. The Turkish government participants are drawn from the Ministry of Finance and the State Planning Organization, the private sector trainees from industrial and commercial firms. The private sector program is managed by the Turkish Education Foundation, a private organization of businessmen and educators which is financing its own overseas training program. All private sector trainees contributed the equivalent cost in Turkish currency to an endowment fund which will finance additional private sector training scholarships. The Indian program is administered by the Government Department which organizes the foreign training of all top Indian civil servants. Indians are being sent to study manpower planning, tax administration, agricultural credit, auditing, and railroad and port management. The Indonesian project provides training for about 100 new participants annually. Particular emphasis is placed on training for personnel responsible for designing and implementing development programs, especially sectors which A.I.D. loans are supporting. An increasing number of Afghan participants are attending the Tehran University's Faculty of Public and Business Administration, established in 1956 with United States assistance. A.I.D. continues to finance graduate and undergraduate training at the American University of Beirut. A.I.D. will finance 435 scholarship students this year. About half come from Afghanistan, Jordan and Pakistan; the rest from Lebanon, Cyprus, Iran, Turkey and Nepal. A quarter of the students are pursuing agriculture degrees; a third are taking degrees in education; the remainder are studying business and public administration, engineering, nursing and public health.

ASIA

INDUSTRIAL DEVELOPMENT

Non-project lending, which has represented a major share of A.I.D. development loans to Asia, primarily supports investment and growth in the private and public industrial sector. These loans have financed raw materials and semi-finished products as well as machinery, transportation equipment and spare parts. In addition, A.I.D. made loans for specific industrial or infrastructure projects (e.g. the Ereğli Steel Mill in Turkey and the PUSRI fertilizer plant and power facilities in Indonesia) and to intermediate credit institutions which in turn lend to the private industrial sector.

The development lending program in Indonesia includes financing rehabilitation and expansion of transport and power infrastructure. The Djakarta-Bogor Highway, the most heavily travelled road in Indonesia, passes through one of the most densely populated areas of the world and Indonesia's most rapidly developing industrial area. In order to carry projected traffic, construction of a new alignment was proposed and A.I.D. authorized an \$800,000 loan in FY 1970 for engineering design. Existing electric power facilities in the West Java area are overloaded and must be rehabilitated and expanded to meet existing and projected demand. The IBRD, West Germany and the United States are cooperating to finance the renovating and improvement of the integrated power systems in the areas of West and Central Java. The West Java High Voltage Transmission Project involves the

development of a high voltage transmission loop to tie into systems in Central Java being financed under existing A.I.D. and German loans. In addition, we plan to lend for the West Java Power Distribution Project, directly related to the High Voltage Transmission Project, to rehabilitate and improve the distribution systems of the major West Java cities.

For some years A.I.D. urged Afghanistan to consider reducing its extensive restrictions on the private industrial sector and to support that sector through an independent Industrial Development Bank and an Industrial Advisory Center. A technical assistance project was initiated last year to help the government simplify its complicated investment application system and vitalize the new Investment Advisory Center. The advisory team has worked with the government's Investment Committee to set up simplified guidelines and criteria for reviewing and approving investment applications, and the Advisory Center to establish a system evaluation of investment proposals.

A.I.D. proposes to assist the Korean Ministry of Science and Technology to study industrial environmental problems, the application of atomic energy to industry, technical problems in agri- and polymer-chemicals, metal alloys, electrical and chemical engineering and food technology, and the management of research programs. The Ministry hopes to link Korean private industry to applied science of the western world. A.I.D. expects to rely on short-term consultants from such organizations as the National Academy of Science, the National Science Foundation and the National Bureau of Standards.

FOREIGN ASSISTANCE ACT ECONOMIC PROGRAMS - SUMMARY OF PROGRAM BY AREA AND COUNTRY
Fiscal Years 1971, 1972 and 1973

REGION: ASIA

(In thousands of dollars)

TABLE I

COUNTRY	TOTAL			DEVELOPMENT LOANS			TECHNICAL ASSISTANCE			POPULATION			OTHER		
	1971	1972	1973	1971	1972	1973	1971	1972	1973	1971	1972	1973	1971	1972	1973
ASIA - TOTAL	969,858	936,540	1,387,061	391,348*	295,800	465,000	66,692	45,377	49,982	(19,272)**	15,963	21,079	511,818	579,400	851,000
Asia Bureau - Subtotal	432,501	340,660	533,369	387,086	292,700	465,000	43,915	36,122	38,132	(15,010)	11,838	15,237	1,500	--	15,000
Afghanistan	8,766	26,560	6,720	1,740 ^{b/}	20,000	--	7,026	6,285	6,300	(1,740)	275	420	--	--	--
India	205,918	9,575	99,590	196,540	--	90,000	9,378	8,325	8,600	(540)	1,250	990	--	--	--
Indonesia	78,507	121,140	122,975	72,459	115,500	115,000	6,048	3,940	5,475	(1,759)	1,700	2,500	--	--	--
Korea	60,617	25,325	28,600	56,660	21,500	25,000	3,957	3,025	2,800	(1,660)	800	800	--	--	--
Nepal	2,587	2,532	1,883	706 ^{b/}	--	--	1,881	1,730	1,550	(706)	802	333	--	--	--
Pakistan	7,095	62,485	79,800	2,078 ^{b/}	60,000	75,000	5,017	2,200	2,300	(2,078)	285	2,500	--	--	--
Philippines	11,089	29,400	20,565	5,376	20,000	10,000	4,213	4,000	5,030	(5,000)	5,400	5,535	1,500 ^{c/}	--	--
Turkey	53,602	58,945	58,000	50,078	55,700 ^{b/}	40,000	3,524	3,245	2,700	(78)	--	300	--	--	15,000 ^{e/}
Near East Regional/CENTO	4,320	4,698	5,236	1,449 ^{b/}	--	--	2,871	3,372	3,377	(1,449)	1,326	1,859	--	--	--
Unallocated	--	--	110,000	--	--	110,000	--	--	--	--	--	--	--	--	--
Supporting Assistance Bureau - Subtotal	537,358	595,880	853,692	4,263	3,100	--	22,777	9,255	11,850	(4,263)	4,125	5,842	510,318	579,400	836,000
Cambodia	70,000	37,100	75,000	--	--	--	--	--	--	--	--	--	70,000 ^{e/}	37,100 ^{e/}	75,000 ^{e/}
Israel	--	50,000	50,000	--	--	--	--	--	--	--	--	--	--	50,000 ^{e/}	50,000 ^{e/}
Jordan	6,000	45,550	41,200	--	--	--	1,000	550	1,200	--	--	--	5,000 ^{e/}	45,000 ^{e/c/}	40,000 ^{e/}
Laos	48,935	48,600	51,370	925 ^{b/}	1,100 ^{e/}	--	6,560	--	--	(925)	500	870	41,450 ^{e/}	47,000 ^{e/}	50,500 ^{e/c/}
Thailand	22,541	18,000	28,745	1,395 ^{b/}	1,500 ^{e/}	--	4,150	--	--	(1,395)	1,500	2,145	16,996 ^{e/}	15,000 ^{e/}	26,600 ^{e/c/}
Vietnam	376,656	385,825	585,846	--	500 ^{e/}	--	--	--	--	--	325	346	376,656 ^{e/}	385,000 ^{e/}	585,500 ^{e/c/}
East Asia Regional	13,226	10,805	21,531	1,943 ^{b/}	--	--	11,067	8,705	10,650	(1,943) ^{e/}	1,800	2,481	216 ^{e/}	300 ^{e/}	8,400 ^{e/}

* Includes development loan funded grants for population programs under Title X of the Foreign Assistance Act.

** Funded from development loan funds.

^{a/} Supporting Assistance.

^{b/} Population only.

^{c/} Contingency Fund.

^{e/} Narcotics funds.

^{h/} Includes \$15.7 million Narcotics funds.

SUMMARY OF PROGRAM BY COUNTRY AND SECTOR
(in thousands of dollars)

REGION: ASIA

TABLE II

COUNTRY	Total			Agricultural and Rural Development			Population and Health			Education and Manpower Training			Industry, Transportation and Urban Development			Non-Project Loans and Others			Program Development and Support		
	1971	1972	1973	1971	1972	1973	1971	1972	1973	1971	1972	1973	1971	1972	1973	1971	1972	1973	1971	1972	1973
AFGHANISTAN	8,766	26,650	6,720	1,665	21,621	1,345	1,740	275	420	2,930	2,547	2,719	320	128	349	-	-	-	2,111	1,989	1,887
INDIA	205,918	9,575	99,590	11,920	5,498	6,114	789	1,664	990	1,185	905	1,075	387	-	-	190,000	-	90,000	1,637	1,508	1,411
INDONESIA	78,507	121,140	122,975	651	250	475	1,759	1,700	2,500	2,782	1,405	2,710	41,062	70,890	75,330	30,000	45,000	40,000	2,253	1,895	1,960
KOREA	60,617	25,325	28,600	49,803	17,704	15,823	1,660	800	800	7,722	3,583	806	549	2,215	455	-	-	10,000	883	1,023	716
NEPAL	2,587	2,532	1,883	562	545	505	820	882	373	532	575	410	-	-	-	-	-	-	673	530	595
PAKISTAN	7,095	62,485	79,800	761	57	10,400	2,322	285	2,500	832	80	300	311	-	90	-	60,000	65,000	2,869	2,063	1,510
PHILIPPINES	11,089	29,400	20,565	3,287	2,014	13,153	5,326	5,600	5,745	991	843	652	376	20,000	-	-	-	-	1,109	943	1,015
TURKEY	53,602	58,945	58,000	676	679	40,585	78	-	300	1,822	1,738	1,252	-	40,000	-	50,000	15,700	15,000*	1,026	828	863
REGIONAL	4,320	4,698	5,236	-	-	-	1,449	1,326	1,859	2,502	2,969	2,978	-	-	-	-	-	-	369	403	399
UNALLOCATED	-	-	110,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	110,000	-	-	-
Total	432,501	1,340,660	533,369	69,325	48,368	88,400	15,943	12,532	15,487	21,298	14,645	12,902	43,005	133,233	76,224	270,000	120,700	330,000	12,930	11,182	10,356

* International Narcotics Control assistance.

SUMMARY OF PROGRAM BY COUNTRY AND SECTOR
(in thousands of dollars)

REGION: OTHER PROGRAMS

TABLE II

COUNTRY	Total			Agricultural and Rural Development			Population and Health			Education and Manpower Training			Industry, Transportation and Urban Development			Non-Project Loans			Program Development and Support		
	1971	1972	1973	1971	1972	1973	1971	1972	1973	1971	1972	1973	1971	1972	1973	1971	1972	1973	1971	1972	1973
JORDAN	1,000	550	1,200	51	20	625	-	-	-	377	300	300	175	80	115	-	-	-	397	150	160
LAOS	7,460	500	870	-	-	-	900	500	870	1,557	-	-	-	-	-	-	-	-	5,003	-	-
THAILAND	5,550	1,500	2,145	-	-	-	2,128	1,500	2,145	873	-	-	1,170	-	-	-	-	-	1,379	-	-
VIETNAM	200	325	346	-	-	-	200	325	346	-	-	-	-	-	-	-	-	-	-	-	-
EAST ASIA REGIONAL PROGRAMS	12,967	10,505	13,150	3,281	2,110	1,450	2,549	2,420	3,120	5,427	4,483	6,688	-	-	350	-	-	-	1,710	1,492	1,542
Total	27,177	13,380	17,711	3,332	2,130	2,075	5,777	4,745	6,481	8,234	4,783	6,988	1,345	80	465	-	-	-	8,489	1,642	1,702

REGION: ASIA

SUMMARY OF TECHNICIANS AND PARTICIPANTS BY COUNTRY

TABLE III

Country	NUMBER OF U.S. TECHNICIANS (Program Overseas) On Duty At Close of Year												NUMBER OF PARTICIPANTS Programmed During Year								
	A.I.D. employed			Participating agency			Contractor technicians			Total			Non-contract			Contract			Total		
	1971	1972	1973	1971	1972	1973	1971	1972	1973	1971	1972	1973	1971	1972	1973	1971	1972	1973	1971	1972	1973
Afghanistan	60	50	39	12	11	10	81	61	60	153	122	109	102	115	160	42	46	27	144	161	187
India	58	45	36	28	30	34	85	81	96	171	156	166	224	218	224	263	271	241	487	489	465
Indonesia	38	38	37	4	5	5	10	20	20	52	63	62	318	220	289	38	57	104	356	277	393
Korea	49	41	37	1	-	1	16	13	12	66	54	50	81	140	140	-	-	-	81	140	140
Nepal	22	22	21	6	6	7	10	16	18	38	44	46	80	44	48	5	16	-	85	60	48
Pakistan	68	32	30	6	2	4	1	2	8	75	36	42	45	20	84	-	-	-	45	20	84
Philippines	50	50	49	8	5	5	6	13	20	64	68	74	99	83	68	-	5	16	99	88	84
Turkey	43	31	26	3	2	-	25	17	20	71	50	46	231	247	136	20	14	8	251	261	144
Regional	3	2	2	1	1	1	6	7	7	10	10	10	-	-	-	483	475	478	483	475	478
Total.....	391	311	277	69	62	67	240	230	261	700	603	605	1,180	1,087	1,149	851	884	874	2,031	1,971	2,023

ECONOMIC AND SOCIAL DATA

REGION: ASIA

COUNTRY	POPULATION				HEALTH			EDUCATION					
	TOTAL (MID-1971)	ANNUAL GROWTH RATE	PERCENT IN URBAN AREAS		PERCENT OF LABOR FORCE IN AGRI- CULTURE	NUMBER OF PEOPLE PER DOCTOR	LIFE EXPEC- TANCY YEARS	INFANT DEATHS PER 1,000 LIVE BIRTHS	PRIMARY AND SECONDARY STUDENTS				LITERACY RATE
	MILLIONS	PERCENT	1960	1970					1960	1968	1960	1968	PERCENT 5-19 AGE GROUP
					THOUSANDS								
Afghanistan	17	2.7	7	8	87	20,440	38	190	192	556	4	10	8
India	565	2.6	18	20	73	4,610	50	118	37,000	65,100	25	36	28
Indonesia	123	2.6	15	17	70	27,780	48	140	9,702	13,815	33	38	43
Korea	32	2.2	28	38	50	2,130	58	41	4,440	7,658 ^{a/}	52	64 ^{a/}	71
Nepal	11	2.2	3	5	92	39,780	41	162	188	472 ^{b/}	6	13 ^{b/}	9
Pakistan	60	2.7	22	25	68 ^{c/}	4,510	51	135	2,680	4,322 ^{b/}	17	23 ^{b/}	16
Philippines	40	3.4	30	34	57	1,390	55	82	4,859	9,111 ^{d/}	47	64 ^{d/}	72
Turkey	36	2.5	26	35	72	2,260	54	119	3,348	5,854	36	48	46

NOTE: Where year is not stated, data are most recent information available. Data for developing countries often represent approximate orders of magnitude rather than precise measurements and may not be fully comparable between countries.

- a/ - 1970.
- b/ - 1966.
- c/ - For East and West Pakistan.
- d/ - 1969.

ECONOMIC AND SOCIAL DATA

REGION: ASIA

11

COUNTRY	GROSS NATIONAL PRODUCT				AGRICULTURAL PRODUCTION		INTERNATIONAL COMMODITY TRADE				
	TOTAL PER 1971 ^{a/}	PER CAPITA GNP, 1971 ^{a/}	AVERAGE ANNUAL GROWTH RATE 1966-71		AVERAGE ANNUAL GROWTH RATE 1966-71		EXPORTS (F.O.B.)		MAIN EXPORTS	IMPORTS (C.I.F.)	
			TOTAL GNP	PER CAPITA GNP	TOTAL	PER CAPITA	1966	1971 EST.		1966	1971 EST.
	\$ MILLIONS	DOLLARS	PERCENT		PERCENT		\$ MILLIONS		ITEM	\$ MILLIONS	
Afghanistan	1,500 ^{b/}	88 ^{b/}	n.a.	n.a.	n.a.	n.a.	70 ^{c/}	84 ^{d/}	Fruits, nuts, karakul skins, natural gas, cotton	151 ^{e/}	133 ^{d/}
India ^{e/}	55,160	97	5.3	2.7	6.3	3.8	1,556	2,130	Jute prod., tea, iron ore, cotton products	2,749	2,590
Indonesia	12,600 ^{b/}	105 ^{b/}	n.a.	n.a.	2.8	0.4	714	1,298	Oil & products, rubber	596 ^{f/}	1,358 ^{f/}
Korea	9,047	278	11.4	9.0	1.1	-1.0	250	1,068	Textiles, clothing, plywood, fish	716	2,394
Nepal	885 ^{b/}	80 ^{b/}	n.a.	n.a.	n.a.	n.a.	16 ^{g/}	24 ^{d/}	Food, jute	48 ^{g/}	52 ^{d/}
Pakistan ^{h/}	9,000 ^{i/}	150 ^{i/}	6.4 ^{j/}	3.7 ^{j/}	6.0	3.2	266	462	Rice, leather, fish	625	678
Philippines	10,890	274	6.2	2.6	4.8	1.4	828	1,060	Coconuts, wood, sugar	957	1,280
Turkey	9,870	273	6.7	4.1	3.0	0.4	491	677	Tobacco, nuts, cotton	724	1,060

n.a. - Not available.

a/ - Estimates based on 1970 prices and exchange rates.

b/ - 1970.

c/ - FY 1966/67.

d/ - Estimate for FY 1970/71.

e/ - GNP and trade data are for fiscal years beginning April 1.

f/ - Imports f.o.b.

g/ - FY 1966/67.

h/ - Trade data exclude trade with East Pakistan.

i/ - Provisional estimate for FY 1970/71.

j/ - Growth rate for FY 1964/65 - 1969/70.

ECONOMIC AND SOCIAL DATA

III

REGION: ASIA

COUNTRY	GOLD & FOREIGN EXCHANGE ^{a/}			CENTRAL GOVERNMENT FINANCES ^{b/}							
				EXPENDITURES						DOMESTIC REVENUES	
	TOTAL		DEFENSE EXPENDITURES				AS % OF GNP ^{c/}				
	AMOUNT		AMOUNT		AMOUNT						
	1969	1970	1971	1970	1971	1970	1971	1970	1971	1970	1971
\$ MILLIONS			\$ MILLIONS				PERCENT		\$ MILLIONS		
Afghanistan	41	46	61	155	164	31	32	2.1	2.1	129	126
India ^{d/}	1,095	1,052	1,205 ^{e/}	8,620	9,781	1,816	2,039	3.4	3.6	6,993	7,845
Indonesia	123	n.a.	n.a.	1,840	2,374	467	543	3.7	n.a.	1,498	1,809
Korea	553	610	571	1,604	2,099	332	437	4.0	4.4	1,447	1,830
Nepal	88	95	108	66	80	5	6	0.6	0.6	46	45
Pakistan ^{f/}	324	182	181	3,039	n.a.	652	n.a.	3.7	n.a.	1,987	n.a.
Philippines	121	251	381	1,243	1,306	170	187	1.7	1.5	926	1,153
Turkey	245	431	772	1,865	2,406	416	540	4.5	4.7	1,784	2,167

n.a. - Not available.

a/ - Official reserves, gross basis, end of year. End 1971 gold is valued at \$38 an ounce and foreign exchange at realigned exchange rates.

b/ - Converted at 1970 exchange rates; 1971 data are estimates.

c/ - Derived from current price data.

d/ - Gold and foreign exchange data are for fiscal years ending March 31 of following year. Government finances data are for fiscal years beginning April 1.

e/ - December 31, 1971.

f/ - Government finances data are for fiscal year beginning July 1, 1970; data are for East and West Pakistan.

Turkey



BASIC DATA

Population (<i>millions - mid-1971</i>)	36
Annual Growth Rate (<i>percent</i>)	2.5
Population in Urban Areas	35
(<i>Percent - 1970</i>)	
Labor Force in Agriculture	72
(<i>Percent</i>)	

Per Capita GNP (<i>dollars</i>)	273*
Life Expectancy (<i>years</i>)	54
People Per Doctor	2,260
Literacy Rate (<i>percent</i>)	46
Students as % of 5 - 19 Age Group	48
(<i>Primary and Secondary</i>)	

* - 1971 in 1970 prices and exchange rates.

TURKEY

PROGRAM SUMMARY (in thousands of dollars)							
FISCAL YEAR	Total	Agricultural & Rural Development	Population & Health	Education & Man-power Training	Industry, Transportation & Urban Dev.	Non-Project Loans & Other	Program Development & Support
1971							
Devel. Loans	50,000	-	- ^{1/}	-	-	50,000	-
Tech. Assist.	3,524	676	-	1,822	-	-	1,026
Population	78	-	- ^{2/}	-	-	-	-
Other	-	-	-	-	-	-	-
Total	53,602	676	78	1,822	-	50,000	1,026
1972							
Devel. Loans	40,000	-	-	-	40,000	-	-
Tech. Assist.	3,245	679	-	1,738	-	-	828
Population	-	-	-	-	-	-	-
Other (Narc.)	15,700	-	-	-	-	15,700	-
Total	58,945	679	-	1,738	40,000	15,700	828
1973							
Devel. Loans	40,000	40,000	-	-	-	-	-
Tech. Assist.	2,700	585	-	1,252	-	-	863
Population	300	-	300	-	-	-	-
Other (Narc.)	15,000	-	-	-	-	15,000	-
Total	58,000	40,585	300	1,252	-	15,000	863

^{1/} Excludes population grant programs.

^{2/} Funded from development loan funds.

The Turkish economy recorded a number of impressive gains during 1971, notwithstanding political and social unrest during the opening months. GNP rose by 9% above its 1970 level, significantly higher than the growth trend of the past ten years. A major factor was the sharp rise in agricultural production, favored by unusually good weather conditions, which resulted in record crops of wheat, barley and beets. The balance of payments, still benefiting from Turkey's August 1970 devaluation, showed an exceptional surplus--mainly as a result of the sharp rise in emigrant workers' remittances. By the end of the year, reserves reached a record figure corresponding to about seven months' imports.

Political unrest, economic pressures and an increasing level of violence in Turkey's major cities led to a change of Government in March 1971. While the new Government succeeded in restoring law and order to the society, some serious economic problems have become apparent. Consumer prices rose about 22% during 1971. The Turkish Government attributes the rise mainly to the increase in the money supply resulting from the accelerated inflow of worker remittances and to new personnel laws which raised the Government's wage bill significantly. Additional increased costs, however, resulting from the devaluation, higher support prices for the record 10.5 million ton wheat crop, and a soaring 15% budget deficit due largely to the continued burden of the State enterprises, also exerted strong upward pressures on the price structure.

During 1971 there was a growing awareness of unemployment as an emerging national problem. Turkey suffers from chronic under employment and unemployment, relieved in recent years by the migration of workers to Europe. However, the problem is still acute. During recent years only 250,000 new jobs were created for the 400,000 new entrants to the labor force. In the agriculture sector, which accounts for 72% of the labor force, the unemployed are estimated at more than one million.

The Turkish economy now faces the twin problems of restoring relative price stability and of resuming the rising trend in investment--both the 1972 Annual Program and Revised Budget reflect an ambitious effort to draw a more judicious balance between these objectives. The Government is attempting to cope with inflation in a number of ways. Increased governmental spending on infrastructure will be conditioned upon increased tax revenues. A stricter monetary policy is being pursued with Central Bank advances to the Treasury being held at 15% of budgetary expenditures. Agricultural price support policies are being revamped to render them less inflationary. With a reasonably good harvest and continued strength in the industrial sector, the growth rate for 1972 is expected to be close to 7%.

In the long term the failure of agricultural output to keep pace with industrial and consumer needs of the economy is

TURKEY

likely to be the most serious drag on Turkey's economic growth and development. While no longer the predominant source of wealth and power for the nation's leaders, agriculture still provides about 30% of the national product and much of the raw material for industry. In addition, agriculture employs most of the people and in 1971 accounted for three-quarters of the country's total exports of \$630 million.

However, agricultural growth rates during the Five-Year Plan period ending this year have been a disappointing 2.5% --well short of the 4.1% annual target.

Turkey's ability to service foreign debts and to expand imports needed for industry in the coming decade will in good part depend upon its success in expanding agricultural trade with Europe and the Middle East in fruits, vegetables and other seasonable crops. Although industrial exports are rising, they still represent only about 10% of total exports, and the industrial sector itself today still accounts for only 20% of the national product.

FY 1973 A.I.D. PROGRAM

With Turkey's 1970 devaluation and improved foreign exchange reserve position, the Development Loan program has shifted away from program lending to project lending.

In FY 1972 A.I.D. is providing a \$40 million loan for the expansion of the Eregli Steel Mill under a joint-financing arrangement with the World Bank and the Export-Import Bank. It is also furnishing Technical Assistance in the amount of \$3.3 million, principally in the fields of agriculture, education and manpower training. For FY 1973 A.I.D. proposes a program of \$2.7 million in Technical Assistance and \$40 million in project loans in the agriculture sector.

Under PL 480 Title II, the U.S. is financing a commodity grant program administered by CARE and the World Food Program. We are planning \$8.5 million of Title II Funds for the program in FY 1972 and \$6.9 million in FY 1973.

The United States is part of an OECD-led Consortium of aid donors. The A.I.D. approach for several years has

emphasized greater involvement in and responsibility for Turkish development by the European Consortium members and the international organizations such as the UN and the World Bank. This strategy has been successful in a number of respects. Germany, a major bilateral donor, provides an annual level of over \$40 million. The U.S. share of Consortium assistance has fallen from 40% to less than 20%. Moreover, as a result of the 1970 devaluation and improved economic climate, World Bank has significantly increased its aid level, which is expected to surpass \$120 million in FY 1972.

In mid-1971 Turkey entered the second, or "transitional", stage of its association with the European Economic Community. This step gives Turkey free entry of industrial exports to the Common Market, improved access for agricultural goods and up to \$195 million in credit over a five-year period for industrial projects from the European Investment Bank.

Agricultural and Rural Development

Turkey is in a position to improve agricultural production, particularly by raising higher valued crops which are labor and land intensive. The country has a favorable climate and good access to nearby foreign markets. The greatest obstacles in the past have been inadequate supplies of medium and long-term credit, seed and stock, transport and internal marketing facilities. Moreover, industry has received about 45% of the government's investment budget during recent years at the expense of the expense of the development of the agricultural sector, which has been receiving about 10%. Comprehensive national modernization will require complementary growth in agriculture. The United States is prepared to support Turkish initiatives in this direction and, accordingly, intends to apply Development Loan funds to this sector during FY 1973 in two forms:

1. Government Agricultural Policy and Investment. A loan of \$20 million is proposed to finance imports of farm machinery and supplies, agricultural processing and storage equipment, pesticides and fertilizer. In conjunction with the World Bank and other international lenders, the A.I.D. loan would support efforts of the Turkish Government to

TURKEY

make necessary improvements in agricultural policies, organization and complementary services--particularly agricultural credit.

2. On-Farm Water Management. A.I.D. is also planning a \$20 million loan to the Turkish Irrigation Department (TOPRAKSU) to increase the Department's capability to improve its land levelling services, permitting farmers to use water from nearby irrigation facilities to better advantage. The loan would help finance land development machinery and equipment, maintenance equipment and spare parts. The financing would provide material support for the existing On-Farm Water Development Technical Assistance project, for which \$98,000 is proposed for FY 1973. Through this project the U.S. is helping TOPRAKSU to build a staff and develop an action program to upgrade and improve an additional 40,000 hectares of land annually and to train farmers in preparing land for optimum production through use of efficient irrigation and drainage practices. Both the Technical Assistance project and the Development Loan are designed to help TOPRAKSU find ways to involve the private sector in preparing land for cropping, constructing earth-build dams, installing drainage systems and advising farmers on moisture conservation practices.

Government Administration. Recognizing that the formation of government agricultural policy and the administration of government programs are important factors in stimulating Turkish farmers to produce types and amounts of crops the country needs for sustained economic growth, A.I.D. in fiscal years 1972 and 1973 is continuing a five-year Technical Assistance project begun in FY 1971. Through a contract with Arizona University the Ministry of Agriculture receives assistance in planning research to study agricultural tax and price policies and improve purchase and storage management practices under the government price support program. Also, a U.S. Agriculture Department team is helping the Ministry and related agricultural agencies improve their administrative effectiveness. For FY 1973, \$204,000 in Technical Assistance is proposed for these projects.

Agricultural Research. A cereals production project for which \$283,000 will be provided - FY 1973, is enabling Turkish specialists, with the help of a contract team from Oregon State University, to test Mexican, Turkish and Russian wheat varieties in the sparsely rain-fed central plateau. Research trials and demonstrations have shown that newly introduced strains can increase wheat yields by at least 50%. Productivity can be increased further by improved weed control, seed bed preparation, and fallow system culture. In FY 1973 contract advisors will assist in areas of agronomy, moisture conservation, weed control and extension education, with participants trained in cereal production program techniques.

In agriculture the World Bank Group has been a principal donor, with project loans in recent years directed to irrigation (\$42 million), fruits and vegetables (\$25 million) and livestock (\$20.5 million). Technical assistance projects being sponsored by the UN Development Program (UNDP) and the Food and Agriculture Organization (FAO) include work in forestry, animal diseases, dairy and milk production, poultry production, and agricultural processing and marketing.

Education and Manpower Training

Formal Education Systems. Turkey is taking measures to improve the Ministry of Education's capability to plan and evaluate education programs and to allocate investment funds. On this front, A.I.D. plans to continue financing a Michigan State University team under contract to give on-site training to Ministry research and planning personnel in developing policies, plans and investment options for national education programs at all levels. In the field of business and professional education, A.I.D. in FY 1972 completes its project for training new faculty members in the college-level Academies of Economics and Commerce and the Middle East Technical University. A new project in FY 1973 will help Bosphorus University (formerly Robert College in Istanbul) make the transition from a college supported with considerable U.S. public and private funds to a full-fledged university within the Turkish education system.

TURKEY

Under the new concept of program development grants to be administered by foreign institutions, the United States will finance support of Bosphorus University research and instruction programs, including professor exchanges and measures to improve library resources. The U.S. grant will be based on a downward sliding scale, and be used in part as seed money to stimulate generation of private financial support for the University through establishment of alumni and endowment funds. The proposed FY 1973 Technical Assistance program in Turkey includes \$535,000 for education projects.

Manpower Training. Turkey's institutional capacity is insufficient to meet the demand for skilled managerial personnel to plan and administer social and economic programs. An A.I.D. project in development administration training is designed to assist Turkey in developing skilled personnel to meet these manpower needs in both the public and private sectors. In the private sector, 29 participants were selected in FY 1972 by the Turkish Education Foundation (TEF) to receive U.S. graduate training in business administration. The TEF finances the screening, selection, English language training and international travel of students selected. In the public sector, the project focuses primarily on training key government personnel in the Ministry of Finance and State Planning Office in either public administration or economics.

Another project assists the State Institute of Statistics (SIS) in developing a reliable statistical system to help the Turkish Government plan its economic and social program, as well as assisting the private business community in making investment decisions. The project couples U.S. technical advisory assistance with participant training in the United States.

A budget administration project also helps meet Turkey's need for improved efficiency in planning and evaluating social and economic programs. The primary objective of this project is reform of the government's budgetary system through the introduction of modern budget concepts and accounting technical expertise with participant training in the United States.

For these projects, Technical Assistance - the amount of \$717,000 is proposed. Primary assistance to education from international sources has come from the World Bank in the form of a \$13.5 million loan for management training and secondary technical education. Education and manpower training projects under UNDP and UNICEF auspices include a management development training center, a national telecommunication training center, and primary school teacher training. In addition, the International Labor Organization is helping Turkey establish a national cooperative training center.

Population and Health

At the current 2.5% annual growth rate Turkey's population would rise from 35 million people in 1970 to 73 million in 2000, an increase that would cause serious strains on the economy in coming years. The United States continues to bring to the attention of Turkish officials the social and economic consequences if the present growth rate persists. To date, the country has not formulated a national policy on population nor has it launched extensive activities in this field.

However, the Turkish Government has recently developed a population/family planning strategy based on a pilot project now being conducted in Adana province under the direction of the Turkish Development Foundation and funded by the Pathfinder Fund. The Turk's have requested U.S. technical expertise to evaluate this pilot project with the aim of expanding this project province-wide. It is our understanding that the successful conclusion of this project in Adana province could lead to a nation-wide program. In order to support possible new Turkish initiatives in the area of population/family planning, \$300,000 is being set aside for technical assistance and commodities.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: TURKEY

(In Thousands of Dollars and Equivalent)

TABLE IV

Loan No.		Date		Grace Period (years)	Life of Loan (years)	Interest Rate (%)		Amount Authorized	Amount Disbursed	Currency of Re-payment	Principal Repay-ments	Interest Collected
		Auth-orized	Loan Agree-ment			Grace Period	Amorti-zation					
277-H-052	Aerial Mineral Survey Equipment	5/28/64	11/24/64	10	40	3/4	2	320	229	U.S.		8
277-H-053	Gokcekaya Dam Ciceroz	6/15/64	12/02/64	10	40	3/4	2	20,400	11,305	U.S.		217
277-H-060	Gokcekaya Transmission Lines	5/28/65	8/27/65	10	40	1	2-1/2	5,690	4,047	U.S.		63
277-H-063	Keban Dam	6/29/65	8/31/66	10	40	1	2-1/2	40,000	23,782	U.S.		654
277-H-068	Family Planning & Rural Health Services	6/07/66	10/04/66	10	40	1	2-1/2	2,100	1,702	U.S.		8
277-H-070	Turkish Coal Industry	6/24/66	4/04/67	10	40	1	2-1/2	28,100	16,096	U.S.		313
277-H-076	Black Sea Copper	5/17/67	5/31/68	10	40	1	2-1/2	30,500	25,109	U.S.		226
277-H-077	Ataturk Medical University	6/22/67	10/23/67	10	40	1	2-1/2	2,000	1,800	U.S.		33
277-H-078	Eregli Steel Mill	6/29/67	5/15/68	10	40	1	2-1/2	14,200	10,341	U.S.		132
277-H-080	Middle East Technical University	6/29/67	10/23/67	10	40	1	2-1/2	4,500	684	U.S.		3
277-H-083	Hacettepe Science Center	6/29/67	10/23/67	10	40	1	2-1/2	4,500	2,829	U.S.		22
277-H-084	Industrial Development Bank	7/19/67	5/18/68	10	40	1	2-1/2	7,500	2,466	U.S.		32
277-H-086	Agricultural Development & Control	6/25/68	9/06/68	10	40	2	2-1/2	3,000	1,283	U.S.		22
277-H-087	Industrial Investment & Credit Bank	6/24/68	9/17/69	10	40	2	2-1/2	5,000	103	U.S.		
277-H-088	Eregli Sintering Plant	6/26/68	11/27/68	10	40	2	2-1/2	12,500	9,059	U.S.		28
277-H-091	Program Loan	6/12/70	7/10/70	10	40	2	3	64,999	47,566	U.S.		301
277-H-092	Development Program	6/01/71	7/26/71	10	40	2	3	25,000		U.S.		
277-H-093	Expansion of Steel Mill	7/14/71		10	40	2	3	15,000		U.S.		
	Total.....							285,309	158,401			2,062

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

TABLE V

COUNTRY: TURKEY

Project Title	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1971			Estimated FY 1972			Proposed Program FY 1973	Future Year Obligation	Estimated Total Cost	
				Obligations	Expenditures	Unliquidated Obligations 6/30/71	Obligations	Expenditures	Unliquidated Obligations 6/30/72				
AGRICULTURE & RURAL DEVELOPMENT													
Integrated Agriculture Service	277-11-190-425	1960	1970	1,571	1,565	6	679	-	6	-	585	-	1,571
Cereals Production	277-11-130-444	1967	1973	857	683	174	220	231	163	283	-	-	1,360
On Farm Water Development	* 277-11-120-426	1968	1973	856	800	56	177	166	67	98	-	-	1,131
Agriculture Administration & Planning	277-11-190-594	1971	1975	337	172	165	282	222	225	204	200	-	1,023
EDUCATION & MANPOWER TRAINING													
Industrial Relations Training	277-13-410-356	1961	1971	1,655	1,635	20	1,738	-	20	-	1,252	-	1,655
Tax Administration	277-11-750-433	1967	1971	530	516	14	-	14	-	-	-	-	530
Academies of Econ. & Comm.	277-11-770-357	1962	1972	1,874	1,742	132	185	122	195	-	-	-	2,059
Higher Education	277-11-660-445	1968	1972	1,932	1,224	708	606	571	743	-	-	-	2,538
Development Statistics	277-11-740-364	1962	1973	1,340	1,270	70	115	136	49	67	-	-	1,522
National Education Research & Planning	277-11-690-398	1967	1973	732	521	211	175	252	134	200	-	-	1,107
Budget Administration Improvement	277-11-750-448	1970	1973	185	114	71	81	106	46	87	-	-	353
Development Administration Training	277-15-995-396	1966	Cont.	1,657	1,062	595	576	599	572	563	-	-	Continuing
Bosphorus University	* 277-11-660-597	1973	1977	-	-	-	-	-	-	335	915	-	1,250
PROGRAM DEVELOPMENT & SUPPORT													
	277-15-999-000	1952	Cont.	14,889	12,763	126	828	893	61	863	-	-	Continuing
							3,245	3,338	2,255	2,700			
POPULATION TECHNICAL ASSISTANCE SUB-TOTAL													
Family Planning	* 277-11-590-599	1973	Cont.							300			Continuing
*Detailed project narrative--See Table VI.							Total (including population)	3,245	3,338	2,255	3,000		

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
A.I.D. employed	43	31	26
Participating agency	3	2	-
Contractor technicians	25	17	20
Total	71	50	46

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	231	247	136
Contract	20	14	8
Total	251	261	144

Country: TURKEY

PROJECT SHEET

TABLE VI

PROJECT TITLE On Farm Water Development	SECTOR Agriculture and Rural Development	FUNDS TA
PROJECT NUMBER 277-11-120-426	PRIOR REFERENCE Page 11, FY 1972 PDB	INITIAL OBLIGATION FY: 1968
		SCHEDULED FINAL OBLIGATION FY: 1973

Project Target and Course of Action: This project is designed to provide TOPRAKSU (The Government's National Farm Irrigation and Soil Conservation Agency) with the capability of assisting farmers in preparing their land for expanded production by applying the most efficient irrigation and drainage practices.

Complementing multi-million dollar projects financed by the IBRD and the European Investment Bank, which have increased TOPRAKSU's capacity to perform leveling and construction work on large plots of land, A.I.D. resources have concentrated on improving the individual plots of small farmers (70% of the farm population). Locally produced equipment along with irrigation and drainage practices designed for smaller land parcels have been emphasized.

Farmer demand for TOPRAKSU's service has now grown beyond that organization's annual capacity. Some 125,000 acres of new land already are open to irrigation each year, but TOPRAKSU's limited staff and equipment are able to service only 25,000 acres annually. Therefore, TOPRAKSU is encouraging private sector organizations to provide on-farm water service on a contract basis directly to the farmers with TOPRAKSU in an advisory role. This reliance on the private sector represents a new dimension to the project and the two U.S. advisors will work with TOPRAKSU on organizational and technical problems for an additional and concluding year.

A.I.D. will assist TOPRAKSU in establishing incentives for the private sector to prepare land for cropping, construct earth-built dams, install drainage systems, and advise farmers of the most efficient moisture conservation practices. At the same time, an effort will be made to rapidly expand local manufacture of required equipment by increasing sources of credit to the manufacturer and to the farmers. After the lines of authority and methods of credit approval have been established, entrepreneurs should be able to implement the program without foreign assistance.

Progress To Date: TOPRAKSU has developed the technical and administrative competence to provide a full range of on-farm water service to farmers including irrigation, drainage techniques, crop selection, and improved methods of cultivation.

A total of 540 engineers and technicians have been trained under this project to transmit up-to-date water development practices to farmers in the 16 irrigation regions in Turkey. Private manufacturing shops are now constructing a variety of farm implements needed for land leveling and preparation, and over 650 earthmoving scrapers have been produced in Turkey. TOPRAKSU has been organized into 16 regional sections which can better respond to local conditions. Design standards for eight technical subjects have been developed and irrigation guides for eight varied physiographic regions in Turkey have been published.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	OBLIGATIONS							
				Estimated FY 1972		Proposed FY 1973					
				Direct AID	Contract/Other Agency	Total		Direct AID	Contract/Other Agency	Total	
Through 6/30/71	856	800	56							Personal services contract	
Estimated FY 72	177	166	-								
Estimated through 6/30/72	1,033	966	67								
		Future Year Obligations	Estimated Total Cost								
Proposed FY 73	98	-	1,131								
				Total Obligations	140	37	177	95	3		98
				Cost Components							
				U.S. Technicians	85	37	122	60	3	63	
				Participants	54	-	54	34	-	34	
				Commodities	1	-	1	1	-	1	
				Other Costs	-	-	-	-	-	-	

Country: TURKEY

PROJECT SHEET (Continued)

TABLE VIa

Sector:

PROJECT TITLE On Farm Water Development	PROJECT NUMBER 277-11-120-426
--	----------------------------------

FY 1973 Program: As noted above, FY 1973 resources will concentrate on strengthening private sector capability in land development. A.I.D. will assist TOPRAKSU in the planning of a large local currency credit project especially designed to increase the number of farmers, contractors and local farm machinery manufacturers engaged in land development activities. TOPRAKSU will expand its supervisory functions to guide and direct the new private sector activities.

U.S. Technicians Direct Hire: Two--one project manager and one farm machinery advisor.

Contract: One short-term water use consultant.

Participants: Two participants will be trained in the U.S. in farm machinery for 6 months. One participant will be trained in the U.S. for a year in economics and two participants in systems analysis.

Commodities: Demonstration material.

Country: TURKEY

PROJECT SHEET

TABLE VI

PROJECT TITLE Bosphorus University	SECTOR Education and Manpower Training	FUNDS TA
PROJECT NUMBER 277-11-660-597	PRIOR REFERENCE	INITIAL OBLIGATION FY: 1973
		SCHEDULED FINAL OBLIGATION FY: 1977

Project Target and Course of Action: This project is designed to help Bosphorus University (formerly Roberts College) stay a quality institution with a highly trained staff and modern curriculum. It is expected that Bosphorus University can serve as a model for the reform of more traditional Turkish universities.

Bosphorus University is one of three universities in Turkey, and the only one in Istanbul, that is organized on modern principles. Although it has a long history of instruction carried out by Americans and Western trained Turks, it requires continued foreign assistance before it becomes self-sustaining. The major thrust of U.S. assistance builds on the faculty's Western tradition and concentrates on faculty development. This assistance will consist of financing of American faculty, training of Turkish professors in U.S. institutions, research grants for Turkish faculty members and matching grants -- tied to financial support received from alumni and other Turkish and foreign donors -- to be used primarily for training of Turkish staff in the U.S. or short-term consultants. A third, small element of A.I.D. assistance, will consist of books for the University library.

The project also will finance the services of short-term consultants to advise on the development of new

academic programs, particularly in the areas of business administration, economics, industrial engineering and education.

A.I.D. is encouraging Bosphorus University to institutionalize its faculty development by providing matching funds -- on a one-to-one basis -- to support the University's fund drive. The "matching fund" component of the U.S. grant, starting modestly in the first year, would increase in size if the University's fund raising efforts are successful. In this way A.I.D. is encouraging Bosphorus University to look to other donors -- both Turkish and foreign -- for the finances needed to support the faculty development program.

The University's budget is covered largely by Turkish Government grant, but tuition charges, which are higher than in any other Turkish higher education institution, also finance operating expenses.

Legislation officially establishing Bosphorus University was enacted last September. The law provided considerable flexibility to the University in administrative and developmental matters, and gave the University authority to retain English as the medium of instruction.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/EXPENSES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1972			Proposed FY 1973			
Through 6/30/71	-	-	-		Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	To be selected
Estimated FY 72	-	-	-	U.S. Technicians							
Estimated through 6/30/72	-	-	-	Participants				205		205	
		Future Year Obligations	Estimated Total Cost	Commodities				65	-	65	
				Other Costs				50	-	50	
Proposed FY 73	335	915	1,250	Total Obligations				15	-	15	
								130	205	335	

Country: TURKEY

PROJECT SHEET (Continued)

Sector: Education and Manpower Training

TABLE VIa

PROJECT TITLE Bosphorus University	PROJECT NUMBER 277-11-660-597
---------------------------------------	----------------------------------

FY 1973 Program: For the initial year of the project, A.I.D. will provide a \$305,000 basic grant to support 15 visiting American staff, finance research grants and advanced training in the United States for Turkish staff, and books for the library. \$15,000 is included to match private contributions to Bosphorus University.

U.S. Technicians: 15 contract advisors in the fields of education, business administration, economics and industrial engineering.

Participants: U.S., six long-term and four short-term.

Commodities: Books.

Other Costs: Matching grant.

Country: TURKEY

PROJECT SHEET

TABLE VI

PROJECT TITLE Family Planning	SECTOR Population and Health	FUNDS POPULATION
PROJECT NUMBER 277-11-590-599	PRIOR REFERENCE	INITIAL OBLIGATION FY: 1973
		SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: In 1965 the Turkish Government initiated a family planning program to be administered by the Directorate of Family Planning in the Ministry of Health. Until 1971 the family planning program was very small. However, the Ministry of Health recently has developed a new interest in family planning and has requested U.S. assistance to refine the program design, including a request for specialists in such fields as family planning education, training, mass-media communications and demographic and socio-economic research.

At the request of the Ministry of Health, the Mission is studying the feasibility of a proposed family planning project in Seyhan (Adana) Province. The proposal is based on a small pilot project in Tarus funded by the Pathfinder fund and conducted by the Turkish Development Foundation. The Seyhan proposal is designed to provide family planning services through mobile teams to a rural population of 200,000 over an 18 month period.

FY 1973 Program: American advisors will begin to help implement the expanded program in Seyhan.

U.S. Technicians: Contract: Two specialists in population planning, training and research.

Participants: Direct: One long-term and one short-term participant will be given training in the U.S. in family planning subjects.

Commodities: Direct: Medical and scientific equipment.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
Through 6/30/71	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
	Estimated FY 72	-	-		Estimated FY 1972			Proposed FY 1973		
					Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency
Estimated through 6/30/72	-	-	-	U.S. Technicians	-	-	-	80	80	To be selected
				Participants	-	-	-	10	10	
		Future Year Obligations	Estimated Total Cost	Commodities	-	-	-	210	210	
				Other Costs	-	-	-	-	-	
Proposed FY 73	300	Continuing		Total Obligations	-	-	-	220	80	

TURKEY

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-OBLIGATIONS AND LOAN AUTHORIZATIONS			REPAYMENTS AND INTEREST	TOTAL LESS REPAYMENTS AND INTEREST		
	1970	1971	TOTAL 1946-1971	1946-1971			
A. OFFICIAL DEVELOPMENT ASSISTANCE							
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	43.3	53.6	2,074.0	185.6	1,888.4		
Loans	40.0	50.0	1,115.1	185.6	929.5		
Grants	3.3	3.6	958.9	-	958.9		
(Supporting Assistance)	(-)	(-)	(823.6)	-	-		
FOOD FOR PEACE - TOTAL	44.7	28.9	537.9	109.4	428.5		
Title I - Total	33.7	22.1	419.2	109.4	309.8		
REPAYABLE IN U.S. DOLLARS - LOANS	33.7	22.1	78.9	11.8	67.1		
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	340.2	97.6	242.7		
Loans	-	-	225.5	97.6	127.9		
Grants	-	-	114.8	-	114.8		
Title II - Total	11.0	6.8	118.7	-	118.7		
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	6.1	1.1	51.0	-	51.0		
VOLUNTARY RELIEF AGENCIES	4.9	5.7	67.7	-	67.7		
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	1.0	0.1	27.4	14.7	12.7		
PEACE CORPS	1.0	0.1	15.2	-	15.2		
SOCIAL PROGRESS TRUST FUND	-	-	-	-	-		
OTHER	-	-	12.2	14.7	-2.5		
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	89.0	82.6	2,629.3	309.7	2,329.6		
Loans	73.7	72.1	1,431.7	309.7	1,122.0		
Grants	15.3	10.5	1,207.6	-	1,207.6		
B. OTHER OFFICIAL							
EXPORT-IMPORT BANK LONG-TERM LOANS	-	11.0	88.6	74.8	13.8		
TOTAL ECONOMIC	89.0	93.6	2,727.9	384.5	2,343.4		
Loans	73.7	83.1	1,520.3	384.5	1,135.8		
Grants	15.3	10.5	1,207.6	-	1,207.6		
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	91.3	99.6	3,029.9	-	3,029.9		
Credit Sales (PMS)	-	-	-	-	-		
Grants	91.3	99.6	3,029.9	-	3,029.9		
(Additional Grants from Excess Stocks)	(29.1)	(38.5)	(199.3)	(-)	(199.3)		
OTHER MILITARY ASSISTANCE GRANTS	4.5	7.5	220.4	-	220.4		
TOTAL MILITARY	95.8	107.1	3,250.3	-	3,250.3		
TOTAL ECONOMIC AND MILITARY	184.8	200.7	5,978.2	384.5	5,593.7		
Loans	73.7	83.1	1,520.3	384.5	1,135.8		
Grants	111.1	117.6	4,457.9	-	4,457.9		
OTHER ECONOMIC PROGRAMS							
ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES			
	FY 1970	FY 1971	FY 1946-71	DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	62.7	127.6	603.1	TOTAL	97.1	79.4	656.6
IBRD - World Bank	-	94.5	238.7	Germany	44.1	38.1	316.5
Int'l Finance Corp.	14.8	9.1	28.8	Italy	25.3	5.8	108.2
Int'l Dev. Association	-	19.5	111.8	U.K.	7.2	12.4	103.6
UNDP - Special Fund	2.3	3.5	28.6	France	3.9	3.2	40.4
UNDP - TA(CY)	0.5	0.6	11.0	Other	16.6	19.9	87.9
Other UN(CY)	0.4	0.4	9.2				
ERC - Eur. Invest. Bank	44.7	-	175.0	ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)			
				1970 (Calendar Year).....	-	-	-
				1971 (Calendar Year).....	-	-	-
				Cumulative thru 1971.....	390	-	-

ASIA REGIONAL

PROGRAM SUMMARY (in thousands of dollars)							
FISCAL YEAR	Total	Agricultural & Rural Development	Population & Health	Education & Man-power Training	Industry, Transportation & Urban Dev.	Non-Project Loans	Program Development & Support
<u>1971</u>							
Devel. Loans	-	-	- 1/	-	-	-	-
Tech. Assist.	2,871	-	-	2,502	-	-	369
Population	1,449	-	1,449 ^{2/}	-	-	-	-
Other	-	-	-	-	-	-	-
Total	4,320	-	1,449	2,502	-	-	369
<u>1972</u>							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	3,372	-	-	2,969	-	-	403
Population	1,326	-	1,326	-	-	-	-
Other	-	-	-	-	-	-	-
Total	4,698	-	1,326	2,969	-	-	403
<u>1973</u>							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	3,377	-	-	2,978	-	-	399
Population	1,859	-	1,859	-	-	-	-
Other	-	-	-	-	-	-	-
Total	5,236	-	1,859	2,978	-	-	399

^{1/} Excludes population grant programs.

^{2/} Funded from development loan funds.

U.S. Aid Objectives

The objective of the regional technical assistance program is to encourage nations in the region to cooperate by discussing matters of mutual interest and solving problems through joint action. The program finances the training of students from the countries in the region at the American University of Beirut in fields particularly related to development. Funds are also used for consultants to conduct surveys, studies and research programs. Some of the activities are channeled through the Central Treaty Organization (CENTO).

Advanced Training

Since 1952 A.I.D. has funded a scholarship program at the American University of Beirut. This program finances undergraduate and graduate studies in agriculture, education, public health and nursing, engineering, public administration

and business administration. The program provides support to the Agriculture Development Council's fellowship program in agriculture economics and social studies. The Council has an exceptional reputation with Asians in the fields of rural research and training.

Regional Activities

A.I.D. conducts pilot programs and special studies within the region applicable to development efforts in countries in the region. The program also finances short-term consultants for special studies preceding the implementation of loan or technical assistance projects.

Regional Family Planning Activities

A.I.D. finances studies and projects which are relevant to the population problems of the entire region. A number of surveys and studies on population problems in the region are now under way and others are planned for FY 1973. The Research Triangle Institute (North Carolina) will assist A.I.D. in gathering and analyzing information on population problems in the region. Access to relevant and current data will enable A.I.D. to respond more effectively to the problems of planning and implementing population programs throughout the region.

A.I.D. also finances some of the activities of voluntary organizations in support of family planning within the region. The Pathfinder Fund will continue its work with local private groups involved in family planning activities. Johns Hopkins University, under contract with A.I.D., will continue to perform basic field research in India to determine the cost effectiveness of various types of family planning delivery systems. A.I.D. will also continue to finance the services of the Colombo Plan Population Advisor in Ceylon.

CENTO Programs

We will continue to contribute to the CENTO Multilateral Technical Cooperation and Science Funds. These funds financed the exchange of experts among regional countries

ASIA REGIONAL

and the activities of inter-regional study panels and institutes in such areas as food production and distribution, nutrition, materials testing, and repair and maintenance of electronic equipment. They also provide scholarships at leading regional institutions for students from the regional countries and support other regional technical cooperation activities through special training programs in geological mapping, civil aviation, and family planning.

In addition, assistance finances the cost of CENTO conferences on various aspects of regional development, including agriculture, education, equity investment and minerals research.

Various aspects of family planning are also assisted, and seminars and workshops will be conducted to provide training for nurses in family planning.

**PROJECT FISCAL SUMMARY -
(Dollar Amounts in Thousands)**

TABLE V

COUNTRY: REGIONAL

Project Title	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1971			Estimated FY 1972			Proposed Program FY 1973	Future Year Obligation	Estimated Total Cost	
				Obligations	Expenditures	Unliquidated Obligations 6/30/71	Obligations	Expenditures	Unliquidated Obligations 6/30/72				
<u>EDUCATION AND MANPOWER TRAINING</u>													
AUB Regional Training	* 298-13-995-015	1951	Cont.	40,456	39,574	882	2,969	2,400	1,004	2,978		Continuing	
Support of CENTO Technical Assistance Requests	290-11-995-200	1958	Cont.	1,047	712	335	2,522	440	142	2,527		Continuing	
Grants to CENTO Multilateral Technical Cooperation, Science and Industrial Funds	290-11-995-114	1959	Cont.	1,078	1,078	-	200	200	-	200		Continuing	
<u>REGIONAL PROGRAM DEVELOPMENT, SUPPORT AND TRAINING</u>													
	298-15-995-017	1952	Cont.	3,771	3,635	136	403	350	189	399		Continuing	
TECHNICAL ASSISTANCE SUB-TOTAL							3,372	3,390	1,335	3,377			
<u>POPULATION</u>													
Regional Family Planning	* 298-15-590-019	1968	Cont.	3,078	1,933	1,145	1,326	1,240	1,231	1,859		Continuing	
*Detailed project narrative--See Table VI.													
Total (including population)								4,698	4,630	2,566	5,236		

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
A.I.D. employed	3	2	2
Participating agency	1	1	1
Contractor technicians	6	7	7
Total	10	10	10

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	-	-	-
Contract	483	475	478
Total	483	475	478

Country: REGIONAL

PROJECT SHEET

TABLE VI

PROJECT TITLE American University of Beirut	SECTOR Education and Manpower	FUNDS TA
PROJECT NUMBER 298-13-995-015	PRIOR REFERENCE Page 59 FY 72 PDB	INITIAL OBLIGATION FY: 1951
		SCHEDULED FINAL OBLIGATION FY: Continuing

For the past twenty years we have annually funded for 400-500 graduate and undergraduate students at the American University of Beirut. This program has played a major roll in filling the need for trained manpower. Courses of study, which are of higher quality at AUB than those in most other universities in the region, are offered in such critical areas for development as agriculture, education, engineering, public health and public and business administration.

In the 1972-73 school year we expect to finance up to 470 students from ten countries. Slightly more than half of the students will come from Pakistan, Jordan and Afghanistan; the remainder come from other countries throughout the region - including Lebanon, Cyprus, Iran, Nepal and the Arab Gulf States. Over half the students will be trained as public school teachers and agricultural technicians and scientists. The remainder will study engineering, public health, business and public administration.

U.S. Technicians: Direct: 1 coordinator; 1 secretary.

Contract: Tuition and maintenance for up to 470 students.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1972	Proposed FY 1973			American University of Beirut		
Through 6/30/71	40,456	39,574	882	Direct AID	Contract/Agency	Total	Direct AID	Contract/Agency		Total	
Estimated FY 72	2,522	2,400		U.S. Technicians	72	-	72	65		-	65
Estimated through 6/30/72	42,978	41,974	1,004	Participants	-	2,450	2,450	-		2,462	2,462
		Future Year Obligations	Estimated Total Cost	Commodities	-	-	-	-		-	-
Proposed FY 73	2,527	Continuing		Other Costs	-	-	-	-		-	-
				Total Obligations	72	2,450	2,522	65	2,462	2,527	

PROJECT TITLE ASIA Regional Population/Family Planning	SECTOR Population	FUNDS Population	
PROJECT NUMBER 298-15-590-019	PRIOR REFERENCE Page 40 FY 72 PDB	INITIAL OBLIGATION FY: 1968	SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: This project addresses research, technical assistance, and training requirements that can more effectively be met on a regional basis. Its focus is primarily on research that will lead to a greater awareness of population problems and improved family planning delivery systems. Activities under this project are also carried out through agreements with several U.S. private organizations. A.I.D. finances Cento workshops and seminars supporting family planning.

Progress to Date: Under a research contract with Research Triangle Institute, a series of studies has been completed on key problems related to the acceptance and effective delivery of family planning services.

John Hopkins University is in its third year of a five-year (1969-1974) research project in India designed to determine the comparative costs and long term effectiveness of four alternative methods for providing family planning services. Base line studies have been completed and much of the data on the four methods compiled.

The University of North Carolina is carrying out a survey of demographic patterns and socio-economic factors in the Middle East relating to population and family planning problems. A.I.D. is also funding a three year (1971-1974) comprehensive research project by the American University in Cairo to make a systematic investigation of factors

related to population growth in a Moslem culture. Three volumes are planned; the first has been completed.

Under Cento auspices three workshops were held on medical research in family planning.

The Pathfinder Fund is carrying out projects in India and Turkey. The Fund established an Indian affiliate in 1970 which is carrying out a series of projects with Indian private organizations to improve and expand family planning services. The Fund has also helped the Turkish Development Foundation, a private organization, carry out a series of pilot projects including a new approach to the use of mobile teams.

Under an agreement with Medical Assistance Programs, Inc., and with support of the Afghanistan Government and foreign donors, family planning services are being provided to the people of a remote area of Afghanistan.

FY 1973 Program: Research activities by Research Triangle Institute, Johns Hopkins University, and the American University in Cairo will receive additional funding. Funds will be provided for technical services by the Pathfinder Fund and Medical Assistance Program. Cento seminars in population dynamics and the role of nurses in family planning are planned.

U.S. Technicians: Contract: Seven long-term advisors in research, training and evaluation. Ten third-country nationals, five man years of TDY assistance and contract

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1972			Proposed FY 1973			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/71	3,078	1,933	1,145								Research Triangle Institute
Estimated FY 72	1,326	1,240	-								Johns Hopkins Univ.
Estimated through 6/30/72	4,404	3,173	1,231	U.S. Technicians	-	361	361	10	600	610	American University in Cairo
		Future Year Obligations	Estimated Total Cost	Participants	5	30	35	-	37	37	Pathfinder Fund
				Commodities	5	162	167	5	65	70	
				Other Costs	65	698	763	65	1,077	1,142	
Proposed FY 73	1,859	Continuing		Total Obligations	75	1,251	1,326	80	1,779	1,859	

Country: ASIA REGIONAL

PROJECT SHEET (Continued)

Sector: POPULATION

TABLE VIa

PROJECT TITLE Asia Regional Population/Family Planning	PROJECT NUMBER 298-15-590-019
---	----------------------------------

backstopping support.

Participants: Eight for research training.

Commodities: Research equipment and contraceptive supplies.

Other: Local currency costs of the research projects.

OTHER PROGRAMS

PROGRAM SUMMARY (in thousands of dollars)							
FISCAL YEAR	Total	Agricultural & Rural Development	Population & Health	Education & Man-power Training	Industry, Transportation & Urban Dev.	Non-Project Loans	Program Development & Support
1971							
Devel. Loans	--	--	-- ^{1/}	--	--		--
Tech. Assist.	22,777	3,332	1,377 ^{2/}	8,234	1,345		8,489
Population	4,400	--	4,400 ^{2/}	--	--		--
Other	--	--	--	--	--		--
Total	27,177	3,332	5,777	8,234	1,345		8,489
1972							
Devel. Loans	--	--	--	--	--		--
Tech. Assist.	9,255	2,130	620	4,783	80		1,642
Population	4,125	--	4,125	--	--		--
Other	--	--	--	--	--		--
Total	13,380	2,130	4,745	4,783	80		1,642
1973							
Devel. Loans	--	--	--	--	--		--
Tech. Assist.	11,850	2,075	620	6,988	465		1,702
Population	5,861	--	5,861	--	--		--
Other	--	--	--	--	--		--
Total	17,711	2,075	6,481	6,988	465		1,702

^{1/} Excludes population grant programs.

^{2/} Funded from development loan funds.

This table summarizes development assistance (Technical Assistance and population) programs carried out in Asian countries for which A.I.D. assistance is administered by the Supporting Assistance Bureau -- Laos, Thailand, Vietnam, the East Asia region as a whole, and Jordan. These are explained and the request for FY 1973 justified in the Security Supporting Assistance Congressional Presentation for FY 1973.

India

India



BASIC DATA

Population (<i>millions - mid-1971</i>)	565
Annual Growth Rate (<i>percent</i>)	2.6
Population in Urban Areas	20
(<i>Percent - 1970</i>)	
Labor Force in Agriculture	73
(<i>Percent</i>)	

Per Capita GNP (<i>dollars</i>)	97*
Life Expectancy (<i>years</i>)	50
People Per Doctor	4,610
Literacy Rate (<i>percent</i>)	28
Students as % of 5 - 19 Age Group	36
(<i>Primary and Secondary</i>)	

* - FY 1971/72 in 1970 prices and exchange rates.

INDIA

PROGRAM SUMMARY (in thousands of dollars)							
FISCAL YEAR	Total	Agricultural & Rural Development	Population & Health	Education & Manpower Training	Industry, Transportation & Urban Dev.	Non-Project Loans	Program Development & Support
1971							
Devel. Loans	196,000	6,000	- ^{1/}	-	-	190,000	-
Tech. Assist.	9,378	5,920	249	1,185	387	-	1,637
Population	540	-	540 ^{2/}	-	-	-	-
Other	-	-	-	-	-	-	-
Total	205,918	11,920	789	1,185	387	190,000	1,637
1972							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	8,325	5,498	414	905	-	-	1,508
Population	1,250	-	1,250	-	-	-	-
Other	-	-	-	-	-	-	-
Total	9,575	5,498	1,664	905	-	-	1,508
1973							
Devel. Loans	90,000	-	-	-	-	90,000	-
Tech. Assist.	8,600	6,114	-	1,075	-	-	1,411
Population	990	-	990	-	-	-	-
Other	-	-	-	-	-	-	-
Total	99,590	6,114	990	1,075	-	90,000	1,411

^{1/} Excludes population grant programs.

^{2/} Funded from development loan funds.

In 1971 Indian economic development--its progress and setbacks--was overshadowed by refugees and war. Both constitute a burden the Indian economy will continue to bear for some time. The cost of the support and return of nearly ten million refugees is estimated at \$450 million, offset to some extent by foreign contributions totalling \$310 million in cash and kind. However, these estimates do not account for indirect cost, inflation, and delay of development projects which may double the actual burden to be realized cumulatively over time. The brief war with Pakistan caused military expenditures to rise about \$226 million over the budgeted figure and they are expected to remain at the higher level during the coming year.

The overall performance of the Indian economy in the preceding years had been moderately good with dramatic achievements in foodgrain production accompanied by fair industrial growth. GNP has been increasing at an average annual rate of about 5%, reflecting primarily the progress of the Green Revolution. When compared with prior years, 1971 represented a milestone in India's drive for self-sufficiency in food. Foodgrain production jumped from 88 million tons in 1964/65, the pre-drought year, to 108 million tons in 1970/71, and is expected to exceed 110 million tons, possibly reaching 114 million tons, in 1971/72. In 1951 India produced foodgrains in amounts permitting only 14.9 ounces per capita availability per day, as compared to 19 ounces estimated for 1971. As a result of this growth--over 8% last year--the Indian diet is improving steadily. Only five years ago India faced the threat of famine and some experts were predicting permanent foodgrain deficits. Continued bumper wheat crops raised Government grain stocks to 19.5 million tons. India received its last concessionally-financed imports of wheat under P.L. 480 in FY 1971 and has announced that it will not require such imports in the future.

Since 1967 industrial growth has fallen behind growth in the agriculture sector. Indications are that during 1971 industrial output expanded at the disappointing rate of 2.5%, although the growth rate for the previous two years (1968-1970) had been higher, averaging almost 6%. In both private and public sector industrial enterprises, the lack of imported raw materials, especially steel, is a major constraint on full utilization of existing plant capacity and on new investment. The shortages in imports can be traced to the reduction in net availabilities of aid (excluding food aid) from \$711 million to about \$248 million (or from \$1.1 billion to \$440 million including food aid) between 1968 and 1971--four recession years for industry. The inadequate flow of imports has inhibited the mobilization of domestic resources; the fact that businessmen are reluctant to make positive investment decisions at present is reflected

INDIA

in the fact that investment represented less than 15% of GNP in 1970/71. An additional problem is that public sector plants are not generating enough profits for future government investment.

Looking back over the last decade, India has tackled its major development problems with purpose and energy and has achieved good results in most sectors of the economy. These advances, however, have not been rapid enough to permit as wide a participation in development as is necessary. An estimated 20% of the population remain basically as they were 10 years ago. The Indian government is seriously engaged in mounting programs to bring more social justice and economic opportunity to those on the lowest rungs of the economic ladder. It is experimenting with a number of special programs to reach small scale farmers, landless rural families, unemployed rural laborers, and malnourished children. But India may not be able to achieve sufficiently rapid economic development to generate the resources needed for these social programs under conditions of further decline in foreign aid.

FY ¹⁹⁷²~~1970~~ represents a "skipped" year of U.S. aid due to suspension of the program loan pipeline during and after the recent Indo-Pakistan war. Since the war the Indian leadership has been placing increasing emphasis on self-reliance, with sharp questioning of the desirability, in the present context, of external assistance of the type and magnitude received in past years. Thus, in addition to awaiting a clarification of the nature of our future economic relationship with India, we will wish to consider the effect of India's emerging concepts of political and economic relationships with the outside world. It is these considerations which will determine our participation in the FY 1973 lending activities of the Aid-to-India Consortium.

Consortium Assistance to India. U.S. development loan assistance, together with assistance from other donor nations in the Aid-India Consortium, has been running in recent years at approximately \$1 billion in gross aid. Under the leadership of the World Bank, the Consortium

conducts analyses of the Indian economy and its problems in order to determine desirable aid levels and to advise the Indian Government on ways to achieve maximum economic performance. Over the last few years, the Consortium has observed India's economic performance closely and has determined that India can effectively use more aid resources. In recognition of this fact IBRD/IDA is steadily increasing aid to India -- from \$150 million in FY 1967 to an estimated \$400 million in FY 1972. Following this pattern, other donors are also increasing their contributions on the order of 40% -- from \$294 million in 1967 to an estimated \$415 million in FY 1973. Canada's aid is expected to increase during this period by 33%, England by 40%. During the period 1967-71, U.S. gross aid was declining, absolutely and relatively, from 46% of Consortium aid in FY 1967 to an estimated 25% in FY 1971. In recent years (1968-71), development loans averaged about \$190 million a year.

FY 1973 A.I.D. PROGRAM

Import Financing. Imports are essential to the continued rapid growth of the Indian economy. They are required by a wide range of industrial enterprises and in the agriculture sector. U.S. non-project loans have helped provide the foreign exchange needed to finance those imports.

Nearly 85% of Indian industry is in the private sector. Private sector industries which, over the past several years, received the imports they required grew at very respectable rates. India's private machine tool industry, for example, receives about 50% of its required inputs from abroad. Without adequate imports, provided in large part under A.I.D. financing, the industry would not have shown the growth it has -- nearly 20% per year over the past 10 years. In addition, India meets 10% of its industrial iron and steel requirements through imports; 1/3 of total imports in this category are typically A.I.D.-financed. A.I.D. loans have financed the purchase of raw materials, equipment and spare parts to enable

INDIA

Indian industry to grow, thus generating new jobs, increased earnings, and additional revenue to finance the government's social and economic programs. Non-project loans have also been utilized directly to sustain the Green Revolution in foodgrain production, which has changed the living standards of millions of rural Indians. U.S.-loan financed fertilized imports, which reached a high of \$150 million in the mid-1960s, have declined to about \$40 million due to increased Indian production. Joint U.S. and British financing of the Indian Farmers' Fertilizer Cooperative fertilizer plant will provide an additional 500,000 tons annually to India's existing fertilizer production capacity. An illustrative list of Indian imports financed under U.S. non-project loans is:

<u>Commodity</u>	<u>Percentage</u>
Fertilizer	15
Lubricants	5
Chemicals	10
Pulp and Paper	5
Iron and Steel	20
Non-ferrous metals and alloys	20
Machinery	15
Transportation equipment and spares	5
Other	5
	<hr/> 100

Agriculture. The momentum of the Green Revolution has so far been maintained only through continued expansion in the use of high-yielding varieties of food-grains. But a number of constraints threaten to inhibit such expansion. The first such constraint -- fertilizer -- is described above as an important element in the lending program of the U.S. and other Consortium members.

A second is the inadequate supply of irrigation water and the lack of moisture conservation practices on dry land farms. The United States has provided technical assistance in soil and water management to demonstrate better methods of on-farm irrigation and in rural electrification

to demonstrate through rural cooperatives more efficient distribution of power for irrigation pump sets and other needs at the village level. However, because at least 80% of Indian farm acreage cannot be irrigated economically, American and Indian scientists have been cooperating in research on dry-land farming methods through a project with Indian agricultural universities, especially at the university in Madhya Pradesh.

A third constraint lies in the institutional and technical capacity to conduct adaptive research on high-yielding varieties of foodgrains. Each of the universities A.I.D. has been assisting is involved in crop breeding and field trials of improved strains of wheat, rice, or pulses. The need for a breakthrough is nowhere greater than in rice research. A separate U.S. technical assistance project at the All-India Rice Research Institute in Hyderabad has focused exclusively on breeding better rice varieties -- a problem which has proven harder to solve than wheat breeding. The Hyderabad scientists have developed 14 new varieties for commercial use. These varieties were used on 20% of the acreage sown to rice in India during the crop season last fall. In the more progressive states, Punjab and Tamil Nadu for example, over 50% of the crop was in the new varieties. India's output of paddy rice increased from 63.7 to 66.1 million tons over the past year. With very heavy demand for rice and with some areas of India still deficient in rice -- 400,000 tons annually in West Bengal, for example -- even further increases in production are needed. Soybeans, a relatively new crop in India, show great potential for improved protein nutrition. We have proposed a technical assistance project in FY 1973 which would support adaptive research efforts to expand production and improve processing and marketing of soybeans.

Increased agricultural production itself has had an obvious beneficial impact on rural employment and rural life. Increased yields, double cropping, and more frequent and intense irrigation generally lead to increased employment in rural areas. To date, these benefits of increased production appear to have outweighed any loss of employment resulting from improved practices, consolidation of

INDIA

farm lands, or mechanization. The problems of rural India, however, cannot be described or solved in terms of production alone, nor can non-agricultural growth in the countryside absorb all of India's excess rural labor. The Indian Government is aware of the need to improve the quality of rural life through village electrification, better nutrition, employment-generating rural works, and expanded education. The United States has helped central government and state agencies mount programs in child feeding and food fortification and conduct nutrition studies. One such survey presently underway in Tamil Nadu will provide government officials with data on which to base nutrition program decisions. The P.L. 480 Title II program provides school lunches for 13 million Indian children and food commodities for nutrition demonstration projects. In rural works, A.I.D. has assisted a number of small local currency projects, valued at \$800,000 equivalent, which are being carried out with American voluntary agency help.

Grant technical assistance in the agriculture sector totals \$5.5 million in FY 1972 and is projected at \$6.1 million in FY 1973.

Family Planning. The Indian family planning program, which was greatly accelerated six years ago, has achieved important successes: an administrative apparatus which involves over 150,000 persons and operates across the entire country; publicity campaigns which have created family planning awareness even in the small villages; and millions of acceptors of vasectomy and other population control techniques. Some 90% of all men in the world who have undergone vasectomies are Indians. Nonetheless, India still has a long way to go before it can be said to have achieved really meaningful results in demographic terms.

Due to rapid expansion over a short time, the Indian population program has displayed administrative inefficiencies. Money allocated by the central government to the states has not always been fully spent. Vehicles for family planning activities have not always been maintained or used effectively, and field workers have not been

adequately trained. Over the past year the government carried out a number of reforms in family planning administration. These include elimination of red tape between center and state in the expenditure of funds, better training for field workers and more effective program evaluation procedures.

Contraceptive technology is a second constraint to a more effective family planning program. But during the past year a law was passed which provides for medical termination of pregnancy; over time, this could have a profound impact on population growth. A stepped-up research program has been mounted to discover new and simpler contraceptive methods, particularly abortifacients. The United States has supported the exchange of scientific information on new contraceptives by financing conferences, experts' visits, and exchange of materials.

A third -- and perhaps most significant -- constraint to an effective family planning program is the gap between knowledge and practice. Rural people in India and elsewhere do not usually see their own self interest in having fewer children. Public relations appears to be only part of the answer in changing motivations. The Indian program has effectively brought the message of family planning to the people of India, and yet only 12% of fertile couples regularly practice contraception. The government is experimenting with schemes to provide additional incentives in family planning that would change traditional motivations more rapidly. Over the past year the most dramatic of these experiments have been "vasectomy" camps which attempt to convince large numbers of men to accept the operation voluntarily and provide on-the-spot clinical facilities to perform it. One of the camps conducted in Kerala State registered 67,000 vasectomies in a period of several weeks, and a series of such camps in Gujarat State recorded over 230,000 acceptors. Each acceptor was provided an incentive in cash and kind. The United States supported these programs with local currency financing and provided administrative support through American voluntary agencies.

INDIA

In FY 1973 A.I.D. proposes to finance a program of advisory services valued at \$1 million in the areas of motivation, contraceptive technology and administrative improvement, and to assist the International Institute of Population Studies near Bombay -- a regional facility financed in part by ECAFE and involving researchers from a number of South and Southeast Asian countries -- to improve its work in population statistics and demography.

Education.

India allocates substantial budget resources to education each year. The Indian states are responsible for all levels of schooling and over 15% of state budget expenditures fall in the education sector. Education costs account for nearly 3% of GNP, higher than most of India's neighbors. These resources, however, finance educational programs that are not entirely appropriate to the objectives of economic development. For example, too much money is spent for traditional higher education and not enough for elementary education, literacy programs, and programs in scientific, agricultural, and mechanical skills. The government is committed to a redirection of schooling but Indian educational institutions, as in all countries, have constituencies which inhibit educational change. Indian strategy is to build new, development-oriented educational institutions which over time will become relatively more important than the traditional schools.

In the past the United States has concentrated education technical assistance in science education at the secondary and higher education levels. The latter effort, at the Indian Institute of Technology in Kanpur, will be successfully completed this year. The former will continue on a smaller scale and will stress improved high school science curriculum. A constraint which continues to plague Indian education is low quality elementary-school teaching. A project to determine the effectiveness of programmed instruction techniques in improving the quality of teaching is expected to get underway soon in Bombay City and Maharashtra State. This project embodies A.I.D.'s belief that educational

technology can be an important key to better education in developing countries. A project in the area of manpower development at the Calcutta Regional Technical Teachers' Training Institute is also under consideration for FY 1973. A.I.D. technical assistance to the education sector totals approximately \$1 million in FY 1972 and is proposed at the same level for FY 1973.

FY 1973 Lending Program

In FY 1972 the U.S. development lending program was interrupted by suspension of part (\$87.6 million) of the program loan pipeline during and after the recent Indo-Pakistan war.

U.S. economic assistance for India is currently under review. At this time we are provisionally carrying \$90 million in Development Loans for India in FY 1973. Any loans which might be made to India could finance commodity imports, including fertilizer, raw materials (mainly steel) and industrial spare parts. The program could also include sector loans in the area of minerals development and electric power to help overcome constraints which at the margin inhibit current development efforts in those two basic sectors -- lack of specialized technical skills, planning experience, and sophisticated equipment which must be imported.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: INDIA

(In Thousands of Dollars and Equivalent)

TABLE IV

Loan No.		Date		Grace Period (years)	Life of Loan (years)	Interest Rate (%)		Amount Authorized	Amount Disbursed	Currency of Re-payment	Principal Repayments	Interest Collected
		Auth-orized	Loan Agree-ment			Grace Period	Amorti-zation					
386-H-068	Ramagundam Thermal Power	6/29/62	5/21/63	10	40	3/4	3/4	7,900	7,322	US \$		250
386-A-126	Beas Dam	8/31/64	6/16/66	10	30	3-1/2	3-1/2	18,000	12,579	Rupees		1,336
386-H-143	Dhuvaran Thermal Power	6/26/65	6/1/66	10	40	1	2-1/2	18,750	15,081	US \$		134
386-H-200	Private Sector Capital Equipment	7/3/69	10/16/69	10	40	2	3	20,000	8,884	US \$		37
386-H-201	Indian Farmers Fertilizer Coop., Ltd (Two Step)	7/3/69	6/18/71	10 (4-1/2)	40 15	2 8-1/2	3 8-1/2	21,000	5,123	US \$		
386-H-207	Production Loan - 1970	5/20/70	6/23/70	10	40	2	3	158,999	134,687	US \$		1,150
386-H-212	Production Loan - 1971	3/3/71	7/9/71	10	40	2	3	190,000	61,440	US \$		200
	Total	XXXXXXXX	XXXXXX	XXX	XXX	XXXX	XXXXX	434,649	245,116	XXXX	XXXX	3,107

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

TABLE V

COUNTRY: INDIA

Project Title	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1971			Estimated FY 1972			Proposed Program FY 1973	Future Year Obligation	Estimated Total Cost
				Obligations	Expenditures	Unliquidated Obligations 6/30/71	Obligations	Expenditures	Unliquidated Obligations 6/30/72			
AGRICULTURE AND RURAL DEVELOPMENT												
Agriculture Production Incentives	386-11-140-282	1967	1971	432	390	42	5,498	42		6,114		432
Rural Electric Cooperatives Development	* 386-11-220-342	1967	1973	638	428	210		275	262	223	235	1,148
Agricultural Universities Development #1	* 386-11-110-281	1955	1974	26,969	24,790	2,179	2,536	2,532	2,183	2,200	1,600	33,305
Agricultural Production Promotion	386-11-110-366	1967	1975	4,959	3,954	1,005	675	977	703	425	870	6,929
Increased Agricultural Inputs	* 386-11-190-367	1967	1975	2,547	1,927	620	930	738	812	900	1,130	5,507
Soil and Water Management	* 386-11-120-368	1967	1975	3,056	2,505	551	952	963	540	1,100	1,500	6,608
Rice Research Improvement	* 386-11-110-379	1967	1978	477	358	119	130	136	113	140	600	1,347
Soybean Development	* 386-11-190-424	1973	1977							564	1,560	2,124
Agricultural Universities Development #2	* 386-11-110-448	1973	1978							550	5,700	6,250
HEALTH												
Nutritional Foods Development	386-11-560-380	1969	1972	793	615	178	414	383	209			1,207
EDUCATION AND MANPOWER TRAINING												
IIT, Kanpur	386-11-660-150	1959	1971	14,161	13,562	599	905	428	171	1,075		14,161
Teaching of Science and Mathematics	386-11-660-226	1964	1975	6,425	6,144	281	410	523	168	400	489	7,724
Development Training	386-15-790-414	1971	Cont.	99	26	73	200	135	138	275	Continuing	
Improved Teaching Techniques	* 386-11-640-385	1972	1976				295	20	275	200	1,030	1,525
Calcutta Technical Teachers Training Institute	* 386-11-660-422	1973	1977							200	800	1,000
INDUSTRIAL AND URBAN DEVELOPMENT												
Trade Union Development	386-15-410-109	1961	1970	350	314	36	-	36				350
Export Promotion	386-15-260-384	1968	1971	983	699	284	-	196	88			983
PROGRAM DEVELOPMENT AND SUPPORT												
TECHNICAL ASSISTANCE SUB-TOTAL	386-15-999-000	1952	Cont.	26,536	26,276	260	1,508	1,602	168	1,411		Continuing
POPULATION							8,325	8,973	5,791	8,600		
Family Welfare Planning	* 386-51-580-332	1967	Cont.	5,692	5,558	134	1,250	628	756	990		Continuing
*Detailed project narrative--See Table VI.							Total (including population)					
							9,575	9,601	6,547	9,590		

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
A.I.D. employed	58	45	36
Participating agency	28	30	34
Contractor technicians	85	81	96
Total	171	156	166

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	224	218	224
Contract	263	271	241
Total	487	489	465

Country: INDIA

PROJECT SHEET

TABLE VI

PROJECT TITLE Rural Electric Cooperatives Development PROJECT NUMBER 386-11-220-342	SECTOR Agriculture and Rural Development PRIOR REFERENCE Page 18, FY 1971 PDB	FUNDS TA INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1973
--	--	---	--

Project Target and Course of Action: To provide the institutional base to accelerate rural electrification by establishing five demonstration rural electrification cooperatives in selected States and to teach villagers how to administer a rural electric cooperative efficiently.

Progress to Date: Five pilot rural electric cooperatives have been established and are extending services for intensive coverage of the consumers within their respective project areas. Rural cooperatives members are showing increasing interest in what can be accomplished through their membership. The management boards of some of the coops are considering relending some funds to members for financing of house wiring and electric pump sets. Service to individual members has proven to be faster than through State Electricity Boards, and in some villages, coop members have contributed their own labor and bullock carts, at no cost to the cooperative, in order to speed up the provision of electric service to their communities. The Central Government's Rural Electrification Corporation (REC) has taken an effective leadership role in expanding rural electric services, and the pilot cooperatives are an important element in this expansion. Project emphasis is shifting to improving member services and economy of operation.

FY 1973 Program: This project is being extended by one year in accordance with an evaluation, conducted in April 1971, to ensure that the five pilot cooperatives become viable, self-sustaining units. The evaluation included a recommendation that the government accelerate rural electrification using the cooperative approach; the government does plan to initiate new cooperatives in the near future.

Technicians: 6; 1 management and accounting specialist (Chief of Party); 5 management and operations specialists.

Consultants: 2 for six man-months (Management and Engineering).

Participants: 20 for approximately 3 man-months each.

U.S. DOLLAR COST (In Thousands)				PRINCIPAL CONTRACTORS/AGENCIES						
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1972			Proposed FY 1973		
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Through 6/30/71	638	428	210							
Estimated FY 72	275	262								
Estimated through 6/30/72	913	690	223	U.S. Technicians	-	201	201	-	159	159
		Future Year Obligations	Estimated Total Cost	Participants	72	-	72	76	-	76
				Commodities	-	2	2	-	-	-
				Other Costs	-	-	-	-	-	-
Proposed FY 73	235	-	1,148	Total Obligations	72	203	275	76	159	235

U.S. National Rural
Electric Cooperatives
Association

Country: INDIA

PROJECT SHEET

TABLE VI

PROJECT TITLE Agricultural Universities Development #1	SECTOR Agriculture and Rural Development	FUNDS TA
PROJECT NUMBER 386-11-110-281	PRIOR REFERENCE Page 13, FY 1972 PDB	INITIAL OBLIGATION FY: 1955
		SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: To establish and develop service-oriented State agricultural universities to the point where they have the capacity for planning and administering fully integrated programs in teaching, research and extension education. Six U.S. land-grant universities - coordinating their efforts through the Council of U.S. Universities for Rural Development in India -- provide eight Indian agricultural universities with comprehensive advisory services in administrative and technical fields, advanced training of Indian staff members in the United States, and limited amounts of technical equipment to support demonstration activities. Each Indian agricultural university is to: (1) develop an administrative organization to manage the professional and supporting work of an institution integrating teaching, research, and extension; (2) introduce teaching techniques that require students to learn by thinking and doing, and curricula which prepares students for jobs in agriculture; (3) initiate applied research programs focused on solving problems impeding agricultural production; (4) develop effective extension and demonstration programs which help increase agricultural productivity.

In addition to the eight universities we have been assisting, eight new universities have been established in the past several years. A new project - "Agricultural Universities Development #2" (see separate sheet) - is

proposed for FY 1973 funding to assist the whole network of Indian agricultural universities, including the new institutions.

Progress to Date: The eight agricultural universities included in this project have made considerable progress; some more than others. Three have made sufficient progress to justify phasing out assistance under this project in the next two years - FY 1972 will be the final funding year for Punjab Agricultural University and Uttar Pradesh Agricultural University, and FY 1973 the final funding year for Mysore University. A fourth institution, Andhra Pradesh Agricultural University, will have progressed sufficiently to justify termination of project assistance in FY 1974. After that date, assistance to the other four universities will be the responsibility of the Indian Council of Agricultural Research (ICAR), the Indian agency which has primary responsibility for guiding the development of the country's agricultural universities.

Each university offers courses in the major agricultural and scientific subjects, with emphasis on farm problems relevant to the state within which the university is located. Each university has installed an internal examination system which encourages higher levels of student achievement. The more advanced universities are particularly sensitive to the need to revise and

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1972			Proposed FY 1973			
Through 6/30/72	26,969	24,790	2,179		Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	University of Illinois Ohio State University University of Tennessee University of Missouri Pennsylvania State University Kansas State University
Estimated FY 72	2,536	2,532		U.S. Technicians	34	1,425	1,459	34	1,256	1,290	
Estimated through 6/30/72	29,505	27,322	2,183	Participants	-	1,026	1,026	-	870	870	
		Future Year Obligations	Estimated Total Cost	Commodities	-	51	51	-	40	40	
Proposed FY 73	2,200	1,600	33,305	Other Costs							
				Total Obligations	34	2,502	2,536	34	2,166	2,200	

Country: INDIA

PROJECT SHEET (Continued)

Sector: Agriculture and Rural Development

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
Agricultural Universities Development #1	386-11-110-281

update curricula to adjust academic programs to employment opportunities for their students upon graduation. During 1971, all but one of the universities held seminars on "better teaching", and the eighth has now made plans to do so this year. In late spring 1972, the findings and recommendations of the eight seminars will be summarized and discussed in an All-India Teaching Seminar. Punjab Agricultural University and Uttar Pradesh Agricultural University have established programs to prepare graduates for agro-business enterprises as opposed to strictly technical jobs in agriculture; their curriculum this year includes courses in agricultural finance and management. As Indian agriculture develops, many new opportunities in rural-based private sector industry will open up. Agriculture university graduates in some areas are already taking a leading role in enterprises such as inputs distribution, commercial seed multiplication, and agricultural credit institutions.

Several of the eight institutions have prepared long range (5 to 10 years) growth plans which will provide guidance for campus development including the academic, physical and fiscal aspects. It will take some time before many of the universities actually adopt long range plans. However, an increasing number of universities is actually considering such plans, and for the first time a U.S. expert is working directly with ICAR in long range planning and evaluation. The quality of the teaching, research and extension staffs varies considerably but is quite good on the average. The proportion of the faculty members having U.S. training also varies, but approximates 20-25% in some institutions. All of the eight offer graduate work for the Masters Degree and seven offer Ph.D. programs, indicating growing staff competence. Student counseling services are provided at all of the eight and placement services have been established in several.

The agriculture universities are increasingly aware of the benefits of relating to each other through conferences.

For example, the Association of Indian Agricultural Universities, a body of university administrative officers, meets annually to discuss common problems and seek greater support from the states and center government. Also, the evaluation of Punjab Agricultural University, published in 1971, provides a useful model of how institutions of this kind should achieve self-sustained growth. The techniques of the Punjab evaluation are beginning to be used in solving institutional problems at other agriculture universities. The university in Orissa used the Punjab study's methodology to bring into focus some of its shortcomings in the fields of research and extension.

The universities are extending their research and extension education services, partly with the encouragement and financing of ICAR, to more and more areas of their respective states. Several have established communication centers and are using new media including radio programs to extend helpful information to farmers, businessmen, and families in their respective areas. Annual and bi-annual farmers' fairs are growing in popularity. More news releases and research and extension publications are being circulated regularly to farm families and others. In those states where full responsibility for statewide research and extension education services have not been authorized by the State Government, the Agricultural University research and extension services are nevertheless increasing in volume as well as subject and area coverage.

FY 1973 Program: Thirty-three fulltime specialists will work at the original eight universities. Our assistance to the universities in Punjab and U.P. will be completed by the end of FY 1973 thus reducing the number of assisted universities to six in FY 1974. The U.S. advisors will continue to concentrate on strengthening instruction and helping develop effective research and extension education programs. To help coordinate the work of the six participating U.S. universities, A.I.D. will finance one

Country: INDIA
Sector: Agriculture and Rural Development

PROJECT SHEET (Continued)

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
Agricultural Universities Development #1	386-11-110-281

contract technician at the Council of U.S. Universities for Rural Development in India (CUSURDI).

U.S. Technicians:

- Direct Hire: One direct-hire project manager.
- Contract: Thirty long-term specialists and twenty-five short-term (average 3 to 4 months) contract consultants. Funding for these services through March 1974.
- Participants: Contract: 44 degree and 21 non-degree will begin training in the U.S. in disciplines necessary for assisting the universities in sound development; 104 will continue their training.
- Commodities: Demonstration materials and supplies.

PROJECT TITLE	SECTOR	FUND
Increased Agricultural Inputs	Agriculture and Rural Development	TA
PROJECT NUMBER	PRIOR REFERENCE	INITIAL OBLIGATION
386-11-190-367	Page 17, FY 1972 PDB	FY: 1967
		SCHEDULED FINAL OBLIGATION
		FY: 1975

Project Target and Course of Action: This project focuses on the major inputs to development of the agricultural sector: fertilizer, seeds, pesticides, farm machinery, grain storage and protection, and oilseeds processing. The project is aimed at helping public and private organizations not only to increase production of these inputs, but to improve their distribution and use. It also seeks to introduce new technology and train manpower in its use.

Progress to Date:

a) **Fertilizer** - Fertilizer (nutrient) production has increased from 1,052,000 MT in 1970-71 to 1,279,000 MT in 1971-72, but it still remains below target. The fertilizer marketing study, to be completed by December 1972, will include supply and demand projections, and identify the constraints to achievement of needed levels of production and consumption.

b) **Seeds** - The technology of a medium-scale seed production industry is being developed by a team from Mississippi State University (MSU) working with the National Seeds Corporation (NSC). Seed production, processing and marketing procedures and equipment are being demonstrated in selected areas of India. Operation manuals and operator training programs are being prepared. MSU specialists are also working with NSC to provide technical guidance to private seed producers interested

in installing elements of modern processing facilities.

c) **Pesticides, Grain Storage and Protection:** - The Pesticides Association of India (PAI), also assisted by a U.S. advisor, has made noteworthy progress in establishing industry service functions. Most recently the PAI represented the industry in preparing the pesticides quality control regulations under the Pesticides Act.

Other organizations have received AID grants of PL 480-generated rupees for their storage/protection programs. The Gujarat Young Farmer's Association has established a multi-village rodent control program. Along the same lines, the GOI "Save-the-Grain Campaign" has also received assistance for training of personnel and demonstration of village-level storage bins.

The GOI's central Plant Protection Training Institute, with the assistance of a USDA expert, has expanded its training programs in plant protection and surveillance. More than 750 district level workers who had received this training returned to the two states they came from to participate in rice surveys in 1971.

d) **Farm Machinery** - U.S. advisors have prepared recommendations to the government for more effective utilization of available tractors. Studies are also underway to identify suitable equipment supply and

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1972			Proposed FY 1973			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/71	2,547	1,927	620								Mississippi State Univ.; Other contractors to be selected U.S. Department of Agriculture (USDA)
Estimated FY 72	930	738									
Estimated through 6/30/72	3,477	2,665	812	U.S. Technicians	90	458	548	50	349	399	
				Participants	358	-	358	498	-	498	
				Commodities	-	24	24	-	3	3	
				Other Costs							
Proposed FY 73	900	1,130	5,507	Total Obligations	448	482	930	548	352	900	

Country: INDIA
Sector: Agriculture and Rural Development

PROJECT SHEET (Continued)

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
Increased Agriculture Inputs	386-11-190-367

service systems for smaller farming operations.

e) Oilseeds Processing - The National Cooperative Development Corporation has established technical units to which U.S. oilseeds processing advisors will be assigned. A contract proposal involving the Cooperative League (CLUSA) is currently under review.

FY 1973 Program: With strong Indian government interest in maximizing the effectiveness of the various inputs which are essential to increasing agricultural production, we plan to continue providing technical assistance and training to a number of these activities through the life of the project.

The Mississippi State Seeds Team will continue to work with the National Seeds Corporation, state governments, and the private seeds industry to improve the processing, storage, and marketing of seeds.

Some short-term consultants will be provided in fertilizer production and marketing, as well as increased participant training in the U.S.

In support of the government's plant and grain protection measures, we will provide a grain storage advisor and an advisor in plant pest control as well as some short-term assistance and U.S. training in this field. Our rodent control specialist will continue to advise the government in its efforts to promote innovative grain protection and rodent control measures throughout the countryside.

Short-term assistance and U.S. training in farm machinery development and utilization will also be provided.

In oilseeds processing, U.S. advisors will provide assistance in processing technology and plant management, through the National Cooperative Development Corporation, to the approximately 300 oil mills and extraction plants in the cooperative sector. These advisors will also help conduct in-service training programs for plant managers

drawn from private, as well as cooperative, extraction enterprises. Training in the U.S. will also be provided.

The FY 1973 program will also see a phasing-out of U.S. assistance to a few agencies where local competence exists -- for example, to the Fertilizer Association, the Pesticides Association and the Plant Protection Training Institute. Short-term consultants will be utilized to help solve specialized problems related to various inputs. In-country training seminars and participant training in the U.S. will continue at past levels. The final year of assistance to these institutions will emphasize training of distribution and service personnel in adapting appropriate technology to the production, supply and use of major agricultural inputs.

U.S. Technicians:

Direct Hire: A project coordinator, and six months services of a pesticides advisor.

PASA: One USDA grain storage specialist, and six man-months of consultant services in fertilizer production and marketing. (\$48,000)

Contract: Total: 8 long-term; 31 man-months of short-term consultant services.

Seeds: 4 long-term specialists (MSU) - (\$135,000)

Fertilizer: 9 man-months of short-term consultant services.

Plant Protection/Rodent Control: 1 long-term rodent control specialist and 4 man-months of consultant services. (\$31,000)

Farm Machinery: 9 man-months of consultant services.

Country: INDIA
Agriculture and Rural Development

PROJECT SHEET (Continued)

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
Increased Agricultural Inputs	386-11-190-367

Oilseeds: 3 long-term processing specialists and 9 man-months of consultant services.

Participants: Two long-term and 93 short-term participants will be trained in the U.S. on production, operation and management of input supply and service systems; of these, 52 will receive training in fertilizer production, distribution and use, 14 will receive training in seed production, processing and marketing, 12 will be trained in storage, pesticides and plant protection, 12 will be trained in farm implements development, and 5 in oilseeds processing technology. 17 participants will continue long-term training started earlier.

Country: INDIA

PROJECT SHEET

TABLE VI

PROJECT TITLE Soil and Water Management	SECTOR Agriculture and Rural Development	FUNDS TA	
PROJECT NUMBER 386-11-120-368	PRIOR REFERENCE Page 19, FY 1972 PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: To develop an integrated, efficient program of soil and water resource management, A.I.D. and the Government of India have undertaken four activities: (1) to develop a coordinated approach for soil and water management and conservation, including the identification of problems and the development of technically competent organizations to meet these problems; (2) to establish strong programs of research in soil and water management; (3) to develop organizations to collect and compile information on India's land and water resources and to assess the location and extent of groundwater supplies; (4) to establish pilot demonstrations of soil and water management.

Progress to Date: The Central Groundwater Board, with the help of U.S. advisors, developed uniform standards for soil survey and classification, a central data bank on soil and water resources, and studies of on-farm utilization of irrigation water. Our advisors also helped improve design, construction, operation, and maintenance of public and private tubewells; plan soil salinity research activities; develop procedures for estimating peak rates and volumes of runoff from streams and rivers in certain river valleys; and assist in identifying sources and volume of river sediment. Two experts from the U.S. Corps of Engineers also

helped the Brahmaputra Flood Control Commission determine the inputs required to prepare a master plan for flood control works on that river. Short-term U.S. advisors helped develop a plan for assisting the Central Groundwater Board (Ministry of Food and Agriculture) and four states to develop competence to undertake groundwater assessment programs. The latter study led to a new sub-project in groundwater development.

The three regional pilot projects in soil and water management in Mysore, Punjab, and Uttar Pradesh states, have continued to make progress. At each site, an A.I.D. team of four specialists helped state personnel develop programs for solving water management problems, using farmers' own plots to demonstrate technical solutions and encourage cooperative actions by neighborhood groups in carrying out these solutions. Encouraged by these pilot projects, the government has established seven additional pilot projects on its own initiative and is making plans for fifteen more. Indian personnel from these new pilot efforts visit the A.I.D.-assisted pilot projects for training purposes.

FY 1973 Program: The Indian Government has become increasingly concerned with the water resources field and with maintaining a strong central team of advisors to oversee the new pilot water management activities

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES		
	Obligations	Expenditures	Unliquidated	OBLIGATIONS					
				Estimated FY 1972		Proposed FY 1973			
Through 6/30/71	3,056	2,505	551	Direct AID	Contract/Other Agency	Total	Soil Conservation Service		
Estimated FY 72	952	963		-	636	636		U.S. Geological Survey	
Estimated through 6/30/72	4,008	3,468	540	316	-	316	95		932
		Future Year Obligations	Estimated Total Cost				38	38	
Proposed FY 73	1,100	1,500	6,608	316	636	952	130	970	1100

Country: INDIA
Sector: Agriculture and Rural Development

PROJECT SHEET (Continued)

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
Soil and Water Management	386-11-120-368

they are starting up, as well as the pilot activities assisted by the U.S. We therefore plan to continue, beyond the originally planned phase-out in FY 73 of this part of the project, the assistance of a central group of U.S. irrigation experts working with the Ministry of Agriculture, and the U.S. advisory teams at the three state pilot projects. Though participant training requirements have been fulfilled for the most part, the assistance of U.S. advisors is expected to be required through the life of the project in FY 1975. Some additional emphasis will be given to watershed treatment and planning.

Current plans for the groundwater activity also reflect some changes in emphasis since last year, and now include a stronger institution-building element for the Board similar to that related to the pilot projects. The aim is to upgrade the Indian staff in the Central Groundwater Board as well as the state groundwater units. Hence, four U.S. technicians will be located with the Central Groundwater Board in Delhi and four others will be located in the four study areas, one to each. The latter four will mount sophisticated groundwater surveys at their locations and key these studies into a wide range of training opportunities for center and state professional staff. On-the-job training, observation, formal classroom work, and participant training will be key elements of the activity.

U.S. Technicians:

Direct Hire: One technician to coordinate the activities of central and pilot project teams, and groundwater teams.

PASA (Center and Pilot Projects): Twenty U.S. Soil Conservation Service advisors (8 to work at the central level on the coordination of programs and to provide

technical assistance in the fields of soil science, agricultural engineering, agricultural economics, surface water hydrology, design engineering, soil and water research, and sedimentation; and 12 to work in three states on pilot projects). 2-4 short-term consultants from the USDA will be provided to assist the center with special operations and research programs. (\$565,000)

PASA (groundwater teams): Eight U.S. Geological Survey advisors and 2 short-term consultants will assist in conducting the groundwater assessment programs. (\$367,000)

Participants: Five long-term (for groundwater) and 9 short-term (for central and pilot project teams) participants for U.S. training. Thirteen long-term participants, previously sent, will continue their training.

Commodities: \$38,000 for demonstration materials and supplies.

Country: INDIA

PROJECT SHEET

TABLE VI

PROJECT TITLE Rice Research Improvement	SECTOR Agriculture and Rural Development	FUNDS TA
PROJECT NUMBER 386-11-110-379	PRIOR REFERENCE Page 26, FY 1971 FDB	INITIAL OBLIGATION FY: 1967
		SCHEDULED FINAL OBLIGATION FY: 1978

Project Target and Course of Action: To accelerate and improve rice research in India. Under contract with A.I.D., the International Rice Research Institute, Philippines (IRRI), provides research specialists and training for Indian scientists to strengthen the operational and research aspects of the All-India Coordinated Rice Improvement Program (AICRIP). This project has been instrumental in achieving the gains in rice production which India has made to date. In view of the necessity and potential for further gains in rice output during the coming years, we propose to extend this project for five years.

Progress to Date: Rice - 4,000 native varieties of it - is the major food of nearly 75% of the Indian people. It is grown under widely diverse conditions throughout the country, ranging from wet areas where the crop often grows under 15-20 feet of water, to dry areas where rainfall barely reaches 20 inches per year. Single, double and triple cropping are all prevalent, depending upon the region, and thus contribute their part to a situation which only serves to heighten the scientific and technical problems of breeding the new high-yielding varieties. Because of these problems, rice has not yet felt the full impact of the "Green Revolution".

The All-India Coordinated Rice Improvement Program (AICRIP) has established a successful, nationwide rice

breeding program. Advisors from IRRI, financed by AID, have assisted this program since its beginning. AICRIP researchers, with IRRI assistance, perform thousands of varietal tests and field trials each year, and have developed 14 new varieties for commercial release. By late 1971, about 20% of the acreage sown to rice was in new high-yielding varieties -- primarily the 14 varieties developed by AICRIP. In two states - Tamil Nadu and Punjab - 50% of the acreage held the new varieties.

During its short existence AICRIP has welded together a nationwide network of research information. Native varieties from states as distant as Assam are sent to Hyderabad for cross-breeding with varieties indigenous to South India. Nor are AICRIP operations bound to the Hyderabad location. In cooperation with 12 regional research centers, AICRIP scientists set up experiments in about 30 different locations throughout India during a cropping season. A field staff of nearly 200 oversees these far-flung operations.

AICRIP has also achieved success in establishing institutional linkages with other agricultural research organizations. Twice yearly, conferences and work shops are held where problems and results of research are discussed. After each cropping season the organization also publishes the results of its research. At first considered a temporary institution, AICRIP has received

U.S. DOLLAR COST (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1972			Proposed FY 1973			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/71	477	358	119							International Rice Research Institute (IRRI)
Estimated FY 72	130	136								
Estimated through 6/30/72	607	494	113							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 73	140	600	1,347							
				Total Obligations	130	130	-	140	140	

Country: INDIA

PROJECT SHEET (Continued)

Sector: Agriculture and Rural Development

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
Rice Research Improvement	386-11-110-379

Indian government approval to become a permanent institution.

FY 1973 Program: Five U. S. advisors from IRRI will continue to assist the AICRIP research program. The pace of adaptive research will be stepped up, so that five new varieties can be released commercially each year. U.S. advisors will also help AICRIP conduct in-service training programs -- at both junior and senior levels -- for up to 400 rice scientists, extension workers and agricultural administrators from throughout India.

U.S. Technicians (Contract): AID will finance five IRRI technicians: one each in plant physiology, agronomy, entomology, plant pathology, and extension communications. In addition, six short-term consultants (for 12 man-months) will be provided in these areas.

Participants: Eleven participants will study rice research methodology for short periods at IRRI headquarters in the Philippines.

Commodities: Demonstration materials and supplies.

Country: INDIA

PROJECT SHEET

TABLE VI

PROJECT TITLE Soybean Development	SECTOR Agriculture and Rural Development	FUNDS TA
PROJECT NUMBER 386-11 -190-424	PRIOR REFERENCE -	INITIAL OBLIGATION FY: 1973 SCHEDULED FINAL OBLIGATION FY: 1977

Project Target and Course of Action: Although India has made outstanding progress in foodgrain production over the past 6 years, the output of other crops that are vital to the Indian diet has not increased as rapidly. For example, production of pulses, the traditional source of protein in the Indian diet, has remained at the levels of the early 1960's. Production of oilseeds has also lagged and, as a result, per-capita consumption of fats and oils remains below established minimum nutritional standards. Despite imports of 225,000 metric tons of oilseeds and edible oils each year, the supply of oils remains scarce and prices have been rising. This has had deleterious effects on the diet of low-income people, who cannot afford protein-rich vegetable oil and pulses. Soybeans, which contain 20-40% high quality protein and have enriched the diet of many countries, present a large opportunity for better nutrition in India.

Field trials carried out over the past six years demonstrate that soybeans can be grown in Northern and Central India, and that high yields can be achieved. Introducing a new agricultural crop on a wide-scale requires governmental and private action on several related fronts. The government plans to establish a high-level coordinating committee within the Ministry of Agriculture which will be responsible for organizing a major soybean expansion program over the next 5 years. They

have asked for U.S. advisors to assist in this effort.

Development work will proceed, in a number of areas simultaneously, as follows:

Increased production In 1970/71 India grew soybeans on about 20,000 hectares of land and hopes to increase this to 400,000 hectares by 1973/74. Even this target is modest compared to the potential soybean acreage. In Uttar Pradesh and Madhya Pradesh States alone approximately 4.2 million hectares would be suitable for soybeans. Even if only one-tenth of that area were brought under production, the yield would be about 600,000 tons, which after processing would meet India's present deficit in edible oils. Before production can expand, however, further adaptive research must be undertaken, as soybean varieties now grown on a limited scale in India have encountered insect and disease problems. These need to be overcome. Also, once strong varieties have been developed, seed must be produced and distributed in quantities sufficient to insure that farmers can obtain seed at planting time.

Building markets for soybeans Farmers cannot be induced to grow soybeans unless markets are available. The government hopes to find export markets initially for soybeans that cannot be sold in India, on the assumption that production in early years of the expansion program

U.S. DOLLAR COST (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES To be selected.
Through 6/30/71	Obligations	Expenditures	Unliquidated	Estimated FY 1972			Proposed FY 1973			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Estimated FY 72										
Estimated through 6/30/72										
		Future Year Obligations	Estimated Total Cost							
Proposed FY 73	564	1560	2,124				64	500	564	
				Cost Components						
				U.S. Technicians Participants						
				Commodities						
				Other Costs						
				Total Obligations						

Country: INDIA

PROJECT SHEET (Continued)

Sector: Agriculture and Rural Development

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
Soybean Development	386-11 -190-424

will outrun domestic demand. As domestic demand rises, however, exports will play a lesser role in the soybean expansion strategy. To build a domestic market the Government of India will work to improve marketing operations -- assembly, storage and wholesaling.

Improved Processing Adequate soybean processing will require capital investment in processing plants and the acquisition of modern solvent extraction technology. Processing of soybeans to yield edible oil and soy meal cannot be handled efficiently by existing oilseeds processing plants so new plants will be needed. The Government of India expects that cooperative and private investment will be drawn into soybean processing as the production of beans increases. On the technical side, the Government of India will require foreign advisory services to assist the cooperative and private sectors develop better techniques of extraction.

The long-range potential of soybeans in India lies in the area of processed foods. U.S. advisors will assist the Indian agricultural universities and the Indian Council of Scientific and Industrial Research to develop low-cost, protein-rich soybean-based products. Soy meal is already being used in producing Bal Ahar, a product based on U.S. produced corn-soy-meal (CSM), used in Indian school lunch programs.

FY 1973 Program: A) Development Strategy - One senior commodity development advisor will work with the Ministry of Agriculture soybean coordinating group in planning the intensive crop expansion program and will also coordinate the U.S. technical assistance input.

B) Soybean Production - Two research scientists, one located at Madhya Pradesh Agricultural University and the other at Uttar Pradesh Agricultural University, will work on breeding and testing of high yielding, disease-resistant soybean varieties suitable for Indian conditions. A soybean production agronomist at Madhya Pradesh

AU will assist in developing programs for extension of soybean production technology to farmers. A Microbiologist at Uttar Pradesh AU will work on production of disease-preventive serum.

C) Soybean Marketing - One marketing advisor will work with the Ministry of Agriculture and Fertilizer Corporation of India on modification of facilities and on training personnel in soybean marketing operations including assembly, storage, and wholesaling.

D) Soybean Processing - Two scientists will work with Uttar Pradesh AU and the Council of Scientific & Industrial Research on development of soybean-based products acceptable to the Indian consumer. One advisor will assist in carrying out large-scale market tests on soybean product acceptability.

E) Short-term advisors will be provided in the above areas as required.

U.S. Technicians: Nine long-term contract advisors; 4 short-term advisors in soybean production, marketing and processing.

Participants: 10 participants to study soybean production, marketing, and processing in the U. S.

Country: INDIA

PROJECT SHEET

TABLE VI

PROJECT TITLE Agricultural Universities Development #2	SECTOR Agriculture and Rural Development	FUNDS TA
PROJECT NUMBER 386-11-110-448	PRIOR REFERENCE -	INITIAL OBLIGATION FY: 1973
		SCHEDULED FINAL OBLIGATION FY: 1978

Project Target and Course of Action: The U.S. has assisted eight Indian Agriculture universities over the past fifteen years under the Agriculture Universities Development Project (see separate sheet). This has been a successful technical assistance effort carried out by six American land-grant universities, the funding for which is being terminated in FY 1974. As our assistance at the eight universities phases out, the better Indian institutions -- for example Punjab, Uttar Pradesh and Mysore AU's -- are emerging as strong independent centers of teaching, research and extension work, capable not only of improving agriculture and rural life in their own states but also of assisting the development of new and weaker universities in other states. Although the task of agriculture university development in India is by no means complete -- eight new universities have begun since 1968 and at least one more is on the horizon -- it is a task that can and will be carried to completion largely by the Indians themselves.

A central body -- the Indian Council of Agricultural Research (ICAR) -- exists to coordinate the development of the new as well as the weaker universities. This body, on which US assistance will be focussed under this project, is presently being strengthened by the addition of Indian staff in preparation for an expanded role in: (1) facilitating internal technical assistance and inter-

change of faculty and students within the agriculture university system; (2) Planning and coordinating agriculture research activities among the universities on topics of common concern, e.g. on crop adaptation, and the economic effects of the Green Revolution, and; (3) Encouraging universities to concentrate on, and build depth of expertise in, specific agricultural problem areas. These competencies can then be shared widely, and need not be duplicated in the university system.

The proposed new project will support the ICAR program described above by providing technical services as follows: (1) a central panel of specialists attached to ICAR will assist the Council's efforts, principally at the new universities, in university organization, administration, curriculum development, and campus planning. (2) specialists will assist ICAR-sponsored activities at the new universities to help these new institutions develop subject matter areas of high development priority and build up strong research programs. (3) advisors will also assist development of substantive areas of concentration at several established universities so as to spearhead cooperative research ventures with other AU's and to provide them with technical assistance and training opportunities in a particular specialty, e.g. adaptive research on pulses, and agriculture economics research.

U.S. DOLLAR COST (In Thousands)						PRINCIPAL CONTRACTORS/ KOBENCOBS			
Through 6/30/71	Obligations	Expenditures	Unliquidated	OBLIGATIONS					
	Estimated FY 72	Estimated through 6/30/72	Future Year Obligations	Estimated FY 1972			Proposed FY 1973		
				Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency
			Estimated Total Cost					To be determined.	
Proposed FY 73	550	5,700	6,250				550		550

Country: INDIA

PROJECT SHEET (Continued)

Sector: Agriculture and Rural Development

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
Agricultural Universities Development #2	386-11-110-448

The new universities (in the states of Haryana, Bihar, Tamil Nadu, Assam, Himachal Pradesh, Maharashtra, Kerala and Gujarat) face the same institutional development problems that the established universities once faced. Each of these new institutions has taken over an existing college in its state, and must now start from scratch to create the other required elements (e.g. Colleges of Home Science, Humanities, etc.) of a full-fledged university. ICAR and the established universities are making their experience available to the new institutions. Several of the new universities participated in an ICAR meeting on university planning in 1971. Also, Vice Chancellors and other members of the new universities have requested and are receiving technical assistance in the form of visits, publications, and curricular materials from the older universities.

The staffing of the new universities is underway. Some of the institutions have most of their positions filled, while others are still recruiting key administrative officials. Each has a Vice Chancellor and some staff. Competition for high-quality, experienced staff is keen, and additional training will be needed for many of those who will be employed in teaching, research, and extension education positions. Much of this training will be provided in the graduate schools of the more advanced Indian AU's but some training -- especially at the post-doctoral level -- will be provided in the U.S.

FY 1973 Program: Initially, four full-time specialists attached to the ICAR central panel will work with eight new agricultural universities on university planning and administration. The five U.S. short-term consultants (3 to 4 months each) will serve as members of the panel to assist the new universities in various academic subject areas. Three full-time specialists will serve in special programs or areas of concentration at the established universities.

U. S. Technicians (Contract): 7 long-term: 4 advisors in planning and administration, and 3 specialists in areas such as pulse research and agricultural economics; 5 short-term consultants.

Participants: 15 degree and 15 non-degree from the new universities will begin training in the U.S. in agricultural disciplines and institutional development and administration.

Commodities: Demonstration materials and supplies such as books, classroom and laboratory equipment.

Country: INDIA

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR	FUNDS
Improved Teaching Techniques	Education and Manpower Training	TA
PROJECT NUMBER 386-11-640-385	PRIOR REFERENCE Page 54, FY 72 PDB	INITIAL OBLIGATION FY: 1972
		SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: Introduction of programmed learning techniques to India will enable India's too few and largely under-qualified teachers to provide a higher quality education. Programmed learning is the systematic presentation of material in such a way as to allow for self-instruction on the part of the learner. Subject matter content is meticulously examined and presented in sequential form. Programmed texts are frequently tested and are revised for maximum results in terms of students' absorption of content. Another advantage of programmed instruction is that, because teaching materials are prepared in great detail, teachers with minimal training can teach material with which they are less familiar and still achieve satisfactory student responses.

The objective of this project is to introduce these new teaching techniques initially in the Bombay municipal school system, principally for science subjects. At the same time, U.S. advisors will seek to introduce programmed learning to a wider audience of Indian educators by providing assistance to the Maharashtra State Institute of Education, the Curriculum Improvement Institution for the state within which Bombay is located, and to the National Council of Education Research and Training (NCERT), a central organization promoting science curriculum reform.

Use of programmed learning has been under study in India since 1966. A.I.D. has provided short-term consultants (regionally-funded) to work with programmed learning study groups in the Bombay area in designing an approach to introducing these techniques.

FY 1973 Program: A team of U.S. education consultants will be provided under a contract to begin a program of experimentation and introduction of programmed learning techniques in the Bombay Municipal Corporation school system. In order to spread the concepts of this pilot program, A.I.D. will also assist the Maharashtra State Institute of Education and NCERT in applying these techniques to secondary school curriculum design. U.S. advisors will concentrate principally on science, mathematics and (possibly) language curriculum for Grades I through V. The efforts of U.S. advisors under this project to introduce better ways of presenting subject matter to students will be closely coordinated with the work of National Science Foundation advisors, under the Teaching of Science and Mathematics Project, in modernizing the content of science curriculum in the Bombay schools.

U.S. DOLLAR COST (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/ AGENCIES Contractor to be selected.
Through 6/30/71	Obligations	Expenditures	Unliquidated	Estimated FY 1972			Proposed FY 1973			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Estimated FY 72										
Estimated through 6/30/72	295	20	275		244	244	-	185	185	
		Future Year Obligations	Estimated Total Cost		56	36	-	10	10	
					15	15	-	5	5	
					-	-	-	-	-	
Proposed FY 73	200	1,030	1,525		295	295	-	200	200	
				Cost Components						
				U.S. Technicians Participants						
				Commodities						
				Other Costs						
				Total Obligations						

Country: INDIA

PROJECT SHEET (Continued)

Sector: Education and Manpower Training

TABLE VIa

PROJECT TITLE Improved Teaching Techniques	PROJECT NUMBER 386-11-640-385
---	----------------------------------

U.S. Technicians

Contract: 6 full-time technicians for 9 months, and 15 man-months of short-term consultants: a Chief of Party who is a senior educational technologist and five programmed learning specialists, two each with science and math competencies and one for language development. Short-term specialists (15 man-months) will assist in the areas of evaluation, tests and measurement, editing, and layout problems.

Participants: A total of 8 short-term participants in the United States in various specialized fields of education for periods ranging from four to six months each.

Commodities: Materials and equipment, not available in India, for demonstration purposes.

Country: INDIA

PROJECT SHEET

TABLE VI

PROJECT TITLE Calcutta Technical Teachers Training Institute	SECTOR Education and Manpower Training	FUNDS TA
PROJECT NUMBER 386-11-660-422	PRIOR REFERENCE	INITIAL OBLIGATION FY: 1973
		SCHEDULED FINAL OBLIGATION FY: 1977

Project Target and Course of Action: The goal of the proposed project is to assist the Indian Polytechnic school system to become more relevant to the manpower needs of Indian industry. The polytechnic schools, which provide post-secondary school training, suffer from poor quality teaching and a curriculum that is not related to industrial needs and experience. This project will help forge links between polytechnics and industry within the Calcutta Metropolitan area, thereby creating an example for the reform of polytechnic education elsewhere in India. Assistance will be focused on the Regional Technical Teacher Training Institute, Calcutta, which trains instructors for 60 polytechnic schools in northeastern India. Initially, project advisors will work through the Institute with about 6 polytechnics located in and around Calcutta City.

The Institute is at present developing cooperative work study programs with Calcutta steel and metal works, automotive manufacture, maintenance, and repair plants and the electronics industry. U.S. project advisors, drawing on successful U.S. experience with such programs, will assist both the Institute and industries in setting up these programs. The concept of work-study is essentially foreign to the Indian polytechnic school system, which has been heavy on theoretical knowledge and very weak on practical experience. Teachers being trained at the Institute will for the first time have the opportunity to

participate in a practical program of technology training and to acquaint themselves with an effective technology curriculum, which they can take back to their own polytechnic schools as a model. In addition, U.S. advisors and the Indian leadership at the Institute will assist the 6 Calcutta polytechnics to develop work-study programs at the school level. U.S. advisors will also help in experimenting with innovative programs such as arrangements for teachers to take short courses at the Institute during vacations or in the evening. They will also establish student employment services aimed at placing polytechnic school graduates in meaningful jobs in the Calcutta area. A materials development center will be developed within the Institute for preparing and testing new curricula, workbooks, and other instructional materials related to work-study activities being implemented with local industry. The contractor will also introduce a continuous program of in-service training for polytechnic teachers.

There is at present a ferment for reform of the polytechnic system along lines contemplated in this project. Just recently, the Government of India published the recommendations of a prestigious National Commission on Technical Education which surveyed the system and urged far-reaching reforms, including more autonomy for polytechnic schools, detailed manpower surveys within industry, joint committees involving industrialists and

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1972			Proposed FY 1973		
					Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency
Through 6/30/71										
Estimated FY 72										
Estimated through 6/30/72										
		Future Year Obligations	Estimated Total Cost							
Proposed FY 73	200	800	1000	Total Obligations				200	200	

Country: INDIA

PROJECT SHEET (Continued)

Sector:

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
Calcutta Technical Teachers Training Institute	386-11-660-422

educators to develop curriculum and identify areas of need. The Commission was composed of Ministry of Education officials, representatives from industry and foreign consultants from Germany, UK, Japan and the U.S.

FY 1973 Program: In FY 1973 the U.S. will help the Calcutta Regional Institute to establish work-study programs through joint committees involving the Institute, polytechnic school leadership and industrialists. U.S. advisors will also help the Institute conduct a broad survey of manpower needs in the Calcutta area. They will begin work on preparation of teaching materials once the design of work-study curricula is complete. Short-term consultants will be utilized to assist the Institute and polytechnics in the Calcutta area to improve school administration and will advise on specialized technologies for which curricula are being developed.

U.S. Technicians: Three long-term contract technicians, including 1 in cooperative work-study programs, 1 in materials development, and 1 in manpower planning and student placement surveys. Two short-term consultants will be provided (total 8 man-months).

Participants: Six long-term participants will be sent for practical training in the U.S. for direct experience in administering work-study and similar programs.

Commodities: Demonstration supplies and equipment.

Country: INDIA

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR	FUNDS	
Family Welfare Planning	Population	Population	
PROJECT NUMBER 386-51-580-332	PRIOR REFERENCE Page 32, FY 1972 PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: To assist the Government of India to improve the effectiveness of its population - family planning program.

India's population is growing by almost 15 million a year. If the present 2.5 percent annual rate of growth is not reduced, India's population will pass the one billion mark before the end of the century. The Government of India's objective is to reduce the annual rate to 1.5 percent within the next decade. This requires the Government of India to educate, motivate, and provide family planning services to over 100 million couples now of reproductive age, and to reach the approximately eleven million young men and women who annually enter their reproductive years. Success will depend not only on a massive educational campaign and the extension of present family planning facilities, but also on the increased availability of public health services, with special attention to maternal and child care.

The AID Mission has a staff of experts capable of advising on or arranging for further U.S. technical assistance in mutually agreed-upon priority areas.

Progress to Date: The Government of India spent a total of \$36 million equivalent over the years 1960-65 for family planning activities. Its annual outlays rose from \$36 million in 1966-67 to \$80 million in 1970-71.

Planned expenditures for 1969-74 are \$440 million equivalent or an average of \$88 million annually. Over 2,000 urban and 5,300 rural primary health centers and more than 30,000 rural subcenters plus 10,000 other medical institutions and clinics now provide family planning services. Over 50 family planning training centers have been established and over 60,000 medical and paramedical personnel have received initial family planning training. By the end of December 1971, a total of 10.2 million sterilizations had been performed and over 4.1 million intrauterine devices had been inserted. An estimated 2.1 million people are using conventional contraceptives such as condoms which the Government of India is strongly promoting along with free distribution of diaphragms, jellies, and foam tablets. Approximately 220,000 women are now purchasing Indian-made oral contraceptives through commercial channels. Overall, the government estimates that about 11 million couples are currently protected, or about 11 percent of all couples of reproductive age.

The government is also introducing population education in the schools, and interministerial working groups are developing curricula. The Parliament in August 1971 passed legislation permitting abortion if a woman's physical or mental health is believed to be endangered or if there has been a failure in the use of contraceptive methods. It is also considering a bill to

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES U.S. Bureau of Census Institutional Contractors to be selected. Personal Services Contract				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1972			Proposed FY 1973			
Through 6/30/71	Estimated FY 72	Estimated through 6/30/72	Proposed FY 73		Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency	Total
	5,692	5,558	134								
	1,250	628		U.S. Technicians	319	423	742	185	360	545	
	6,942	6,186	756	Participants	30	34	64	50	15	65	
		Future Year Obligations	Estimated Total Cost	Commodities	444	-	444	380	-	380	
				Other Costs	-	-	-	-	-	-	
Proposed FY 73	990	continuing		Total Obligations	793	457	1250	615	375	990	

Country: INDIA

PROJECT SHEET (Continued)

Sector: Population

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
Family Welfare Planning	386-51-580-332

raise the minimum legal age of marriage from 16 to 18.

Despite these encouraging achievements, the overall birth-rate in India will be affected significantly only when still larger family planning programs have been mounted.

To help India expand its family planning program A.I.D. provided in 1970 a \$20 million grant to enlarge family planning training, evaluation and research, and expand the number of planning facilities. Since then, the government has made significant administrative and other improvements in its activities. States are now given greater flexibility in developing family planning activities adapted to local conditions instead of using standardized programs developed by the Central Government as in the past. One state has instituted cash awards to communities achieving sterilization targets. The state of Kerala was able to bring about a record number of vasectomies in a relatively short time by setting up a special camp and offering significant cash and in-kind incentives, along with educational material, to men who agreed to have the operation. This approach has been picked up by other states and is being tested in 25 large scale camps throughout the country.

Other governments and international agencies are providing assistance to India in the family planning field or are currently working out arrangements to do so. These include the Swedish, Norwegian, Danish, British and Canadian governments, and the World Bank, WHO and other UN agencies. A number of non-profit organizations including the Ford Foundation, the Population Council, International Planned Parenthood Federation, the Pathfinder Fund, Johns Hopkins University and the World Assembly of Youth, are also providing assistance to various aspects of family planning programs in India.

AID has provided assistance in recent years, for: the purchase of condoms for the government-subsidized

distribution scheme, communications equipment and other research and demonstration material; and advisory assistance on the testing of orals, bio-medical research and mass education, and for the International Institute for Population Studies, Bombay. U.S. assistance has increasingly emphasized the importance of quality of the GOI program -- e.g., improved administration and better trained personnel - and will continue to do so.

FY 1973 Program: A.I.D. will continue to encourage the Government of India to improve the effectiveness of its population program by assisting in high priority areas identified jointly with the GOI, including (1) motivational communications and training, (2) commercial contraceptive distribution system, (3) voluntary medical termination of pregnancy, (4) non-governmental agencies and (5) institutionalization of demographic research. As we begin to concentrate our assistance in the above-mentioned fields, we will be phasing out direct assistance in a number of areas in which we have been working, including nurse education, mass media, and the vehicle program. A smaller direct-hire staff will contract with U. S. firms or agencies to assist the Indian Government's program in the agreed-upon areas. In demographic research, for example, assistance is planned for the International Institute of Population Studies (IIPS) Bombay, to improve its demographic research, evaluation and consulting capabilities. Advisors will assist on studies measuring the effectiveness of national and regional family planning efforts, on development of demographic simulation models and on improving publications and reports.

U. S. Technicians:

Direct Hire: Four long-term technicians for a full year. Six others are completing their services prior to the end of FY 1973. The four full-year advisors include two supervisory planning and programming staff; one nurse;

Country: INDIA

PROJECT SHEET (Continued)

Sector: Population

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
Family Welfare Planning	386-51-580-332

Direct Hire: and one coordinator for non-governmental organizations.
(continued)

PASA: One long-term demographer (\$30,000)

Contract: Eight long-term including: 6 contracts - 1 motivation/training specialist; 1 medical technician; 3 demographers for the IIPS sub-project; 1 technician to assist a scheme for commercial distribution of contraceptives.

2 PSCs - 1 doctor; and 1 motivation/training specialist. (\$73,000)

In addition, up to 22 man-months of short-term consultants will be provided during the year.

Total contract cost estimated at \$330,000.

Participants: One long-term and 15 short-term participants in the U.S. or third country, in family planning, demography and related fields.

Commodities: Research, demonstration, motivational, and mass communication equipment, contraceptives (condoms); medical equipment; and equipment for The International Institute of Population Studies. (\$380,000)

INDIA

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-OBLIGATIONS AND LOAN AUTHORIZATIONS			REPAYMENTS AND INTEREST 1946-1971	TOTAL LESS REPAYMENTS AND INTEREST	
	1970	1971	TOTAL 1946-1971			
A. OFFICIAL DEVELOPMENT ASSISTANCE						
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	223.7	205.9	3,766.8	560.1	3,206.7	
Loans.....	195.0	196.0	3,306.5	560.1	2,746.4	
Grants.....	28.7	9.9	460.3	-	460.3	
(Supporting Assistance).....	((-))	(-)	(-)	-	-	
FOOD FOR PEACE - TOTAL	226.1	234.0	4,552.4	381.6	4,170.8	
Title I - Total	184.6	156.2	3,950.2	381.6	3,568.6	
REPAYABLE IN U.S. DOLLARS - LOANS.....	114.9	128.3	433.5	7.1	426.4	
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	69.7	27.9	3,516.7	374.5	3,142.2	
Loans.....	69.7	27.9	2,725.1	374.5	2,350.6	
Grants.....	-	-	791.7	-	791.7	
Title II - Total	41.5	77.8	602.2	-	602.2	
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	-	31.3	122.3	-	122.3	
VOLUNTARY RELIEF AGENCIES.....	41.5	46.5	479.9	-	479.9	
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	3.8	3.8	287.3	79.9	207.4	
PEACE CORPS.....	3.8	3.8	40.6	-	40.6	
SOCIAL PROGRESS TRUST FUND.....	-	-	-	-	-	
OTHER.....	-	-	246.7	79.9	166.8	
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	453.6	443.7	8,606.5	1,021.6	7,584.9	
Loans.....	379.6	352.2	6,711.2	1,021.6	5,689.6	
Grants.....	74.0	91.5	1,895.4	-	1,895.4	
B. OTHER OFFICIAL						
EXPORT-IMPORT BANK LONG-TERM LOANS	47.2	19.1	526.8	372.5	154.3	
TOTAL ECONOMIC	500.8	462.8	9,133.3	1,394.1	7,739.2	
Loans.....	426.8	371.3	7,238.0	1,394.1	5,843.9	
Grants.....	74.0	91.5	1,895.4	-	1,895.4	
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	0.1	0.2	124.3	7.6	116.7	
Credit Sales (FMS).....	-	-	27.7	7.6	20.1	
Grants.....	0.1	0.2	96.6	-	96.6	
(Additional Grants from Excess Stocks).....	(-)	(-)	(7.3)	(-)	(7.3)	
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-	
TOTAL MILITARY	0.1	0.2	124.3	7.6	116.7	
TOTAL ECONOMIC AND MILITARY	500.9	463.0	9,257.6	1,401.7	7,855.9	
Loans.....	426.8	371.3	7,265.7	1,401.7	5,864.0	
Grants.....	74.1	91.7	1,992.0	-	1,992.0	
OTHER ECONOMIC PROGRAMS						
ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS			D.A.C. COUNTRIES (EXCLUDING U.S.)			
	FY 1970	FY 1971	FY 1946-71	OFFICIAL BILATERAL GROSS EXPENDITURES		
	279.8	258.0	2,753.0	DONOR	CY 1969	CY 1970
TOTAL				TOTAL	328.1	446.0
IBRD - World Bank	40.0	-	1,051.2	Germany	71.4	85.8
Int'l Finance Corp.	3.0	-	36.0	U.K.	81.5	107.5
Int'l Dev. Association	227.5	243.4	1,507.0	Canada	82.3	117.2
UNDP - Special Fund	4.2	5.5	59.5	Japan	43.3	63.3
UNDP - TA(CY)	0.9	1.4	36.5	Other	49.6	70.2
Other UN(CY)	4.2	7.7	62.8			
				ASSISTANCE FROM COMMUNIST COUNTRIES		
				(LOANS AND GRANTS EXTENDED)		
				1970 (Calendar Year).....	-	-
				1971 (Calendar Year).....	-	-
				Cumulative thru 1971.....	1,975	-

Pakistan



BASIC DATA

Population (<i>millions - mid-1971</i>)	60
Annual Growth Rate (<i>percent</i>)	2.7
Population in Urban Areas	25
(<i>Percent - 1970</i>)	
Labor Force in Agriculture	68
(<i>Percent</i>)	

Per Capita GNP (<i>dollars</i>)	150*
Life Expectancy (<i>years</i>)	51
People Per Doctor	4,510
Literacy Rate (<i>percent</i>)	16
Students as % of 5 - 19 Age Group	23
(<i>Primary and Secondary</i>)	

* - FY 1970/71 in 1970 prices and exchange rates.

PAKISTAN

PROGRAM SUMMARY (in thousands of dollars)							
FISCAL YEAR	Total	Agricultural & Rural Development	Population & Health	Education & Manpower Training	Industry, Transportation & Urban Dev.	Non-Project Loans	Program Development & Support
1971							
Devel. Loans	-	-	- 1/	-	-	-	-
Tech. Assist.	5,017	761	244	832	311	-	2,869
Population	2,078	-	2,078 2/	-	-	-	-
Other	-	-	-	-	-	-	-
Total	7,095	761	2,322	832	311	-	2,869
1972							
Devel. Loans	60,000	-	-	-	-	60,000	-
Tech. Assist.	2,200	57	-	80	-	-	2,063
Population	285	-	285	-	-	-	-
Other	-	-	-	-	-	-	-
Total	62,485	57	285	80	-	60,000	2,063
1973							
Devel. Loans	75,000	10,000	-	-	-	65,000	-
Tech. Assist.	2,300	400	-	300	90	-	1,510
Population	2,500	-	2,500	-	-	-	-
Other	-	-	-	-	-	-	-
Total	79,800	10,400	2,500	300	90	65,000	1,510

1/ Excludes population grant programs.

2/ Funded from development loan funds.

Faced with the severence of over half its population and the loss of at least 30% of its GNP following the civil war in its former East Wing, the subsequent war with India and the defeat of Pakistani armed forces, post-war Pakistan faces major political and economic problems, including a \$3 billion debt burden. The new Pakistan government of Prime Minister Bhutto must hold a defeated country together and counter economic stagnation and social unrest in the remaining half of his country while the economy adjusts to the loss of East Pakistan.

In its initial reponse to a faltering economy the new government--the first civil government in 13 years--has embarked upon a program of land reform, national control of key industries and resource mobilization through revised taxation policies. The identification and development of exports for hard currencies must also be a major goal in any future economic stabilization/development planning. The acute nature of Pakistan's monetary pro-

blems is evident in the drop of gold and foreign exchange reserves from \$292 million (equivalent) in June 1970 to \$215 million in June 1971 and \$204 million by February 1972.

During the civil disturbances, foreign donor assistance declined precipitously and the pipeline has been largely drawn down. Beginning on May 1, 1971, the Government of Pakistan unilaterally deferred half of its foreign debt service payments due. However, under the auspices of the IBRD the Consortium countries agreed on March 1, 1972 to consider rescheduling a portion of debt now in default and falling due through June 30, 1973 to help Pakistan put its economy in order and revitalize its development program. The U.S. share of debt relief is currently planned at \$50 million compared to over \$180 million to be provided by other Consortium countries. The U.S. share would include about \$38 million of A.I.D. rescheduling; the balance would be provided by the Export-Import Bank and the Commodity Credit Corporation. A similar rescheduling is expected to be negotiated with non-Consortium creditor nations, primarily the Eastern European countries. The debt rescheduling agreement could provide a basis for the resumption of new A.I.D. and Consortium commitments to Pakistan. In this context, A.I.D. is planning on a \$60 million commodity loan to be authorized prior to the end of FY 1972. This loan, and that planned for FY 1973, would meet a part of the approximate \$200 million of commodity aid disbursements the World Bank calculates is needed through this and next fiscal year to permit the economy to move through the transitional period of redirecting exports formerly sent to the East, reform and expand taxes on the reduced economic base, and restart a development program.

THE FY 1973 A.I.D. PROGRAM

In addition to debt rescheduling, Pakistan will continue to require commodity aid through the end of FY 1973 to preserve and strengthen the existing industrial and agricultural base. During this period the depressed economy of Pakistan will have to be reactivated, and alternate markets will have to be found for the former trade between the two wings of Pakistan which averaged over \$800 million

PAKISTAN

annually. A.I.D.'s FY 1973 program would consist of both non-project and sector loans totaling \$75 million and \$4.9 million in Technical Assistance and Family Planning. In addition, about \$30 million of PL 480 Title I commodity sales are proposed for FY 1973.

Non-Project Loan (\$65 million). The commodity imports will consist largely of fertilizer, iron and steel products, and equipment and spare parts required to sustain agricultural growth and meet the most urgent requirements of the industrial sector.

Agriculture. The drive towards food grains self-sufficiency in West Pakistan by the early 1970's has been slowed by two successive years of sub-normal rainfall and the loss of production in the areas bordering India, forcing the continuation of P.L. 480 imports.

A.I.D. has assisted farmers in the introduction of new high-yield seed varieties for both wheat and rice. Fertilizer, and pesticides have been made available through A.I.D. loan-funded import programs as well as through increased local production. Other loan funds have been devoted to the reclamation of the saline areas of the Punjab under the Salinity Control and Reclamation Project

Two major targets of the FY 1973 agricultural program are the improvement of on-farm water management practices and the expansion of agricultural research activities. As indicated above, the water management program will be introduced in trial areas where land leveling can be accomplished rapidly, and where a clear appreciable increase in production may be calculated to encourage the spread of proper water management practices. The focus of the research program will continue to be on the development of oilseeds to supply the protein needed in Pakistan. Protection of recent gains in foodgrain production will be provided through development and multiplication of new disease resistant varieties from those recently introduced.

The new government has indicated that distribution of pes-

ticides will be moved into the private sector, thus opening the way for a wider and more efficient distribution system.

The introduction of land leveling and rehabilitation of the existing canal systems would make possible significant increases in agricultural production through better yields and through use of water saved to irrigate lands now idle. A \$5 million Water Management sector loan will finance the rehabilitation of a series of pilot areas by using labor intensive methods as a basis for developing a program which could be subsequently launched by the Government of Pakistan in an effort to improve a high percentage of the 32 million acres now under irrigation.

The rapid expansion of food grain production based on high-yielding wheat and rice varieties could be adversely affected if a broad program of agricultural research is not established and maintained for the purpose of developing new high-yield, disease resistant varieties specifically adapted to conditions in Pakistan. Too, the present agricultural program must be broadened in scope if the present dietary standards are to be raised. The production of edible oils must be augmented both for this purpose and to reduce the nation's dependence upon imports.

A \$5 million agricultural research sector loan will provide foreign exchange to finance consultant services to assist the government in crop diversification, plant protection research, pest surveillance, and the development of new seed varieties.

Population. The Government of Pakistan has announced that it has started planning an integrated health program which would provide health education, clinical services, and other social services for its entire population. The problems of incorporating family planning into such a restructured program are now being explored.

In its present form the family planning program in Pakistan continues to expand steadily as new field personnel are trained, new centers established, and more efficient systems organized for the diffusion of information and the distri-

PAKISTAN

bution of contraceptives. In the Sialkot region significant achievements have been recorded in increased acceptor rates measures on a controlled population of 250,000 people. Acceptors rose from a nationwide average of 4% to a new high of 18%. The cost of this approach has not been made public however, and it is quite possible that funds could be exhausted long before complete coverage of the population is attained.

In FY 1973 in addition to the expansion of the government's Sialkot demonstration, which concentrates on the most fertile couples in a given population, the present family planning activity will be bolstered in limited trial areas by the addition of Maternal and Child Health Centers, special nutrition programs, and other approaches designed to make acceptance of family planning even more attractive to the target population. In addition, a Population Cell is proposed for the purpose of studying and publicizing the non-medical problems created by an ever-expanding population. This cell is tentatively to be incorporated in the Planning Commission of the Government of Pakistan.

Education and Manpower.

Only 16 % of the population of Pakistan is literate. The Government is beginning a pilot project to test new methods of teaching functional literacy. The project emphasizes making people quickly literate in areas related to jobs. Thus a farm laborer would be taught reading with materials showing planting methods or the proper use of fertilizer. A.I.D. plans to provide advisory services to help the Government set up a Functional Literacy Center. This center will develop texts and teaching materials, train literacy instructors and experiment with pilot programs. By FY 1973 the government expects to organize a full-scale functional literacy program on the basis of this groundwork.

Most textbooks available in Pakistan are inadequate or imported and costly to students. A new A.I.D. program will permit reprinting and translation of American textbooks by Pakistani firms. A \$1.8 million equivalent subsidy from U.S.-owned rupees will enable the private

Pakistani publishers to pay United States royalty costs and sell locally made reprints of the books at a low price. A.I.D. will provide consultants to help with arranging for local production of United States texts.

Both the public and private sectors will be supported by a program for specialized training of key participants in the country's development effort.

Industry. A.I.D. also assists the new Securities and Exchange Authority of Pakistan (SEAP), which was set up in 1970 to regulate the securities market. SEAP is designed to increase investor confidence in the stock market by requiring more detailed reporting of the operations of companies, brokers and dealers. A.I.D. is providing a long-term advisor to the SEAP and will send three participants a year to the United States for training in securities regulation. It is also giving books and technical journals to the SEAP.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: PAKISTAN

(In Thousands of Dollars and Equivalent)

TABLE IV

Loan No.		Date		Grace Period (years)	Life of Loan (years)	Interest Rate (%)		Amount Authorized	Amount Disbursed	Currency of Re-payment	Principal Repayments	Interest Collected
		Auth- orized	Loan Agree- ment			Grace Period	Amorti- zation					
391-H-059	Coastal Embankment Project	3-14-63	8-15-63	10	40	3/4	3/4	4,330	4,243	U.S.\$		116
391-H-071	Expansion and Extension of Telecom- munication Facilities	6-29-63	10-29-63	10	40	3/4	3/4	4,700	4,313	U.S.\$		60
391-H-081A	Karnafuli Hydroelectric Unit III	6-22-67	12-01-67	10	40	1	2-1/2	1,500	282	U.S.\$		-
391-H-082	Siddhirganj Thermal Plant	4-22-64	8-28-64	10	40	3/4	2	8,500	8,048	U.S.\$		150
391-H-087	Salinity Control and Reclamation Project II-B	5-29-64	12-30-66	10	40	3/4	2	14,100	9,879	U.S.\$		66
391-H-091	E. P. Transmission Lines	6-25-64	9-17-64	10	40	3/4	2	2,800	2,109	U.S.\$		5
391-H-092	Dacca-Aricha Road	6-27-64	1-11-65	10	40	3/4	2	14,000	10,354	U.S.\$		95
391-H-094	Chittagong Port Facilities	6-29-64	10-14-64	10	40	3/4	2	3,400	2,326	U.S.\$		7
391-H-124	WAPDA Consultants	6-21-67	2-08-68	10	40	1	2-1/2	2,400	779	U.S.\$		16
391-H-126	Mangla Transmission II	6-22-67	2-09-68	10	40	1	2-1/2	3,437	3,154	U.S.\$		27
391-H-129	Pakistan Western Railway	6-29-67	1-25-68	10	40	1	2-1/2	15,100	14,927	U.S.\$		19
391-H-131	Commodity Assistance	3-01-68	3-26-68	10	40	2	2-1/2	113,398	113,328	U.S.\$		3,842
391-H-139	Seed Potato Multiplication	6-26-68	8-10-68	10	40	2	2-1/2	420	21	U.S.\$		-
391-H-140	Program Loan	12-05-68	8-11-69	10	40	2	3	67,215	66,647	U.S.\$		1,334
391-H-142	Consulting Services	6-27-69	8-05-69	10	40	2	3	3,000	1,194	U.S.\$		1
391-H-143	Groundwater Survey	6-27-69	10-02-69	10	40	2	3	1,500	57	U.S.\$		-
391-H-144	Program Loan	6-30-69	11-19-69	10	40	2	3	20,000	16,915	U.S.\$		239
391-H-148	Program Loan	4-06-70	4-13-70	10	40	2	3	99,500	73,134	U.S.\$		122
391-H-149	Chittagong Power Distribution	6-29-70	10-14-70	10	40	2	3	9,500	-	U.S.\$		-
Total.....		XXXXXX	XXXXXX	XXX	XXX	XXXXXX	XXXX	388,800	331,710	XXXXXX		6,099

TABLE V

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

COUNTRY: PAKISTAN

Project Title	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1971			Estimated FY 1972			Proposed Program FY 1973	Future Year Obligation	Estimated Total Cost
				Obligations	Expenditures	Unliquidated Obligations 6/30/71	Obligations	Expenditures	Unliquidated Obligations 6/30/72			
<u>AGRICULTURE</u>												
Agriculture Area Development, West Pakistan	391-11-110-145	1964	1970	1,922	1,888	34	57	27	7	400		1,922
Agriculture Organization, East Pakistan	391-11-110-143	1962	1971	2,368	2,214	154	-	20	134			2,368
Hydrologic Monitoring and Research	391-11-120-257	1967	1971	425	400	25	-	25				425
Agriculture Research	391-11-660-296	1969	1975	625	344	281	57	187	151	400	600	1,682
<u>HEALTH</u>												
Malaria	391-52-511-139	1963	1971	1,263	1,192	71	-	71				1,263
<u>EDUCATION AND MANPOWER</u>												
Statistical Services	391-11-780-237	1955	1971	2,705	2,594	111	80	89	22	300		2,705
Low Cost Textbook Publishing	391-11-690-346	1971	1971	209		209	-	134	75			209
Public Safety	391-11-710-113	1958	1972	8,158	8,099	59	80	116	23			8,238
Government Administrative Staff Improvement	391-11-760-299	1969	1973	213	110	103	-	40	63	200		413
Functional Literacy	391-11-690-348	1973	1975							100	200	300
<u>INDUSTRIAL AND URBAN DEVELOPMENT</u>												
East Pakistan Small Industry Development	391-16-240-258	1967	1971	506	294	212	-	38	174	90		506
Financial Legislation	391-11-950-345	1971	1973	100		100	-	42	58	90		190
<u>PROGRAM DEVELOPMENT AND SUPPORT</u>												
Technical Support	391-11-999-000	1955	cont.	32,771	32,663	108	2,063	1,922	249	1,510		(CONTINUING)
							2,063			1,510		
TECHNICAL ASSISTANCE SUB-TOTAL							2,200	2,711	956	2,300		
<u>POPULATION</u>												
Family Planning	391-11-580-256	1967	cont.	6,798	4,936	1,862	285	366	1,781	2,500		(CONTINUING)
*Detailed project narrative--See Table VI.							Total (including population)	2,485	3,077	2,737	4,800	

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
A.I.D. employed	68	32	30
Participating agency	6	2	4
Contractor technicians	1	2	8
Total	75	36	42

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	45	20	84
Contract	-	-	-
Total	45	20	84

PROJECT TITLE Functional Literacy	SECTOR Education and Manpower	FUNDS TA
PROJECT NUMBER 391-11-690-348	PRIOR REFERENCE Page 47, FY 1972 FDB	INITIAL OBLIGATION FY: 1973
		SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: The development of both the agricultural and industrial sectors of Pakistan's economy is severely hampered by the problem of illiteracy. Only 15 percent of the population can read, and each year over two million children reach the age of 10 without literacy skills. The presence of such a vast reservoir of illiterate manpower acts as an inhibiting factor on Pakistan's overall development, and makes social and economic advancement difficult for the majority of the population. Small farmers, for example, have greater difficulty employing new agricultural methods and physical inputs without the ability to comprehend simple written instructions relating to the proper use of fertilizers, high-yield seeds, and mechanical equipment. Also, the private industrial sector is made less efficient when factory workers are illiterate, when they cannot read to comprehend their jobs better or to learn new tasks more quickly. Finally, increased literacy would make possible wider participation in Pakistani social and economic institutions, thereby opening traditional society to further modernization and democratic change.

Pakistan's present system of formal education is inadequate to the task of mass literacy training. The government hopes to concentrate efforts on young people who enter primary school, yet do not advance far enough in school to achieve lasting functional literacy. This

pattern of early drop-out is characteristic of 50 percent of primary school students. The limited reading skills which these children, ages 10-14, possess are soon lost after leaving school. Literacy training on the job or in the evenings will help them to recall and enlarge upon their previous reading knowledge.

A.I.D. will assist the Ministry of Education in the pilot stages of its literacy program by helping to establish and advise the provincial literacy centers in the Punjab in the development of literacy texts and materials and the planning and conduct of trial programs to teach illiterates. This activity was originally planned for initiation in FY 1971 and completion in FY 1973. Due to problems raised by the political and military events of 1971, implementation has been delayed for two years. The present Government of Pakistan has indicated its intention to introduce literacy training as rapidly as possible to all levels of society.

FY 1973 Program: Two full-time literacy experts, under contract, will assist the Government to develop appropriate materials and teacher-training programs and to establish pilot functional literacy training programs.

US Technicians: Two full-time contract advisors in functional literacy. These technicians will have had experience in administering special literacy programs in the US.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS COSTS							
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS									
					Estimated FY 1972			Proposed FY 1973			(To Be Determined)			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total				
Through 6/30/71														
Estimated FY 72														
Estimated through 6/30/72														
		Future Year Obligations	Estimated Total Cost											
Proposed FY 73	100	200	300	Total Obligations				-	100	100				

Country: PAKISTAN

PROJECT SHEET

TABLE VI

PROJECT TITLE Family Planning	SECTOR Population and Health	FUNDS POPULATION
PROJECT NUMBER 391-11-580-256	PRIOR REFERENCE Page 37, FY 1972 PDB	INITIAL OBLIGATION FY: 1967
		SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: The partition of Pakistan leaves that nation an estimated total of 66 million inhabitants. This population level is expected to double within 26 years as the continuing growth rate still is about three percent. The Government of Pakistan will continue to implement the major, long-term family planning program which it initiated in 1965. During the Fourth Plan period from 1970-1975 the Government aims to reduce the birth rate by reorganizing the administration of the present program and supporting expanded programs in motivation, training, research and evaluation. U.S. support includes advisory services, provision of commodities unavailable locally and participant training.

Progress to Date: In Pakistan a new system of delivering family planning services has evolved, administered largely outside the health structure. Instead of the traditional program which seeks to stimulate an expanded use of government clinics, the new Pakistan program delivers family planning services and contraceptives to the users -- a carefully selected group of target couples in the villages. The new program uses male/female motivation teams of village-oriented people recruited from the region -- but with only limited health training -- to make the primary contacts and distribute contraceptives. Instead of relating motivators wages to the recruitment of acceptors, the new Pakistan system links

incentive payments to motivators upon verification that the target client couple has had no birth during the reporting period. Preliminary evaluation of results in the first pilot area indicate an acceptance rate of 18 percent among the target population. This is 14 percent higher than the Pakistan national average (India's figure is 11 percent nationally). Since the Pakistan system is based on delivering family planning services using essentially non-technical people, conventional contraceptives, and orals, there is a good potential for intensive coverage and rapid program expansion.

FY 1973 Program: Events surrounding the partition of the country and change of government leadership reduced sharply the amount of estimated obligations for FY 1972. The problem of exploding population still prevails however and the proposed FY 1973 program will provide inputs to assist the new Government in coping with this problem. U.S. contract services will be provided to assist the Training Research and Evaluation Center (TREC) in Lahore. In addition, the Government of Pakistan is planning to establish a Population Planning Unit in the National Planning Commission to provide advisory and consulting services in population planning program development and strengthen population awareness in the national planning process. The Unit will assess what an optimum growth rate for Pakistan might be and what

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/XXXXXXX (To Be Determined)				
	Obligations	Expenditures	Unliquidated	OBLIGATIONS							
				Estimated FY 1972		Proposed FY 1973					
				Direct AID	Contract/Other Agency	Total		Direct AID	Contract/Other Agency	Total	
Through 6/30/71	6,798	4,936	1,862	Cost Components							
Estimated FY 72	285	366			U.S. Technicians	170	115	285	130	240	370
Estimated through 6/30/72	7,083	5,302	1,781		Participants	-	-	-	200	-	200
		Future Year Obligations	Estimated Total Cost		Commodities	-	-	-	1,930	-	1,930
Proposed FY 73	2,500	Continuing			Other Costs	-	-	-	-	-	-
				Total Obligations	170	115	285	2,260	240	2,500	

Country: PAKISTAN

PROJECT SHEET (Continued)

Sector: Population and Health

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
Family Planning	391-11-580-256

impact the various sector plans and programs, laws, regulations and government policies have on population growth rate. Training opportunities for staff development and limited supplies and equipment and materials for the operation of the Population Unit will be provided.

The services of a team of short-term consultants have been requested by the Government to undertake a complete assessment of all aspects of the operation and maintenance of the family planning automotive fleet, including the managerial, administrative and technical components which support the family planning services in the four Provinces of Pakistan. Based on this assessment the team of consultants will recommend a comprehensive program to provide effective management and efficient operation and maintenance of the automotive fleet.

Direct Hire: Three U.S. direct-hire advisors will assist the Government in its population program.

Contract: Two full-time contract technicians will assist the Government in the establishment and initial operation of the Population Planning Unit in Islamabad, and two additional advisors will participate in the expansion of the TREC in Lahore. Three short-term consultants will study vehicle maintenance problems and develop possible solutions.

Participants: Thirty long-term participants will be given training in the U.S.

Commodities: Contraceptives, research supplies/equipment, educational materials, and some vehicles will be provided.

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-OBLIGATIONS AND LOAN AUTHORIZATIONS			REPAYMENTS AND INTEREST	TOTAL LESS REPAYMENTS AND INTEREST		
	1970	1971	TOTAL 1946-1971	1946-1971			
A. OFFICIAL DEVELOPMENT ASSISTANCE							
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	123.7	7.1	2,271.8	223.1	2,048.7		
Loans.....	115.8	-	1,594.0	223.1	1,370.9		
Grants.....	7.9	7.1	677.7	-	677.7		
(Supporting Assistance).....	(-)	(-)	(389.9)	-	-		
FOOD FOR PEACE - TOTAL	67.0	100.0	1,531.7	103.7	1,428.1		
Title I - Total	61.4	76.5	1,341.1	103.7	1,237.4		
REPAYABLE IN U.S. DOLLARS - LOANS.....	31.3	59.6	152.4	1.7	150.7		
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	30.1	16.9	1,188.7	102.0	1,086.7		
Loans.....	19.7	-	480.9	102.0	378.7		
Grants.....	10.4	16.9	707.9	-	707.9		
Title II - Total	5.6	23.6	190.6	-	190.6		
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	4.8	20.8	132.1	-	132.1		
VOLUNTARY RELIEF AGENCIES.....	0.8	2.8	58.5	-	58.5		
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	-	-	75.2	0.1	75.1		
PEACE CORPS.....	-	-	7.3	-	7.3		
OTHER.....	-	-	67.9	0.1	67.8		
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	190.7	107.2	3,878.7	326.9	3,551.8		
Loans.....	166.8	59.6	2,227.2	226.9	1,900.3		
Grants.....	23.9	47.6	1,651.3	-	1,651.3		
B. OTHER OFFICIAL							
EXPORT-IMPORT BANK LONG-TERM LOANS	5.1	12.6	126.4	49.6	86.8		
TOTAL ECONOMIC	195.8	119.8	4,005.1	376.5	3,628.6		
Loans.....	171.9	72.2	2,353.6	376.5	1,977.1		
Grants.....	23.9	47.6	1,651.3	-	1,651.3		
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)							
Credit Sales (FMS).....	-	-	682.2	4.7	677.5		
Grants.....	0.2	0.2	672.2	-	672.2		
(Additional Grants from Excess Stocks).....	(-)	(-)	(8.9)	(-)	(8.9)		
OTHER MILITARY ASSISTANCE GRANTS	-	-	8.4	-	8.4		
TOTAL MILITARY	0.2	0.2	690.6	4.7	685.9		
TOTAL ECONOMIC AND MILITARY	196.0	120.0	4,695.7	381.2	4,314.5		
Loans.....	171.9	72.2	2,363.6	381.2	1,982.4		
Grants.....	24.1	47.8	2,331.9	-	2,331.9		
OTHER ECONOMIC PROGRAMS							
ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS			D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES				
	FY 1970	FY 1971	FY 1946-71	DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	100.3	95.0	1,281.3	TOTAL	147.7	208.0	1,273.8
IMRD - World Bank	19.2	-	633.5	Germany	34.0	46.1	371.8
Int'l Finance Corp.	*	-	21.6	U.K.	26.8	25.5	279.8
Int'l Dev. Association	73.2	48.0	497.2	Canada	32.2	51.2	265.6
Asian Dev. Bank	-	36.8	46.8	Japan	38.1	51.0	245.2
UNDP Special Fund	4.2	6.0	39.0	Other	19.6	34.2	111.4
UNDP TA(CY)	0.8	1.0	18.4	ASSISTANCE FROM COMMUNIST COUNTRIES			
Other UN(CY)	2.9	3.2	24.8	(LOANS AND GRANTS EXTENDED)			
				1970 (Calendar Year).....	210		
				1971 (Calendar Year).....	209		
				Cumulative thru 1971.....	857		

*Less than \$50,000.

Afghanistan



BASIC DATA

Population (<i>millions - mid-1971</i>)	17
Annual Growth Rate (<i>percent</i>)	2.7
Population in Urban Areas	8
(<i>Percent - 1970</i>)	
Labor Force in Agriculture	87
(<i>Percent</i>)	

Per Capita GNP (<i>dollars</i>)	88*
Life Expectancy (<i>years</i>)	38
People Per Doctor	20,440
Literacy Rate (<i>percent</i>)	8
Students as % of 5-19 Age Group	10
(<i>Primary and Secondary</i>)	

* - 1970 in 1970 prices and exchange rates.

AFGHANISTAN

PROGRAM SUMMARY (in thousands of dollars)							
FISCAL YEAR	Total	Agricultural & Rural Development	Population & Health	Education & Man-power Training	Industry, Transportation & Urban Dev.	Non-Project Loans	Program Development & Support
1971							
Devel. Loans	-	-	- 1/	-	-	-	-
Tech. Assist.	7,026	1,665	-	2,930	320	-	2,111
Population	1,740	-	1,740 2/	-	-	-	-
Other	-	-	-	-	-	-	-
Total	8,766	1,665	1,740	2,930	320	-	2,111
1972							
Devel. Loans	20,000	20,000	-	-	-	-	-
Tech. Assist.	6,285	1,621	-	2,547	128	-	1,989
Population	275	-	275	-	-	-	-
Other	-	-	-	-	-	-	-
Total	26,560	21,621	275	2,547	128	-	1,989
1973							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	6,300	1,345	-	2,719	349	-	1,887
Population	420	-	420	-	-	-	-
Other	-	-	-	-	-	-	-
Total	6,720	1,345	420	2,719	349	-	1,887

1/ Excludes population grant programs.

2/ Funded from development loan funds.

The proposed A.I.D. program for FY 1973 will support Afghan programs in agriculture, industry, education and financial administration. Technical Assistance in these sectors (plus \$1.9 million for technical support activities), will be supplemented by \$420,000 for family planning activities. Afghanistan also remains eligible for development lending. Essential food requirements will be furnished under P.L. 480 Title I (\$6.1 million) and Title II (\$18 million) to complement development assistance from A.I.D.

The United States over the years has provided about one-third of the total external aid to Afghanistan. The USSR,

the largest donor, has concentrated its assistance on highly visible capital projects, especially in agriculture and transportation. Other major donors are Germany, China, the United Nations and the World Bank. The United Nations is expected to provide economic development assistance totaling \$20 million between 1972 and 1976.

Agriculture and Rural Development.

Agriculture is the dominant sector of the Afghan economy in terms of employment, production, foreign exchange earnings and sources of raw materials for industry. Over 80% of Afghanistan's population derives its income from agriculture. Therefore, it is essential to continue to find ways to increase production. In addition to the United States, the USSR, Germany, China, the Food and Agriculture Organization, and the World Bank are involved in activities aimed at increasing agricultural production through increased irrigation and improvements in land, water use and crop practices.

Fertilizer. High-yielding varieties of wheat, rice and other crops have been introduced in Afghanistan and major investments made for irrigation. Fertilizer is an important element in producing high yields from the new wheat varieties. Afghanistan's desire to become self-sufficient in wheat is handicapped by inadequate supplies of fertilizer, caused by lack of foreign exchange, insufficient credit and an inadequate distribution system. In 1972 supplies from Russia (traditionally the major source of fertilizer) fell to about 8,000 out of the total requirement for all crops of approximately 71,000 tons. With assistance from the USSR, the Afghans are building a urea fertilizer plant, which should be able to provide most, if not all, of their urea requirement when operating at capacity in 1975. There are no plans to develop a domestic source of diammonium phosphate fertilizer (DAP).

In recognition of the importance of fertilizer in expanding crop production, the Afghan Government in 1971 made an effort to distribute and finance fertilizer with Afghan funds, with assistance in administration from the Agricultural Development Bank. During the fall of 1971 approximately 36,000 tons were distributed with very soft credit terms to farmers.

AFGHANISTAN

This was a three-fold increase over the amount of fertilizer sold to farmers the previous fall. Notwithstanding the success of this effort, long-term supply, distribution and credit collection problems remain. A \$20 million A.I.D. private sector fertilizer loan planned for FY 1972 will provide the equivalent of two years' supply of urea and DAP plus a three year contract management team to help establish and jointly operate and train the private sector distribution system.

Research. The Afghan goal is to become self-sufficient in cereals production as soon as possible. Research is needed to assure proper adaptation of fertilizer, irrigated waters and high-yielding seed varieties to the varied climatic conditions of the country. A.I.D. is cooperating with the Ministry of Agriculture and the Helmand-Arghandab Valley Authority in adaptive research and in organizing wheat-growing demonstrations for local farmers. A total of 20 high-yielding wheat varieties have been identified, and over 4,000 tons of improved wheat seed were produced for the 1971 fall wheat crop. To date 10,000 wheat production demonstrations have been held to instruct traditional farmers in the use of fertilizer and improved seeds. In FY 1973, A.I.D. will provide \$783,000 in Technical Assistance to continue our support for adaptive research and improved extension services in wheat, corn and horticultural crops.

Land and Water Use. U.S. assistance in land and water use is concentrated in the Helmand-Arghandab Valley, where the Government has invested substantial resources to expand land under cultivation, improve farming methods and develop and maintain an extensive irrigation system. A.I.D. has assisted the establishment of the Helmand-Arghandab Valley Authority (HAVA), an independent Afghan Government institution whose function is to administer all agriculture and irrigation projects in the Valley. The Valley is beginning to show encouraging returns from past investments. In 1971 overall agricultural production increased by 15%. HAVA's newly established Agricultural Credit Program is providing needed credit to the farmers for the purchase of fertilizer, farm machinery and other essential agricultural inputs. HAVA also administers a water management program which helps the farmers make proper use of water for crop

growing. In FY 1973 \$562,000 is proposed for activities which are designed to improve the management and support of HAVA programs in farm extension services, agriculture credit, horticultural research and the development of agro-business.

Education and Manpower Training.

Higher Education. Kabul University is Afghanistan's only institution of higher education. It is the only source for supplying the nation's professionally trained manpower in engineering, agriculture, education, public administration and law. However, the University's academic standards and its ability to adapt development technology to the needs of the country remain well below those of comparable institutions of other developing countries. U.S. assistance, together with that provided by the UN, USSR, France, Germany, England and Egypt, have been instrumental in helping Afghanistan develop professionally trained faculties and establish University facilities. A.I.D. assistance has been directly involved in the development of three important faculties (Agriculture, Education and Engineering) and the University's central administrative services. These faculties are now fully staffed by Afghan educators, many of whom have received professional training in the United States. Three of A.I.D.'s on-going projects are phasing down to completion in June 1973.

Academic standards for both students and faculty need to be raised. In-service training for the faculty and staff is needed to develop their capabilities for applied research to keep pace with rapidly changing technology. A.I.D. will assist the University to continue in its efforts to develop quality education. In FY 1973, \$828,000 is required for a follow-on project which will provide professional training for the faculty and assist in the development of applied research programs which will relate to the economic development needs of the country.

Primary Education. In 1966, Afghanistan embarked on a major revision and modernization of the primary school curriculum to improve the quality of primary and secondary education. Many schools were without textbooks, and teachers had to

AFGHANISTAN

improvise instructional material because of the absence of prescribed study programs. With the assistance of A.I.D., the Afghanistan Ministry of Education established a Curriculum and Textbook Department staffed with Afghan professionals. The Afghan staff, advised by a team of U.S. educators, is being trained to write, edit and distribute a new series of elementary textbooks and teacher's guides on a variety of basic school subjects. Textbooks and teacher's guides are prepared in Dari and Pashto, the country's two official languages and media of instruction. Inasmuch as the new textbook and curriculum represent a substantial change from traditional educational practices, special teacher's workshops are held to familiarize teachers with the new textbooks and train them in the use of the teacher's guides.

In FY 1973, A.I.D. assistance totaling \$871,000 is required to continue support of the preparation of new texts and in upgrading the professional capabilities of the Curriculum and Textbook Department staff in the Ministry of Education.

Manpower Training. Afghanistan's civil service lacks trained managers and administrators. Traditional management practices frustrate the decision process and day-to-day government operations. A new Technical Assistance project was started in FY 1972 to provide middle-level management training for those civil servants who have demonstrated a potential for rapid advancement. Ten selected civil servants were funded for training in FY 1972 and an additional 14, plus 7 continuing, will be selected for training in FY 1973 at a cost of \$245,000.

Public Administration. Afghanistan desires to become less dependent on foreign assistance and is seeking ways to develop local sources of revenue to fund its budget. A.I.D. is supporting the Ministry of Finance efforts to increase domestic revenue through improved administration of existing tax legislation. A four-man U.S. team is advising the Ministry on the application and enforcement of tax laws, the administration of revenue collection procedures and on establishing in-service training of the Ministry's revenue

staff. U.S. advisors are assisting the Ministry prepare an Income Tax Manual which will be available for distribution in late 1972. In FY 1973 \$433,000 will be required to continue the four contract advisors and fund U.S. training.

The lack of a national statistical service to collect, analyze and publish demographic and economic data has been a major obstacle to development planning and economic analysis. In 1971 the Afghanistan Government requested A.I.D. assistance in establishing a National Statistical Center and in training of its staff. A decree has been enacted authorizing the office, and funds have been provided for staff and operations. Five U.S. Bureau of Census technicians are expected to begin work in late 1972 on a 5-year program to help establish modern statistical procedures in the Center and provide professional and technical training of the Afghan staff. \$342,000 in Technical Assistance funds will be required in FY 1973.

Industrial Development

The development of Afghanistan's industry offers possibilities for increasing employment and earning foreign exchange. However, Afghanistan lacks the necessary industrial policy and legislation to guide, encourage and protect private and foreign investors. Some progress is being made in this direction. An Investment Committee composed of government inter-ministerial members was established in 1967 to work on planning to stimulate private sector investment, establish priorities for investment proposals, and recommend tax, custom and other legislation designed to encourage investment. A.I.D. consultants have helped the Committee establish criteria for the review of investment proposals as well as in the preparation of guidelines for potential investors. In FY 1973 \$349,000 in Technical Assistance is required to continue the contract advisors, who will seek to accelerate the rate of project approvals by simplifying the review criteria and continue to advise the Investment Committee on industrial policy matters.

AFGHANISTAN

Population

Afghan capabilities and plans in the family planning area are relatively unsophisticated. As a first step, A.I.D. is supporting a sample population survey to provide basic data on family size and attitudes. This assistance will continue in FY 1973. In addition, technical advice, training and commodities (contraceptives and instructional material) will be provided for the private Afghan Family Guidance Association and the Ministry of Health. It is proposed to provide \$420,000 in FY 1973 for this purpose. The Ministry is now constructing 117 basic health clinics, where family planning guidance as well as other medical services can be obtained.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY
Unliquidated as of 12/31/71

COUNTRY: AFGHANISTAN

(In Thousands of Dollars and Equivalent)

TABLE IV

Loan No.		Date		Grace Period (years)	Life of Loan (years)	Interest Rate (%)		Amount Authorized	Amount Disbursed	Currency of Re-payment	Principal Repayments	Interest Collected
		Authorized	Loan Agreement			Grace Period	Amortization					
306-H-009	Kandahar Diesel Electric Generators	2-21-66	11-5-66	10	40	1	2½	\$ 800	\$658	U.S. \$		\$33
306-H-012	Land Reclamation	6-21-67	5-13-68	10	40	1	2½	\$ 4,600		U.S. \$		
306-H-013	Kajakai Hydroelectric Plant	6-21-67	5-13-68	10	40	1	2½	\$12,000	\$750	U.S. \$		\$ 2
306-H-014	Land Inventory	6-29-67	6-17-68	10	40	1	2½	\$ 400		U.S. \$		
Total.....		XXXXXX	XXXXXXXX	XXXX	XXXX	XXXXXXXXXX	XXXXX	\$17,800	\$1,407	XXXXX	X	\$35

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

TABLE V

COUNTRY: AFGHANISTAN

Project Title	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1971			Estimated FY 1972			Proposed Program FY 1973	Future Year Obligation	Estimated Total Cost
				Obligations	Expenditures	Unliquidated Obligations 6/30/71	Obligations	Expenditures	Unliquidated Obligations 6/30/72			
AGRICULTURE & RURAL DEVELOPMENT												
National Agric. Develop.	306-11-190-002	1952	1973	10,099	9,801	298	<u>1,621</u>	908	322	<u>1,345</u>	.	11,814
Helmand Valley Reg. Dev.	* 306-11-995-090	1954	1974	17,969	17,774	195	932	745	139	783	517	19,737
							689			562		
EDUCATION & MANPOWER TRAINING												
Technical Education	306-11-660-093	1953	1972	12,710	12,116	594	<u>2,547</u>	604	555	<u>2,719</u>	-	13,275
Agriculture Education	306-11-690-092	1956	1972	5,816	5,575	241	565	345	363	-	-	6,283
Economic Planning	306-11-755-080	1961	1972	2,892	2,466	426	467	467	47	-	-	2,980
Kabul University	306-11-680-013	1966	1972	1,327	1,071	256	88	240	336	-	-	1,647
Finan. Admin. Improvement	306-51-750-029	1956	1974	6,028	5,658	370	320	302	236	433	437	7,066
Elem. & Sec. Education	* 306-11-690-091	1952	1976	14,960	14,285	675	168	858	576	871	2,618	19,208
Stat. Info. Systems Dev.	* 306-11-780-124	1972	1976	-	-	-	759	100	-	342	2,232	2,674
National Dev. Training	306-11-799-123	1972	Cont.	-	-	-	80	-	80	245	cont.	continuing
Higher Education	* 306-11-660-121	1973	1975	-	-	-	-	-	-	828	1,245	2,073
INDUSTRIAL & URBAN DEVELOPMENT												
HAVA Electric Power (SA)	306-52-220-041	1957	1968	3,617	3,543	74	<u>128</u>	74	-	<u>349</u>	-	3,617
Industrial Development	* 306-11-910-116	1971	1975	320	65	255	-	216	167	-	993	1,790
							128			349		
PROGRAM DEV. & SUPPORT												
SUB TOTAL - TECHNICAL ASSISTANCE	306-11-999-000			28,967	28,761	206	<u>1,989</u>	2,039	171	<u>1,887</u>		Continuing
							6,285	6,898	2,992	6,300		
POPULATION												
Population/Family Planning	* 306-11-570-110	1968	Cont.	1,957	414	1,543	275	617	<u>1,201</u>	420		Continuing
Total (including population)							6,560	7,515	4,193	6,720		

*Detailed project narrative--See Table VI.

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
A.I.D. employed	60	50	39
Participating agency	12	11	10
Contractor technicians	81	61	60
Total	153	122	109

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	102	115	160
Contract	42	46	27
Total	144	161	187

Country: AFGHANISTAN

PROJECT SHEET

TABLE VI

PROJECT TITLE Helmand Valley Regional Development	SECTOR Agriculture and Rural Development	FUNDS TA
PROJECT NUMBER 306-11-995-090	PRIOR REFERENCE Page 10, FY 1972 PDB	INITIAL OBLIGATION FY: 1954
		SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: To assist the RGA in upgrading the professional competence of the Helmand-Arghandab Valley Authority (HAVA), an RGA Agency with responsibility for regional agriculture, irrigation and electric power development. The project is related to the implementation of a \$4.6 million AID Loan made in 1967 to provide the equipment and professional services needed to undertake land development projects in the Helmand Valley. U.S. technicians and a PASA Team from the Bureau of Reclamation are providing advisory services to HAVA in agricultural credit, research and extension and in irrigation systems.

HAVA has recommended that the Government's Fourth Five Year Plan include the following goals for the Helmand Valley: (1) mobilization of local resources to place HAVA on a sounder financial footing; (2) a program for high value crop substitution; and (3) improved HAVA capability in engineering design, operation and maintenance. The completion date of this phase of the project has been extended 2 years to permit additional U.S. support for Afghan plans to achieve these regional developmental targets. During the remaining two years of the project the number of U.S. advisors will be substantially less than in previous years.

Progress to Date: More farmers are utilizing high yielding varieties of wheat and corn. As a result, wheat

production in the region increased by an estimated 31%. HAVA also has initiated better procedures for water management and control. Approximately 3.4 miles of new irrigation canals have been completed in the Shamalan area.

FY 73 Program: U.S. will continue to provide training and advisory services to HAVA in two major areas: (1) agriculture and (2) water resource development. On-the-job training in both fields will be supported by participant training in the U.S. and third countries. In agriculture, assistance will continue to concentrate on increased production (particularly of horticultural crops), crop diversification, and more efficient land use. The U.S. will also continue to support the extension of farm credit and the introduction of improved techniques of agricultural marketing. Agricultural activities under this project are coordinated with the RGA national agricultural efforts of the Ministry of Agriculture and Irrigation in fertilizer distribution, tractor imports, farm credit, research and seed improvement. In the water resources area, a United States Bureau of Reclamation Water Resources Advisory Group will continue to assist in the operations and maintenance of irrigation systems, improvement of water management, and project management. They will also help HAVA to build up its O & M department and to make full use of existing heavy equipment for maintenance of the region's irrigation facilities. Their help will also stress the development of organizations and

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	OBLIGATIONS						
				Estimated FY 1972		Proposed FY 1973				
				Direct AID	Contract/Other Agency	Total		Direct AID	Contract/Other Agency	Total
Through 6/30/71	17,969	17,774	195							Department of Interior Bureau of Reclamation Personal Services Contracts
Estimated FY 72	689	745								
Estimated through 6/30/72	18,658	18,519	139							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 73	562	517	19,737	289	400	689	282	280	562	
				Cost Components						
				U.S. Technicians	190	395	585	178	275	453
				Participants . . .	80	-	80	80	-	80
				Commodities . . .	15	5	20	20	5	25
				Other Costs . . .	4	-	4	4	-	4

Country: AFGHANISTAN

PROJECT SHEET (Continued)

Sector: Agriculture and Rural Development

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
Helmand Valley Regional Development	306-11-995-090

methods and the training of people to replace the traditional methods of water management.

U.S. Technicians: Four Direct Hire: one each in area agriculture, extension, on-farm irrigation, and agriculture credit; five PASA technicians from the Bureau of Reclamation in engineering, administration, irrigation operations, maintenance, and a secretary (\$225,000); one full-time contract technician in horticulture, plus 10 man months of short term services in planning/operation and maintenance (\$50,000).

Participants: Forty-one trainees: 9 short term in the U.S. in horticulture (2), agricultural credit (2), groundwater technology and operation (2), and operation and maintenance of construction equipment (3); 3 in Iran in administration; and 29 in Turkey for short orientation training programs in marketing of farm produce and in on-farm water management.

Commodities: Agricultural texts and research equipment.

PASA: \$230,000 to fund a PASA with the Department of Interior, Bureau of Reclamation.

Contract: \$50,000 for Personnel Services contract.

PROJECT TITLE Elementary and Secondary Education (Curriculum & Textbook)	SECTOR Education and Manpower Training	FUNDS TA
PROJECT NUMBER 306-11-690-091	PRIOR REFERENCE Page 49, FY 1972 PDB	INITIAL OBLIGATION FY: 1952
		SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: This project assists the Afghanistan Ministry of Education to upgrade and modernize its primary education curriculum. U.S. advisors assist the Ministry in the development and production of curricula, textbooks and teachers instructional guides. The project also includes professional training for Afghans in curriculum development, textbook writing and testing, and allied education subjects.

Progress to Date: With the assistance of U.S. contract advisors the Ministry of Education is proceeding with the drafting, editing and publication of school texts and teachers guides. By the end of FY 1972, 25 texts and teachers manuals will be completed in the following subjects: Health, Language Arts, Social Studies, Manual Arts and Religion. Manuscripts for 9 more text books have been completed for testing. In-service workshops to train teachers in the use of the new texts have been held in Jalalabad (50 teachers), Kandahar (75 teachers), Mazar-i-Sarif (80 teachers) and Kabul (350 teachers). During FY 72 three participants will complete training in the U.S. in Science Education and Health Research.

FY 73 Program: The Ministry plans to publish 25 new texts and teacher's guides during FY 73. Of these the following nine have already been tested and approved for use in the school system: Language Arts (3), Mathematics (4), and Science (2). In-service training sessions will be held

to familiarize teachers with the new material. Four new participants will be added to the five now studying in the U.S.

U.S. Technicians: Eighteen full time contract advisors: two new advisors, (a Teacher Trainer and Research Assistant for evaluation and testing of instructional material) plus 16 continuing advisors. (Chief of Party, Administrative Assistant, Curriculum Advisor in Health, Language Arts (3), Science, Mathematics, Social Studies, Industrial Arts, Publication Specialist, Teacher Training and U.S. Local Hire Staff (4)).

Participants: Four new U.S. participants (12 months each) in Teacher Education, Editing, English Language Instruction, and Mathematics.

Commodities: Books and instructional materials not available in Afghanistan.

Contract: \$868,000 to fund the Teachers College, Columbia University contract costs to March 1974.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/ XXXXXXXX				
	Obligations	Expenditures	Unliquidated	OBLIGATIONS							
	Through 6/30/71	14,960	14,285	675	Estimated FY 1972			Proposed FY 1973			
					Estimated FY 72	759		858	Cost Components	Direct AID	Contract/ XXXXXX
Estimated through 6/30/72	15,719	15,143	576	U.S. Technicians	-	670	670	-	796	796	Teachers College, Columbia Univ.
		Future Year Obligations	Estimated Total Cost	Participants	4	68	72	-	57	57	
				Commodities	-	15	15	-	15	15	
				Other Costs	2	-	2	3	-	3	
Proposed FY 73	871	2,618	19,208	Total Obligations	6	753	759	3	868	871	

PROJECT TITLE Statistical Information Systems Development PROJECT NUMBER 306-11-780-124	SECTOR Education and Manpower Training PRIOR REFERENCE Page 51, FY 1972 PDB	FUNDS TA INITIAL OBLIGATION FY: 1972	SCHEDULED FINAL OBLIGATION FY: 1976
--	--	---	--

Project Target and Course of Action: To assist Afghanistan establish a national statistical service which will provide reliable data on population, basic economic indicators, and national economic activity. The lack of such data at the present time is a serious obstacle to development.

Progress to Date: In FY 1971 the RGA requested U.S. assistance. The Mission, with the help of a Bureau of Census TDY Team, negotiated a number of essential self-help and reform measures as a precondition to U.S. participation and assistance. In October, 1971, the RGA issued a Decree which officially established a Central Statistical Office with full authority to function. A work plan has been established which regulates the statistical services and outlines priorities over the 5 year life of the project, including surveys on population, household expenditures, consumer prices, manpower and industry. We expect the U.S. team to begin work in May 1972.

FY 73 Program: The Afghan Government plans to staff and organize the Central Statistical Office, begin work on a system of national accounts, initiate a revision of existing indices, and begin staff training programs.

U.S. Technicians: A five-man U.S. Bureau of the Census PASA team consisting of a Principal Statistical Advisor, Agricultural Statistician, Industrial Census Advisor,

National Accounts Statistician and Data Processing Advisor, plus seven man-months of short-term consultants in price statistics, training and evaluation.

Participants: Seven participants for one year training: 1 in National Accounts and 2 in Data Processing in the U.S. and 4 in Basic Statistical Skills in Iran.

Commodities: Commodities in support of the PASA technicians and the newly established Central Statistical Office, i.e. adding machines, desk calculators and other specialized equipment not readily available in Afghanistan.

PASA: \$255,000 to fund a PASA for one year with the Bureau of the Census.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1972			Proposed FY 1973			
Through 6/30/71	-	-	-		Direct AID	Other Agency	Total	Direct AID	Other Agency	Total	Bureau of Census
Estimated FY 72	100	100		U.S. Technicians	-	100	100	-	245	245	
Estimated through 6/30/72	100	100	-	Participants	-	-	-	37	-	37	
		Future Year Obligations	Estimated Total Cost	Commodities	-	-	-	50	10	60	
				Other Costs	-	-	-	-	-	-	
Proposed FY 73	342	2,232	2,674	Total Obligations	-	100	100	87	255	342	

Country: AFGHANISTAN

PROJECT SHEET

TABLE VI

PROJECT TITLE Higher Education	SECTOR Education and Manpower Training	FUNDS TA
PROJECT NUMBER 306-11-660-121	PRIOR REFERENCE	SCHEDULED FINAL OBLIGATION FY: 1975
		INITIAL OBLIGATION FY: 1973

Project Target and Course of Action: This is a second generation project designed to assist Kabul University meet Afghanistan's requirements for skilled manpower, improve the quality of its faculty, and develop an institutional capability to carryout applied research.

Kabul University consists of nine semi-autonomous faculties (law, medicine, economics, agriculture, engineering, education, letters, science and polytechnic) with planning and administration under a unified budget and academic calendar. Foreign assistance has made a significant contribution to the University's growth during the last ten years. The U.S., France, Germany, UAR and USSR have assisted specific faculties. U.S. assistance has been instrumental in establishing the Faculties of Agriculture, Engineering and Education. U.S. assistance to the Faculty of Education, which is now fully staffed by Afghans, terminated in June 1971. The Engineering and Agriculture Faculties will be fully staffed by Afghans when major U.S. support is phased out in June 1973.

Notwithstanding improvement in these three major, development-oriented disciplines, foreign training of Afghan professors abroad is essential if Kabul University is to keep pace with changing technology. The University is not able to finance this comparatively expensive training from its own resources. In addition, the University is weak in applied research, an area where US.

assistance can be particularly useful.

FY 73 Program: Workplans from participating faculties will be examined and refined, and work begun in preparation for the Kabul University academic year beginning September 1973.

U.S. Technicians: Six fulltime contract educators specializing in management, research and curriculum development, plus 12-man months of short term advisory services.

Participants: Forty three participants: thirteen new participants (Kabul University faculty members) to begin advanced professional training in University Administration (3), Teacher Education (3), Agriculture (3) and Engineering Education (4); five senior faculty members (as participants) to undertake one-year post-doctoral study, research and/or teaching in the U.S. in the fields indicated above; and 25 participants continuing from prior-year starts in other projects.

Commodities: Imported materials and supplies which are not presently funded in the University budget, such as technical textbooks, teaching materials and consumable equipment for laboratory work.

Contract: \$676,000 for a U.S. contractor.

U.S. DOLLAR COST (In Thousands)						PRINCIPAL CONTRACTORS/ XXXXXXXX					
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS			Contractor to be selected			
					Estimated FY 1972		Proposed FY 1973				
Through 6/30/71	-	-	-		Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Estimated FY 72	-	-	-	U.S. Technicians	-	-	-	-	454	454	Contractor to be selected
Estimated through 6/30/72	-	-	-	Participants	-	-	-	152	167	319	
		Future Year Obligations	Estimated Total Cost	Commodities	-	-	-	-	55	55	
				Other Costs	-	-	-	-	-	-	
Proposed FY 73	828	1,245	2,073	Total Obligations	-	-	-	152	676	828	

PROJECT TITLE Industrial Development	SECTOR Industrial and Urban Development	FUNDS TA
PROJECT NUMBER 306-11-910-116	PRIOR REFERENCE Page 63, FY 1972 PDB	INITIAL OBLIGATION FY: 1971
		SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: To support further growth of Afghanistan's private industrial sector, the U.S. is providing advisory services to an Investment Committee (IC) and its Secretariat in the Ministry of Commerce and an Investment Advisory Center (IAC) sponsored by the Chamber of Commerce. The consultants are helping the IC and IAC to develop policies which will stimulate investment, issue guidelines to potential investors, and simplify procedures for the review and approval of investment proposals.

Progress to Date: Under a predecessor project the U.S. assisted the RGA establish a program of incentives for private investment. An investment law was passed and an Investment Committee (IC) established to administer it. Under a March 1971 contract with Checchi and Company, the U.S. has continued to help the RGA develop and improve its policies and procedures for implementing this private sector investment incentive program. Specific actions include assistance with the preparation of an issues paper with major policy recommendations on the institutionalization of investment project standards and the awarding of incentives; help in carrying out procedural changes designed to facilitate the investment project review and approval process; and the advice on revising custom duties to rationalize rates between raw materials and finished goods. The U.S. contractor has also assisted the RGA in its attempt to establish an

Industrial Development Bank under IBRD/IFC auspices. In a related area, the Checchi Team has aided the Investment Advisory Center (IAC) in revising its overall internal operating procedures, including budgeting, public relations and investment project evaluation and provided on the job training in operations and management to the IAC.

FY 1973 Program: The project's focus in 1973 will be on the continued formulation, adoption and implementation of comprehensive policies and procedures designed to provide for the rational and planned expansion of Afghanistan's private industrial sector. Particular emphasis will be placed on modification of the tariff structure to encourage economic domestic production. The Checchi will also be assisting with the institutional development of the IC, its Secretariat and the IAC through staff training and the introduction of improved operational and management techniques. The RGA, with the contractor's assistance, plans to complete all preparatory work on the Industrial Development Bank to enable the IBRD to begin the formulation process leading to banking operations.

U.S. Technicians: Contract - Four full time advisors, Chief of Party (Industrial Economist), Investment Advisor, 2 Financial Management Advisors and 6 man months of short term consultants in fields to be selected.

Participants: Ten trainees - Four for 6 man months each in

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS XXXXXXXX				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1972			Proposed FY 1973			
					Direct AID	Contract/ XXXX	Total	Direct AID	Contract/ XXXX	Total	Checchi and Company
Through 6/30/71	320	65	255								
Estimated FY 72	128	216									
Estimated through 6/30/72	448	281	167								
		Future Year Obligations	Estimated Total Cost								
Proposed FY 73	349	993	1,790	Total Obligations	23	105	128	30	319	349	

Country: AFGHANISTAN

PROJECT SHEET (Continued)

Sector: Industrial and Urban Development

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
Industrial Development	306-11-910-116

Thailand; 3 for 6 man months each in India for training in investment promotion; and 3 for 6 man months in U.S. at the World Trade Insitute.

Commodities: Industrial library, industrial and trade journals, and research equipment.

Contract: \$319,000 for extension of the Checchi contract.

PROJECT TITLE Population/Family Planning	SECTOR Population and Health	FUNDS Population
PROJECT NUMBER 306-11-570-110	PRIOR REFERENCE Page 31, FY 1972 PDB	INITIAL OBLIGATION FY: 1968
		SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: The project will assist the Royal Government of Afghanistan (RGA) to obtain the demographic information needed for development planning and help the RGA establish a core of trained personnel to provide family planning services.

The project's emphasis is on conducting sample surveys under the joint sponsorship of the Ministries of Planning and Public Health, establishing a baseline of demographic information about population structure and distribution, and ascertaining current Afghan knowledge, attitudes and practices affecting fertility. U.S. assistance will also assist Afghanistan's modest family planning program by providing (a) training for Afghans through foreign study, regional seminars, and workshops; (b) advisory assistance for in-country family planning training programs for selected personnel in health services, clinics, universities and other concerned ministries; and (c) limited amounts of commodities.

Progress to Date: A six man field staff from the State University of New York, with the help of a statistician from Johns Hopkins University, is completing the design for a census survey scheduled to begin in September 1972. In the interim, interviewers are being recruited and trained and a survey questionnaire will be pretested. Assistance to the Afghan Guidance Association (AFGA), a voluntary organization presently providing family planning

services in urban areas, will be continued. AFGA now has 18 clinics and a clientele of about 40,000 acceptors. The Ministry of Public Health will be building 117 basic health clinics in which family planning will be included as one of the services and female para-medical personnel are available. The first auxiliary nurse/midwife school has opened and 68 rural Afghan women are undergoing training. Also, family planning is now included in the course of study for all doctors trained at the Faculty of Medicine of Kabul University.

FY 73 Program: The SUNY team will help the Afghan Government carry out the sample census survey. Assistance will be provided to the AFGA to upgrade and expand its family planning training programs. The Ministry of Public Health will be assisted in efforts to make family planning information and contraceptives more widely available.

U.S. Technicians: Four direct hire: Division Chief, Population adviser, Nurse Educator, and a Secretary. One full-time Contract Medical Adviser, plus 1 Communication Consultant for 3 man months, and a Public Health Curriculum Adviser for 3 man months.

Participants: Eleven to train in the U.S.: in Nursing Education (2), Health Education (2), Population Dynamics (2), plus five short term in Communication Media (2), Evaluation (1) and Administration (2).

Commodities: Contraceptives and training materials.

Other Costs: Local travel and supplies.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1972			Proposed FY 1973		
					Direct AID	Contract XXXX	Total	Direct AID	Contract XXXX	Total
Through 6/30/71	1,957	414	1,543							
Estimated FY 72	275	617			83	26	109	140	40	180
Estimated through 6/30/72	2,232	1,031	1,201		74	-	74	74	-	74
		Future Year Obligations	Estimated Total Cost		87	-	87	161	-	161
Proposed FY 73	420	Continuing			5	-	5	5	-	5
				Total Obligations	249	26	275	380	40	420

The Research Foundation of State University of New York (SUNY)

John Hopkins University

AFGHANISTAN

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-OBLIGATIONS AND LOAN AUTHORIZATIONS			REPAYMENTS AND INTEREST 1946-1971	TOTAL LESS REPAYMENTS AND INTEREST		
	1970	1971	TOTAL 1946-1971				
A. OFFICIAL DEVELOPMENT ASSISTANCE	6.8	8.8	242.3	5.4	236.9		
A.I.D. AND PREDECESSOR AGENCIES - TOTAL.....	-	-	45.5	5.4	40.1		
Loans.....	6.8	8.8	196.8	-	196.8		
Grants.....	(-)	(-)	(25.5)	-	-		
(Supporting Assistance).....	-	-	-	-	-		
FOOD FOR PEACE - TOTAL.....	0.8	3.8	128.3	1.0	127.3		
Title I - Total.....	-	3.0	19.9	1.0	18.9		
REPAYABLE IN U.S. DOLLARS - LOANS.....	-	3.0	16.9	0.8	16.1		
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	3.0	0.2	2.8		
Loans.....	-	-	3.0	0.2	2.8		
Grants.....	-	-	-	-	-		
Title II - Total.....	0.8	0.8	108.4	-	108.4		
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	0.4	0.8	106.2	-	106.2		
VOLUNTARY RELIEF AGENCIES.....	0.4	-	2.2	-	2.2		
OTHER OFFICIAL DEVELOPMENT ASSISTANCE.....	0.9	1.1	10.5	-	10.5		
PEACE CORPS.....	0.9	1.1	10.4	-	10.4		
SOCIAL PROGRESS TRUST FUND.....	-	-	0.1	-	0.1		
OTHER.....	-	-	-	-	-		
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE.....	8.5	13.7	381.1	6.4	374.7		
Loans.....	-	3.0	65.4	6.4	59.0		
Grants.....	8.5	10.7	315.7	-	315.7		
B. OTHER OFFICIAL							
EXPORT-IMPORT BANK LONG-TERM LOANS.....	-	1.7	34.7	42.0	-7.3		
TOTAL ECONOMIC.....	8.5	15.4	415.8	48.4	367.4		
Loans.....	-	4.7	100.1	48.4	51.7		
Grants.....	8.5	10.7	315.7	-	315.7		
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.).....	0.2	0.2	4.2	-	4.2		
Credit Sales (FMS).....	-	-	-	-	-		
Grants.....	0.2	0.2	4.2	-	4.2		
(Additional Grants from Excess Stocks).....	(-)	(-)	(-)	(-)	(-)		
OTHER MILITARY ASSISTANCE GRANTS.....	-	-	-	-	-		
TOTAL MILITARY.....	0.2	0.2	4.2	-	4.2		
TOTAL ECONOMIC AND MILITARY.....	8.7	15.6	420.0	48.4	371.6		
Loans.....	-	4.7	100.1	48.4	51.7		
Grants.....	8.7	10.9	319.9	-	319.9		
OTHER ECONOMIC PROGRAMS							
ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES			
	FY 1970	FY 1971	FY 1946-71	DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	10.0	13.2	65.6	TOTAL	9.8	12.3	98.4
Int'l Dev. Association	5.0	5.0	15.3	Germany	7.8	10.0	88.5
Asian Dev. Bank	-	5.2	5.2	U.K.	0.4	0.2	3.9
UNDP - Special Fund	3.7	1.6	21.2	Other	1.5	2.2	6.0
UNDP - TA(CY)	0.7	0.6	14.4				
Other UN(CY)	0.6	0.8	9.5				
				ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)			
				1970 (Calendar Year).....	3		
				1971 (Calendar Year).....	5		
				Cumulative thru 1971.....	745		

Nepal



BASIC DATA

Population (<i>millions - mid-1971</i>)	11
Annual Growth Rate (<i>percent</i>)	2.2
Population in Urban Areas	5
(<i>Percent - 1970</i>)	
Labor Force in Agriculture	92
(<i>Percent</i>)	

Per Capita GNP (<i>dollars</i>)	80*
Life Expectancy (<i>years</i>)	41
People Per Doctor	39,780
Literacy Rate (<i>percent</i>)	9
Students as % of 5-19 Age Group	13
(<i>Primary and Secondary</i>)	

* - 1970 in 1970 prices and exchange rates.

NEPAL

PROGRAM SUMMARY (in thousands of dollars)							
FISCAL YEAR	Total	Agricultural & Rural Development	Population & Health	Education & Manpower Training	Industry, Transportation & Urban Dev.	Non-Project Loans	Program Development & Support
1971							
Devel. Loans	-	-	- ^{1/}	-	-	-	-
Tech. Assist.	1,881	562	114	532	-	-	673
Population	706	-	706 ^{2/}	-	-	-	-
Other	-	-	-	-	-	-	-
Total	2,587	562	820	532	-	-	673
1972							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	1,730	545	80	575	-	-	530
Population	802	-	802	-	-	-	-
Other	-	-	-	-	-	-	-
Total	2,532	545	882	575	-	-	530
1973							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	1,550	505	40	410	-	-	595
Population	333	-	333	-	-	-	-
Other	-	-	-	-	-	-	-
Total	1,883	505	373	410	-	-	595

^{1/} Excludes population grant programs.

^{2/} Funded from development loan funds.

Nepal has spent the decades since 1951 building the infrastructure required for integration and development, a task far from completed. Despite rapid and visible changes in education, agriculture, and transportation, the effects of change have yet to penetrate the full reaches of Nepal's subsistence economy. The U.S. aid program has played a small but significant role in the early years of Nepal's development, providing over \$140 million since 1951 in aid to agriculture, education, malaria eradication, public administration, family planning, and manpower training. Over half (\$77 million) of the A.I.D. program to Nepal has been funded through the use of U.S.-owned Indian rupees, although this contribution is expected to decline over the next few years.

As the multilateral organizations, particularly the Asian Development Bank and the World Bank, increase their aid programs to Nepal, and as the Government of Nepal's administrative capacity grows, the U.S. bilateral program will begin to play a somewhat different role. The Nepali Government working with multilateral organizations will assume greater responsibility for contracting, planning, and project development and administration. The design of the A.I.D. program for FY 1973 supports Nepal's development objectives as it moves to make this transition.

A.I.D.'s own changing perception of its role, together with Nepal's increasing desire and ability to take responsibility for its development programs, have influenced design of the FY 1973 A.I.D. program. While Nepal remains eligible for A.I.D. Development Loans, and the United States intends to continue a small but significant bilateral program, the role of multilateral organizations has become increasingly important. Correspondingly, the need for Nepali capacity in contracting for technical services and managing contract teams has grown. By turning to contract intermediaries in FY 1973 while continuing to supply modest staff and logistic support, A.I.D. seeks to increase Nepal's abilities to administer its own aid program. The proposed FY 1973 program consists of Technical Assistance requested by Nepal for immediate development objectives. This assistance is to be delivered through contract intermediaries in an effort to improve Nepal's capacity for development aid administration.

A.I.D.'s \$1.9 million program, supplemented in FY 1973 as in past years by up to \$5 million worth of Indian rupees, will concentrate on family planning, agriculture, education and public administration.

Family Planning

With a continued growth rate of 2.2%, the population of Nepal will double in 33 years, placing a substantial burden on food resources, education and health facilities and job opportunities. The Government of Nepal has recently decided to expand its own family planning program and has asked support from the United States. Two contract teams financed by A.I.D. will work in family planning on policy and research

NEPAL

and on improving the delivery of services. The project aims to strengthen the Ministry of Health's capacity to deliver family planning services; a second part of the project concentrates on improving the capacity of the government center engaged in family planning research. Improvement of these institutions will enhance potential effectiveness of the population program and should encourage the Nepali Government to make the needed manpower and budget commitments.

Agriculture

Nepal faces a continuing need for increased agriculture production to meet both internal demand and export needs. Production, with the exception of that in the Kathmandu Valley, has been unable to keep pace with population growth. Growing population and newly identified nutrition needs create an increased demand for internal consumption at a time when rice grown in the Terai and sold in India constitutes Nepal's major source of export earnings. In FY 1973 A.I.D. will finance a contract team to plan and implement a project for improved agriculture production utilizing gains made in adaptive research and extension training on A.I.D.-financed field stations. The project will be designed to assist Nepal's Department of Agriculture in developing the capacity to meet the increased demands being made in the agriculture sector.

Education and Public Administration

While primary school enrollment in Nepal has grown more than ten-fold since 1951, from 40,000 to 450,000, the literacy rate remains less than 10%. Education has concentrated on teaching academic, rather than technical or practical subjects. The Nepal Government has recently authored a New Education System Plan to emphasize practical training in primary and secondary schools. The new emphasis will require restructuring of teaching materials and training of teachers. A contract team of U.S. technicians will work in support of the Plan, reaching beyond the teacher training of earlier A.I.D. projects, to help Nepal develop a process for the introduction, testing and revision of materials drawn up under the new Plan.

Development programs such as those in education and agriculture require ever-increasing numbers of trained managers and administrators. The needs of the country place an almost overwhelming burden on a few skilled administrators. The Nepali Government and two A.I.D. contract consultants will seek to upgrade administrative efficiency and expand the numbers of skilled decision-makers available through in-service and pre-service training and the introduction of modern operations, methods and personnel policies into the government administration. An A.I.D.-sponsored development training project will assist the Nepali Government in setting and meeting manpower requirements, participant selection, and overseas training needs.

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

TABLE V

COUNTRY: NEPAL

Project Title	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1971			Estimated FY 1972			Proposed Program FY 1973	Future Year Obligation	Estimated Total Cost
				Obligations	Expenditures	Unliquidated Obligations 6/30/71	Obligations	Expenditures	Unliquidated Obligations 6/30/72			
AGRICULTURE AND RURAL DEVELOPMENT												
Groundwater Investigation	367-11-120-207	1969	1973	523	385	138	545	214	79	505	-	783
Foodgrain Production	367-11-110-054	1958	1974	2,880	2,722	158	155	420	128	105	350	4,020
HEALTH												
Malaria Eradication	367-11-510-014	1954	1972	6,562	6,544	18	80	88	10	40	-	6,642
Integrated Health Services	* 367-11-120-368	1973	1973	-	-	-	-	-	-	40	-	40
EDUCATION AND MANPOWER TRAINING												
Teacher and Technical Education	367-11-610-060	1954	1972	4,346	4,072	274	475	307	57	410	-	4,536
Management Improvement and Training	367-11-720-074	1962	1972	906	835	71	90	64	47	-	-	946
Teacher & Materials Utilization & Development	* 367-11-690-228	1972	1977	-	-	-	40	50	250	180	1,200	1,680
Agriculture Education Planning	367-11-110-217	1972	1972	-	-	-	45	20	25	-	-	45
Administration and Management	* 367-11-770-101	1973	1977	-	-	-	-	-	-	130	340	470
Manpower Development Training	* 367-11-999-224	1973	Cont.	-	-	-	-	-	-	100	Continuing	Continuing
PROGRAM DEVELOPMENT AND SUPPORT												
	367-11-999-000	1952	Cont.	10,549	10,237	312	630	641	301	595	Continuing	Continuing
TECHNICAL ASSISTANCE SUB-TOTAL												
							1,730	1,163	696	1,550		
POPULATION												
Family Planning	* 367-11-580-096	1968	Cont.	1,386	611	775	802	545	1,032	333	Continuing	Continuing
							802	545	1,032	333		
*Detailed project narrative--See Table VI.							Total (including population)	2,532	1,708	1,728	1,883	

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
A.I.D. employed	22	22	21
Participating agency	6	6	7
Contractor technicians	10	16	18
Total	38	44	46

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	80	44	48
Contract	5	16	-
Total	85	60	48

PROJECT TITLE INTEGRATED HEALTH SERVICES	SECTOR HEALTH AND FAMILY PLANNING	FUNDS TA
PROJECT NUMBER 367-11-120-368	PRIOR REFERENCE -	INITIAL OBLIGATION FY: 1973
		SCHEDULED FINAL OBLIGATION FY: 1973

Project Target and Course of Action: Current Government plans call for the integration of all autonomous preventative health organizations, including the malaria eradication program, into the Department of Health. The plans specify that the infrastructure developed over the years by the malaria eradication will be used as the skeleton on which to build the expanded health services.

To assist Nepal in planning for the integration USAID will provide one technician to two pilot projects in regions representative of district malaria and health service situations in Nepal. The one year pilot projects will gather data on the problems and process of integration of these organizations. The technician, a communicable disease specialist with field experience in rural health services, research, and field trials, will work with the Ministry of Health on planning, implementation, and evaluation of the pilot projects. The experience gained from the pilot projects will provide background planning for nation-wide integration of health and malaria services.

FY 1973 Program: A Public Health Services Advisor will assist the Government plan, implement and collect information related to testing the feasibility of integrating the health services.

Observation trips for three high level Nepalese Malaria Officers and three Department of Health Officers will be financed to enable them to gain broader operational experience.

U.S. DOLLAR COST (In Thousands)				AGENCIES						
	Obligations	Expenditures	Unliquidated	OBLIGATIONS						
				Estimated FY 1972			Proposed FY 1973			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/71	-	-	-							Public Health Service
Estimated FY 72	-	-								
Estimated through 6/30/72	-	-	-							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 73	40	-	40							
				Total Obligations						

Country: NEPAL

PROJECT SHEET

TABLE VI

PROJECT TITLE TEACHER AND MATERIALS UTILIZATION AND DEVELOPMENT	SECTOR EDUCATION AND MANPOWER	FUNDS TA
PROJECT NUMBER 367-11-690-228	PRIOR REFERENCE Page 56, FY 1972 PDB	INITIAL OBLIGATION FY: 1972
		SCHEDULED FINAL OBLIGATION FY: 1977

Project Target and Course of Action: To assist the College of Education in establishing an educational program using texts and educational materials developed under the Curriculum Development and Textbook Organization. The program envisions expanded use and improvements in the educational materials already developed and training of teachers in their use via in-service and pre-service training programs. Nepal recently committed itself to a restructured educational system emphasizing practical education and has asked U.S. assistance in math and science. A new contract team was envisioned under the former Teacher and Technical Education project which would have placed the main emphasis on the writing and training of writers to produce educational materials. With the help previously provided, the Government of Nepal will handle this responsibility. In light of the changed emphasis for the new contract team, it was deemed appropriate to initiate a new project. The new contract will take place over six years as planned last year although being narrowed in scope.

Progress to Date: During FY 1972 AID and the Government of Nepal reviewed the educational system and outlined the steps under the proposed new contract. The U.S. will shortly enter into a contract providing for five technicians.

FY 1973 Program: A five man contract team will begin a review of teacher training programs, techniques in evaluating course offerings, and instructional materials. The review will be followed by the development of a plan for formalizing a system of evaluation and feedback. Three contract advisors will participate at the College of Education. Nepalese teacher supervisors in outlying areas will be assisted by two American math and science specialists in developing and introducing follow-up and evaluative procedures. The work of the five specialists will be complemented by up to 20 volunteer American teachers who will supply TDY services to in-service teacher training programs conducted during the summer.

Contract: 5 Technicians; 1 Teacher Education Supervisor, 2 Mathematics Teacher Trainers, 2 Science Teacher Trainers. One of the above will serve as team coordinator. 20 volunteer teachers from the U.S. will work on in-service teacher training programs.

Participants: 6 long term and 5 short term.

Commodities: Demonstration materials.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1972			Proposed FY 1973			
					Direct AID	Contract/Other AID		Total	Direct AID	Contract/Other AID	Total
Through 6/30/71	-	-	-								Contractor to be selected
Estimated FY 72	300	50		U.S. Technicians	-	300	300		122	122	
Estimated through 6/30/72	300	50	250	Participants	-	-	-	57	-	57	
		Future Year Obligations	Estimated Total Cost	Commodities	-	-	-	1	-	1	
				Other Costs	-	-	-	-	-	-	
Proposed FY 73	180	1,200	1,680	Total Obligations	-	300	300	58	122	180	

PROJECT TITLE ADMINISTRATION AND MANAGEMENT	SECTOR EDUCATION AND MANPOWER TRAINING	FUNDS TA
PROJECT NUMBER 367-11-720-101	PRIOR REFERENCE -	INITIAL OBLIGATION FY: 1973
		SCHEDULED FINAL OBLIGATION FY: 1977

Project Target and Course of Action: Nepal is concerned with the need to increase the competency of middle and upper level management within agencies involved in development activities. The administration and management project is designed to work on the in-country upgrading of administrative abilities. The project will assist Nepal with the introduction of improved management techniques into its civil administration. The technicians will work in organization and methods, management, and on specific personnel administration problems such as recruitment, advancement and salaries.

Progress to Date: The new King when Crown Prince established a special task force to examine ways to strengthen and modernize the administrative departments and agencies. The Government has established a Center for Economic Development Administration which can be expected to play an important role in in-service and pre-service training.

FY 1973 Program: To work with the Administrative Management Department (AMD) of the Government on: organization and methods; recruitment and selection; on establishing of salary and grade levels and a promotion system.

Technicians: One contract advisor on organization and recruitment (\$40,000); Short-term consultants on salary and grade structure and the promotion system.

U. S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTOR XXXXXXXXXX			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS			To be selected		
					Estimated FY 1972		Proposed FY 1973			
Through 6/30/71	-	-	-	U.S. Technicians Participants	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Estimated FY 72	-	-	-		Commodities					
Estimated through 6/30/72	-	-	-	Other Costs						
		Future Year Obligations	Estimated Total Cost		Total Obligations					
Proposed FY 73	130	340	470					-	130	130

Country: NEPAL

PROJECT SHEET

TABLE VI

PROJECT TITLE MANPOWER DEVELOPMENT TRAINING	SECTOR EDUCATION AND MANPOWER	FUNDS TA
PROJECT NUMBER 367-11-999-224	PRIOR REFERENCE -	INITIAL OBLIGATION FY: 1973
		SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: Trained middle and upper levels of management are essential to progress in developing countries. The purpose of this project is to assist Nepal increase the number of trained planners, economists, and administrators for development. The Government will be responsible for identifying areas of need and the selection of individuals.

FY 1973 Program: The Government is establishing a selection committee and a system to institutionalize selection and future planning for manpower requirements.

Participants: 15 participants in the areas of development administration and planning, economics, management and organization.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1972			Proposed FY 1973			
					Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency	Total
Through 6/30/71	-	-	-								
Estimated FY 72	-	-	-	U.S. Technicians				-	-	-	
Estimated through 6/30/72	-	-	-	Participants				100	-	100	
		Future Year Obligations	Estimated Total Cost	Commodities				-	-	-	
				Other Costs				-	-	-	
Proposed FY 73	100	Continuing		Total Obligations				100	-	100	

PROJECT TITLE FAMILY PLANNING	SECTOR POPULATION AND HEALTH	FUNDS POPULATION
PROJECT NUMBER 367-11-580-096	PRIOR REFERENCE Page 35, FY 1972 PDB	INITIAL OBLIGATION FY: 1968
		SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: To assist the Government of Nepal in its efforts to develop and strengthen the institutional base necessary to mount an effective long range program of fertility reduction. AID assistance through FY 1974 will be focused primarily on helping with the development of materials, demonstration, and information conducive to supporting Nepal's efforts to carry out an effective family planning effort.

Progress to Date: The Government of Nepal now operates 86 Family Planning/Maternal and Child Health clinics, up from zero only six years ago -- 24 were opened in FY 1971. The National Family Planning program is now operational in 30 of Nepal's 75 Districts. Under recent policy directives of the Ministry of Health, all national health facilities will participate in family planning work and all doctors are to be trained in family planning skills.

AID is working with the Government to develop a national program for family planning. This assistance has focused on delivery of contraceptives and physical inputs through development of a supply and logistics system reaching out into the participating districts, and on training of technical and administrative personnel through formal training programs and observation programs in the U.S. and third countries. Education of the pub-

lic has been started through test runs of promotional campaigns using visual presentations such as flyers, posters and similar materials, radio programs and other techniques suitable for Nepal's conditions. In cooperation with the Ministry of Education, population materials and information are being introduced into a Peace Corps-assisted program to improve the science curriculum at the secondary school level.

FY 1973 Program: An on-going contract is directed toward improvement of delivery of services. The contract personnel will continue to work with Ministry of Health concentrating primarily on the 30 existing District offices and centers. Intensive pilot programs of a comprehensive package nature will be tested in 2 or 3 specific districts and the results evaluated for general utility on a national scale. The on-going contract operation, supplemented by short-term consultants, will also focus on helping the Ministry of Health find better methods of services delivery and field staff training, better systems of evaluation, and new patterns of administration.

Work will also begin under a new contract to develop a program design for a research and motivation effort to make planning and programs more responsive to cultural and social values of the population and in particular

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1972			Proposed FY 1973		
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Through 6/30/71	1,386	611	775							
Estimated FY 72	802	545		U.S. Technicians	85	193	278	60	133	193
Estimated through 6/30/72	2,188	1,156	1,032	Participants	80	174	254	40	-	40
		Future Year Obligations	Estimated Total Cost	Commodities	75	150	225	25	-	25
				Other Costs	-	45	45	-	75	75
Proposed FY 73	333	Continuing		Total Obligations	240	562	802	125	208	333

University of Michigan
New Contractor to be selected
Bureau of Census

Country: NEPAL

PROJECT SHEET (Continued)

Sector: POPULATION AND HEALTH

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
FAMILY PLANNING	367-11-580-096

the target groups at which programs are aimed. The new contract team will assist Nepalese research units within the Ministry of Health and in private institutions design and carry out research, assist government planning units analyze the implications of the recent national census, organize research training and population seminars and design pilot research programs to test new ideas.

U.S. Technicians

Direct Hire: One long-term supervisory planning and programming advisor, and one logistics and supply advisor for eight months.

PASA: One Bureau of Census data processing advisor. (\$33,000)

Contract: New contract for one to two experts on population research and motivation. (\$100,000)

Participants: Three long-term and nine short-term training in the US on population research and policy development.

Commodities: Research (i.e., tabulator, key punch, calculator) equipment and supplies.

Other Costs: Aviation services: funding for Family Planning staff use of Nepal; air transport facilities.

NEPAL

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-OBLIGATIONS AND LOAN AUTHORIZATIONS			REPAYMENTS AND INTEREST	TOTAL LESS REPAYMENTS AND INTEREST		
	1970	1971	TOTAL 1946-1971	1946-1971			
A. OFFICIAL DEVELOPMENT ASSISTANCE							
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	2.3	2.6	52.0	0.2	51.8		
Loans.....	--	--	0.4	0.2	0.2		
Grants.....	2.3	2.6	51.5	--	51.5		
(Supporting Assistance).....	(--)	(--)	(--)				
FOOD FOR PEACE - TOTAL	12.1	8.7	101.2	0.7	100.5		
Title I - Total	12.0	8.1	94.8	0.7	94.1		
REPAYABLE IN U.S. DOLLARS - LOANS.....	--	--	--	--	--		
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	12.0	8.1	94.8	0.7	94.1		
Loans.....	--	--	7.2	0.7	6.5		
Grants.....	12.0	8.1	87.6	--	87.6		
Title II - Total	0.1	0.6	6.4	--	6.4		
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	0.1	0.6	6.4	--	6.4		
VOLUNTARY RELIEF AGENCIES.....	--	--	*	--	*		
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	1.2	1.2	11.4	--	11.4		
PEACE CORPS.....	1.2	1.2	11.4	--	11.4		
SOCIAL PROGRESS TRUST FUND.....	--	--	--	--	--		
OTHER.....	--	--	--	--	--		
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	15.6	12.5	164.6	0.9	163.7		
Loans.....	--	--	7.6	0.9	6.7		
Grants.....	15.6	12.5	156.9	--	156.9		
B. OTHER OFFICIAL							
EXPORT-IMPORT BANK LONG-TERM LOANS	--	--	--	--	--		
TOTAL ECONOMIC	15.6	12.5	164.6	0.9	163.7		
Loans.....	--	--	7.6	0.9	6.7		
Grants.....	15.6	12.5	156.9	--	156.9		
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)							
Credit Sales (FMS).....	*	*	1.9	--	1.9		
Grants.....	*	*	1.9	--	1.9		
(Additional Grants from Excess Stocks).....	(--)	(--)	(*)	(--)	(*)		
OTHER MILITARY ASSISTANCE GRANTS	--	--	--	--	--		
TOTAL MILITARY	*	*	1.9	--	1.9		
TOTAL ECONOMIC AND MILITARY	15.6	12.5	166.5	0.9	165.6 *		
Loans.....	--	--	7.6	0.9	6.7		
Grants.....	15.6	12.5	158.8	--	158.8		
OTHER ECONOMIC PROGRAMS							
ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES			
	FY 1970	FY 1971	FY 1946-71	DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	11.1	12.1	36.9	TOTAL	3.8	4.9	20.2
Int'l Dev. Association	1.7	2.5	4.2	United Kingdom	2.3	2.5	11.0
Asian Dev. Bank	6.0	6.4	12.4	Germany	0.9	1.1	4.0
UNDP - Special Fund	2.6	2.0	10.2	Switzerland	0.2	0.2	2.6
UNDP - TA(CY)	0.4	0.7	5.5	Other	0.4	1.1	2.6
Other UN(CY)	0.4	0.5	4.6				
				ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)			
				1970 (Calendar Year).....--			
				1971 (Calendar Year).....--			
				Cumulative thru 1971.....82			

*Less than \$50,000.

Indonesia

Indonesia



BASIC DATA

Population (<i>millions - mid-1971</i>)	123
Annual Growth Rate (<i>percent</i>)	2.6
Population in Urban Areas	17
(<i>Percent - 1970</i>)	
Labor Force in Agriculture	70
(<i>Percent</i>)	

Per Capita GNP (<i>dollars</i>)	105*
Life Expectancy (<i>years</i>)	48
People Per Doctor	27,780
Literacy Rate (<i>percent</i>)	43
Students as % of 5 - 19 Age Group	38
(<i>Primary and Secondary</i>)	

* - 1970 in 1970 prices and exchange rates.

INDONESIA

PROGRAM SUMMARY (in thousands of dollars)							
FISCAL YEAR	Total	Agricultural & Rural Development	Population & Health	Education & Manpower Training	Industry, Transportation & Urban Dev.	Non-Project Loans	Program Development & Support
1971							
Devel. Loans	70,700	-	- 1/	-	40,700	30,000	-
Tech. Assist.	6,048	651	-	2,782	362	-	2,253
Population	1,759	-	1,759 2/	-	-	-	-
Other	-	-	-	-	-	-	-
Total	78,507	651	1,759	2,782	41,062	30,000	2,253
1972							
Devel. Loans	115,500	-	-	-	70,500	45,000	-
Tech. Assist.	3,940	250	-	1,405	390	-	1,895
Population	1,700	-	1,700	-	-	-	-
Other	-	-	-	-	-	-	-
Total	121,140	250	1,700	1,405	70,890	45,000	1,895
1973							
Devel. Loans	115,000	-	-	-	75,000	40,000	-
Tech. Assist.	5,475	475	-	2,710	330	-	1,960
Population	2,500	-	2,500	-	-	-	-
Other	-	-	-	-	-	-	-
Total	122,975	475	2,500	2,710	75,330	40,000	1,960

1/ Excludes population grant programs.

2/ Funded from development loan funds.

Indonesian economic policy, performance and outlook have undergone a striking transformation since the abortive Communist coup in late 1965. The Sukarno era left the Indonesian economy in a state of chaos. Inflation was rampant, basic infrastructure had deteriorated, and foreign exchange for essential rice and textile imports was lacking.

Following the disruptive foreign policy and severe economic dislocations of the Sukarno years, Indonesia's leadership has focused its attention on domestic problem-solving. The first objective was a stabilization program to reduce the runaway inflation and to re-establish

sensible pricing for goods and services. The main tools employed for this purpose -- with the guidance of the International Monetary Fund (IMF) -- have been fiscal and credit restraints, abandonment of direct economic controls, rescheduling of the heavy foreign debt burden and sizeable stabilization aid from abroad. With the success of the stabilization effort, emphasis has shifted increasingly to rehabilitation and development of the country's economic and institutional infrastructure.

Results to date have been impressive. The annual rate of inflation has declined from 640% in 1966 to less than 4% at present; export earnings and domestic revenues have increased steadily; rice production has risen by 20% over the past two years; production of textiles has increased rapidly, and nearly \$2 billion in private foreign investment has been approved, along with substantial domestic investment.

The Multilateral Framework. This impressive progress has been made possible by a combination of Indonesia's own highly effective self-help measures and substantial foreign assistance. This assistance is provided within the multilateral framework of the Intergovernmental Group on Indonesia (IGGI), chaired by the Netherlands and comprising 11 donor nations, the World Bank, the IMF, and the Asian Development Bank, as well as Indonesia itself. The World Bank and the IMF, both of which maintain resident missions in Djakarta, play key roles in assessing performance and advising the donors on Indonesia's policies and assistance needs. This mechanism has provided a highly effective channel for coordinated support of development policies and programs. It has also served as a means for successfully encouraging a steadily rising level of commitments by other donors, both bilateral and multilateral.

The IGGI meets twice a year to review Indonesia's economic performance, explore key development issues and consider overall requests for concessional assistance for the next Indonesian fiscal year. These meetings provide the framework for subsequent discussions in Indonesia between the donors, the various Indonesian Departments and the

INDONESIA

National Economic Development Agency (NEDA) concerning specific project requests.

Following World Bank and IMF recommendations, the IGGI members contributed over \$200 million to Indonesia in CY 1967, about \$340 million in CY 1968, \$530 million in CY 1969, \$600 million in FY 1970/71 and will provide an estimated \$640 million in FY 1971/72. Requirements for FY 1972/73 are estimated at \$670 million, including \$110 million in food aid.

As in 1971/72, the United States proposes to provide one-third (\$138 million) of the bilateral non-food assistance requirement, including both Development Loans and P.L. 480 cotton, and a "fair share" of the food aid need. Because of the marked increase in contributions from other donors (from \$145 million in 1967 to over \$400 million in 1971/72) and Indonesia's diminished need for U.S. food aid, the U.S. share of total assistance is now declining. In Indonesian fiscal year 1971/72, all U.S. aid will constitute slightly less than one-third of the total.

FY 1973 Program. A.I.D. assistance to Indonesia consists of program and project loans as well as technical assistance grants. In view of Indonesia's weak foreign exchange position, program lending has played a vital role in stabilizing the economy and in maintaining and expanding productive capacity. As in the past, a proposed \$40 million production and basic import loan in FY 1973 will provide foreign exchange financing for essential industrial and agricultural raw materials, fertilizer, vehicles, spare parts, machinery and equipment for use by the Indonesian private sector. Project loans, totalling a proposed \$75 million in FY 1973, will continue to provide for the rehabilitation and expansion of basic infrastructure, particularly power facilities necessary to encourage and support productive investments in agriculture and industry, as well as water supply and rice marketing facilities.

The United States also is one of many donor countries and international agencies providing technical assistance to Indonesia. A.I.D.'s highly selective program is designed to assist Indonesian development in key areas to which the

Indonesian Government accords high priority and in which U.S. capabilities can make a significant impact. The proposed \$8 million FY 1973 program continues to focus on agricultural education and research, manpower training, family planning and development of natural resources.

As part of the IGGI commitment, P.L. 480 Title I credits of approximately \$95 million are proposed for FY 1973, for the provision of rice, wheat and cotton. P.L. 480 Title II food grants totalling approximately \$8.7 million also are proposed in FY 1973 for U.S. voluntary agency maternal/child health and school feeding programs as well as support of Food-for-Work programs.

Agriculture and Rural Development

Indonesia's agricultural sector supports two-thirds of its people and provides about half of the nation's GNP. The current Five-Year Plan accords top priority to increased food production, with particular emphasis on rice self-sufficiency. Although use of fertilizer, pesticides and new rice varieties is expanding, efficient supply and distribution of these inputs at reasonable prices is still a problem. If the Five-Year Plan goals are to be met, research programs and extension services must be strengthened, while adequate transportation, distribution, credit and marketing systems must be developed.

As one of many donors providing assistance in addressing these problems, A.I.D. will focus its activities in FY 1973 on developing more effective research programs, improving marketing systems for agricultural production inputs (principally fertilizer) and outputs (principally rice), as well as increasing the availability of credit and other production incentives to the farmer. With rice self-sufficiency now anticipated within the next two or three years, increasing attention will also be devoted to the production of protein and carbohydrate foods.

Among the factors inhibiting the increased use of new rice varieties is the need for further research to improve

INDONESIA

their disease-resistance and taste appeal. While Indonesia has a large number of existing research institutions, the quality and extent of agricultural research has suffered from a shortage of adequately trained personnel and the lack of a coordinated national framework for planning research, establishing priorities, and programming full and efficient use of available resources. Through a contract with the International Rice Research Institute (IRRI) of the Philippines, the United States is supporting the development of a coordinated national research program for rice and related crops, using existing facilities and institutions, as a prototype for the improvement of overall food crop research. The A.I.D. contribution to this agricultural research project, for which \$255,000 in Technical Assistance funds is proposed in FY 1973, is part of a multi-donor effort including Japan, the Netherlands and the Ford Foundation.

Another constraint to increased use of new varieties should be alleviated with the development of a mechanized seed mass-production facility at the Sukamandi Farm on Java, which received A.I.D. assistance under an earlier program loan. The World Bank has now assumed responsibility for assisting the implementation of this project, through a loan signed in late FY 1971.

As Indonesian rice production continues to increase, traditional processing, storage and transportation facilities will be inadequate to permit efficient and timely distribution. Through a prior-year A.I.D.-financed contract, a comprehensive rice marketing study, covering both institutional factors and physical needs, was completed in FY 1972; This study is expected to provide the basis for a possible loan for the modern milling and storage facilities which will be required.

As in prior years, funds will be available under the proposed A.I.D. program loan in FY 1973 to import fertilizer, an essential production input if high-yield varieties of rice and other crops are to achieve their full potential. Eventually; a major proportion of Indonesia's fertilizer requirements will be met from local production facilities, including the expanded PUSRI plant, for which

financing is being provided through prior year loans from the United States, the World Bank, the Asian Development Bank and Japan. In support of market development, A.I.D. funded a Tennessee Valley Authority team to assist in planning and conducting an in-country training program and policy seminar in FY 1972 for public and private fertilizer marketing personnel. This seminar contributed to the Indonesian Government's recent decision to establish an inter-departmental National Fertilizer Planning and Control Board to better coordinate fertilizer planning, supply and distribution, and to the proposed formation of a fertilizer dealer's association.

A.I.D. proposes to use \$220,000 in Technical Assistance funds to continue to provide the services of two full-time experts to assist the Indonesian Government in planning and coordinating activities in the field of credit, marketing of agricultural inputs and outputs, and the P.L. 480 and fertilizer import programs. An in-service training program is also planned to improve agricultural planning and administration at both the national and provincial levels, as well as participant training in fertilizer and grain marketing, credit and cooperative development. A.I.D. will also finance short-term consultants to undertake a series of policy and research studies in the agricultural and other sectors, under the auspices of Indonesia's National Economic Development Agency, on such topics as the implications of rice self-sufficiency in terms of crop diversification and the potential for agricultural exports.

P.L. 480 Title I commodity imports -- principally rice, wheat and cotton -- play an important role in the Indonesian economy by enabling the Indonesian Government to maintain the stability of food and textile prices and by generating local currency to support development activities. In FY 1973, credits amounting to approximately \$95 million are anticipated for these commodities. In addition, P.L. 480 Title II grants of approximately \$4.4 million will continue to be provided in support of the Food-for-Work program, through which irrigation and drainage systems, rural roads and bridges are being repaired and enlarged.

INDONESIA

Major capital assistance in the rehabilitation and extension of existing irrigation facilities is being provided by the World Bank and Asian Development Bank. In addition, development activities supporting estate crops, fisheries and livestock are receiving substantial support from other donors. The Asian Development Bank and the World Bank have provided loans for rehabilitation of rubber, palm oil and tea estates and for fishery development. The U.N. Development Program and the World Bank are supporting studies of sugar production, livestock and palm oil. Lastly, the Food and Agriculture Organization and Ford Foundation are providing assistance to the National Planning Agency in macro-economic agricultural planning while the U.N. Development Program/Food and Agriculture Organization is assisting the Department of Agriculture in its central planning activities.

Family Planning

Rapidly increasing population constitutes a serious threat to Indonesia's development. The Indonesian Government now recognizes that for economic gains to have lasting impact, the present rate of population growth, estimated at roughly 2.6% per year, must be reduced. The family planning program is concentrated on the Islands of Java, Madura and Bali, which contain two-thirds of Indonesia's 120 million people but constitute only 7% of its land area.

In recognition of the need for family planning services, the private Indonesian Planned Parenthood Association began programs in the late 1950's. However, official endorsement and support of family planning programs was not forthcoming until the late 1960's. In 1970, a National Family Planning Coordination Board was established by the Indonesian Government to provide coordination and leadership for a national program. The Board drew up a five-year plan (based on a report by a joint World Bank/UNDP/WHO team), which was approved in late 1970. The targets of this plan are to have 6 million women practicing family planning in 1976 and to make family planning services available in 4,000 clinics. President Suharto has given increasingly strong

personal support to family planning as an essential requirement for economic development. Government budget allocations to the national family planning program have risen rapidly, with a five-fold increase in expenditures proposed in 1972/73.

The United States is among more than 20 bilateral, multilateral and private donors providing assistance to Indonesian family planning programs. U.S. assistance has grown rapidly in the past four years as Indonesian concern with population growth has increased. While the United States has been the largest single family planning donor to date, the World Bank and the UN Fund for Population Activities have recently agreed to a \$33 million five-year program, which will make them Indonesia's largest source of external support for family planning in the coming years.

Within the multilateral context of family planning assistance, A.I.D. has focused on furnishing commodities and supporting services to establish and equip clinics and, beginning in FY 1972, on longer range health education activities. Proposed U.S. support in FY 1973, totalling \$2.5 million, will

- (1) provide contraceptives to meet the rapidly increasing demand at existing clinics;
- (2) provide medical equipment and supplies for 500 new clinics;
- (3) continue support, jointly with the World Health Organization, of a five-year program to develop a cadre of family planning-oriented health educators who in turn can train clinical workers;
- (4) help refine a national system, established in FY 1972 with U.S. assistance, to collect, process and evaluate the statistical data essential to effective planning; and
- (5) support a pilot scheme to expand the marketing of contraceptives through retail outlets.

INDONESIA

Education and Manpower Training

A major deterrent to Indonesia's rapid economic development is the critical shortage of well-trained administrative and technical manpower. While substantial progress has been made since independence, it is estimated that less than 20% of the country's labor force has completed primary school, roughly 4% has completed the lower level of secondary or vocational school and only 0.2% has completed higher education. In recent years, the major focus of the Indonesian Government's program has been on economic stabilization and infrastructure development. Less has been done to improve education and social welfare.

Although funds are still limited, Indonesian Government allocations to education are now rising, and educational development has assumed increased importance in preparations for the second Five-Year Plan which will begin in 1973/74. To provide a sound basis for long-range educational planning and development, the Indonesian Government is now completing a National Assessment of Education, with Ford Foundation assistance. In addition to providing a broad overview of problems and priorities, the Assessment also includes in-depth studies of key educational sub-sectors by special task forces. These studies cover the various levels and types of education, as well as educational planning, administration and finance. Related to this effort, the United States is providing a consultant team (funded in FY 1972 with follow-up in FY 1973) to assist in preparing a long-range plan to improve science education from the secondary through the university level.

A.I.D. assistance in FY 1973 will continue the provision of U.S. and third-country training through an extensive participant program in fields of economic development priority and on long-term institutional development of higher agricultural education. The general participant training project, for which approximately \$1 million in FY 1973 funding is proposed, is targeted to the need for skilled manpower at both upper and middle levels of management as well as in technical fields. In selection of participants, particular emphasis is placed on (1) applied administration and manage-

ment training for Indonesians who have major planning and implementation responsibilities for the Five-Year Plan; (2) training for those employed in enterprises or sectors for which A.I.D. capital loans are planned; and (3) selective training in key areas which do not fall within the scope of more narrowly focused U.S. technical assistance projects. Approximately 100 new participants are selected for training each year, in addition to extensions of existing programs. Since U.S. assistance to Indonesia began in 1951, over 5,000 participants have been trained, many of whom now hold key positions in Indonesia's development program. In the 40 Indonesian public universities and teachers colleges, for example, 25% of the rectors are former A.I.D. participants.

A.I.D.'s second major activity in education, provides assistance to two leading Indonesian Agricultural Universities -- Bogor Agricultural Institute and Gadjah Mada University -- to develop graduate teaching and research programs. As nation "centers of excellence," these two institutions in turn will assist 22 considerably less developed provincial universities to strengthen their own agricultural programs. This project, for which \$1.65 million is proposed in FY 1973, is being implemented through a long-term institutional development agreement with the Mid-West Universities Consortium for International Activities. As with other U.S. technical assistance activities in Indonesia, the project relies to a large extent on the services of short-term specialists, rather than on U.S. technicians permanently assigned to Indonesia.

A.I.D.'s relatively high degree of concentration on limited programs in the field of education is consistent with the availability of substantial assistance from other donors. In addition to Ford Foundation support of the National Assessment of Education, the U.N. Development Program, UNESCO and UNICEF plan to continue and expand advisory assistance over a wide range of sector problems and initiatives. Their proposed programs include assistance in education planning, management and administration; educational materials and technology; mass media applications; in-service teacher training; adult education; and population education. The World Bank is providing significant capital

INDONESIA

and technical assistance to two education projects, the first involving construction and equipping of five secondary education technical centers and the second including the rehabilitation and expansion of 14 agricultural secondary schools and 13 middle-level in-service training centers.

Industry, Infrastructure and National Resource Development

The Sukarno era left the Indonesian economy severely disrupted and basic infrastructure in a state of advanced deterioration. Along with the highly successful stabilization effort, Indonesia has placed strong emphasis on the rehabilitation and expansion of the country's infrastructure as an essential first step in mobilizing Indonesia's agricultural and industrial resources and to lay the basis for increased investment and economic growth. In keeping with this need, A.I.D. and other donors have provided substantial capital assistance for power, transportation and communications development, in addition to directly supporting industrial rehabilitation and expansion through program loan financing of commercial imports (such as machinery, trucks and buses, chemicals and raw materials) for the private sector.

In addition, Indonesia's mineral deposits, forestry resources, and large potential market provide the basis for considerable private investment. The Indonesian Government considers such investment an essential source of domestic income, employment and foreign exchange and has accorded it high priority in its development plan. Roughly \$2 billion in private foreign investment (including a large proportion from the US) has been approved, and domestic investment is increasing as well. The US has played a supporting role in encouraging investment in Indonesia by providing investment insurance, through the Overseas Private Investment Corporation (OPIC), covering a wide variety of industrial interests including the extractive industries. Both A.I.D. and the UN Industrial Development Organization have provided consultants to assist the Indonesian Government to review investment incentives and regulations and to streamline procedures for considering proposed investments.

A.I.D.'s modest technical assistance program in the industrial sector is focused to a large extent on natural resource management. The geological survey assistance project, for which \$220,000 is proposed in FY 1973, is designed to increase Indonesia's capability to survey, map and appraise the country's vast, but as yet largely uncharted, geological and natural resources. Three resident geologists from the US Geological Survey, supplemented by short-term experts, will continue to train geologists, geophysicists and mapping specialists as the staff of the Indonesian Geological Survey. The US Geological Survey is helping the Indonesians accelerate the completion of maps and interpretive reports in order to identify promising areas for further investigation and development. Through an agreement with the National Academy of Sciences, A.I.D. will also assist the Indonesian Institute of Sciences in organizing a workshop on the national management, conservation and use of natural resources, to lay the basis for Indonesian policy development in this area. A.I.D. supported a similar workshop in FY 1971, attended by leading Indonesian and foreign experts, on policies and future requirements concerning industrial and technological research. A.I.D. has also provided short-term consultants in forestry service organization and concessions management. Lastly, as part of a broad world-wide study, A.I.D. will finance a study in FY 1973 by the Smithsonian Institution on the environmental aspects of offshore petroleum production in Indonesia. A.I.D. technical assistance in the industrial sector also will include support of several policy-oriented research studies, under the auspices of Indonesia's National Economic Development Agency, on problems such as unemployment, urbanization and export marketing.

A.I.D.'s Development Loan program in FY 1972 and FY 1973 concentrates principally on power and transportation, with particular emphasis in FY 1973 on the development of an adequate generation, transmission and distribution system in West Java, one of Indonesia's most densely populated and rapidly industrializing areas. The proposed FY 1973 program includes approximately \$60 million for power projects. Similar projects are being implemented through prior year loans in Central Java and in Medan, Sumatra's largest city.

INDONESIA

In the transportation field, A.I.D.'s FY 1972 program includes a loan, estimated at \$26 million, for the construction of a highway traversing Indonesia's major industrial corridor between Djakarta and Bogor. A.I.D. is also financing a feasibility study for a Trans-Java Highway linking Djakarta with Surabaya, Indonesia's second largest city. Lastly, A.I.D. is considering the possibility of financing one or more water supply projects in a few major cities of Java, as well as the rehabilitation or construction of several tin dredges in support of one of Indonesia's important export-earning industries. Feasibility studies for further potential projects in both infrastructure and manufacturing, which formerly were implemented under the technical assistance program, will be financed primarily under a \$5 million project development loan signed in FY 1972.

Many of Indonesia's other donors, including the World Bank, Asian Development Bank, Japan and West Germany, also are providing substantial capital assistance in power and transportation development. As a basis for rational transportation planning, the World Bank, with UN Development Program financing, is conducting a major study of nationwide highway requirements and priorities, including maintenance needs. Other prospective loans involving the industrial sector which are of particular interest include the reorganization and capitalization of the State Development Bank and the establishment of industrial estates. As a stimulus to the Indonesian private sector, Japan recently committed \$10 million to the Central Bank which will be channeled through State Banks for medium-term development loans.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY
Unliquidated as of 12/31/71

COUNTRY: INDONESIA

(In Thousands of Dollars and Equivalent)

TABLE IV

Loan No.		Date		Grace Period (years)	Life of Loan (years)	Interest Rate (%)		Amount Authorized	Amount Disbursed	Currency of Re-payment	Principal Repayments	Interest Collected
		Auth-orized	Loan Agree-ment			Grace Period	Amorti-zation					
497-H-017	Commodity Financing	04/15/69	05/02/69	10	40	2	3	43,913	40,959	US\$		845
497-H-018	Gresik Cement MFG Plant Expansion	06/19/69	07/25/69	10	40	2	3	6,300	4,252	US\$		22
497-H-019	Central Java Electric Power	04/17/70	05/22/70	10	40	2	3	16,800	143	US\$		
497-H-020	PUSRI Fertilizer Plant Expansion	05/26/70	07/02/70	10	40	2	3	20,000		US\$		
497-H-021	Djakarta-Bogor Hwy Design	05/25/70	08/20/70	10	40	2	3	800	95	US\$		
497-H-022	Medan Electric Power	06/26/70	09/19/70	10	40	2	3	13,800		US\$		
497-H-023	Commodity Financing	07/02/70	07/06/70	10	40	2	3	30,000	26,103	US\$		144
497-H-024	Semarang Steam Power Plant	06/15/71	11/03/71	10	40	2	3	19,700		US\$		
497-H-025	Ketenger Power (T&D)	06/15/71	11/03/71	10	40	2	3	21,000		US\$		
497-H-026	Commodity Financing	07/13/71	08/26/71	10	40	2	3	15,000	9	US\$		
497-H-027	Project Development	07/15/71	11/03/71	10	40	2	3	5,000		US\$		
	Total	XXXXXXXX	XXXXXX	XXX	XXX	XXXXXX	XXXXXX	192,313	71,561	XXX	XXXX	1,011

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

TABLE V

COUNTRY: INDONESIA

Project Title	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1971			Estimated FY 1972			Proposed Program FY 1973	Future Year Obligation	Estimated Total Cost
				Obligations	Expenditures	Unliquidated Obligations 6/30/71	Obligations	Expenditures	Unliquidated Obligations 6/30/72			
<u>AGRIC. & RURAL DEVELOPMENT</u>												
Asst. to Agriculture	497-11-110-189	1969	1974	653	532	121	250	200	118	475	120	1,193
Agricultural Research	497-11-110-198	1971	1975	460	-	460	50	52	458	220	500	1,265
							<u>1,405</u>			<u>2,710</u>		
<u>EDUC. & MANPOWER TRAINING</u>												
Use & Dev. of Educ. Materials	497-11-690-186	1968	1970	519	317	86	-	86	-	-		519
Civic Action	497-11-690-184	1967	1971	494	420	74	-	74	-	-		494
Higher Agricultural Education	* 497-11-660-190	1969	1975	2,328	499	1,829	405	1,181	1,053	1,650	2,750	7,133
General Participant Training	* 497-11-690-183	1967	Cont.	6,130	4,712	1,418	1,000	1,145	1,273	1,060	Continuing	
							<u>390</u>			<u>330</u>		
<u>INDUS. & URBAN DEVELOPMENT</u>												
Geological Survey Assistance	497-11-210-193	1970	1974	583	465	118	390	432	76	330	200	1,503
<u>PROGRAM DEV. & SUPPORT</u>	497-11-990-000	Continuing		13,452	12,634	818	1,895	1,950	763	1,960	Continuing	
TECHNICAL ASSISTANCE SUB-TOTALS							3,940	5,123	3,741	5,475		
<u>POPULATION AND HEALTH</u>												
Family Planning	* 497-15-580-188	1968	Cont.	3,753	1,844	1,909	<u>1,700</u>	1,591	2,018	<u>2,500</u>	Continuing	
							<u>1,700</u>			<u>2,500</u>		
							5,640	6,714	5,759	7,975		

*Detailed project narrative--See Table VI.

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
A.I.D. employed	38	38	37
Participating agency	4	5	5
Contractor technicians	10	20	20
Total	52	63	62

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	318	220	289
Contract	38	57	104
Total	356	277	393

PROJECT TITLE Higher Agricultural Education	SECTOR Education and Manpower Training	FUNDS TA
PROJECT NUMBER 497-11-660-190	PRIOR REFERENCE Page 37, FY 1972 EA PDB	INITIAL OBLIGATION FY: 1969
		SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: This project assists the Indonesian Government in upgrading and expanding graduate instruction and research at Indonesia's two foremost agricultural education institutions, the Agricultural Institute at Bogor and Gadjah Mada University at Jogjakarta. Within the framework of the newly-created Indonesian Consortium for the Agricultural Sciences, these two institutions are being developed as centers of academic excellence which, in turn, will serve as "feeder universities" with responsibility for upgrading the more than 20 younger provincial universities with programs in agriculture.

U.S. assistance is being provided through a contract with the Midwest Universities Consortium for International Activities (MUCIA). A team of long-term advisors provides overall project management and coordination and assists the two universities and the Agricultural Sciences Consortium in program planning and implementation. These advisors are supplemented by short-term consultants in specialized fields. Graduate teaching programs, with supporting research, are to be established in agriculture, animal husbandry, veterinary medicine, fisheries, biology, forestry and agricultural engineering.

Since strengthening the Indonesian faculties is of prime importance, advanced degree training in the United States is being provided for a substantial number of staff members from the 2 "feeder" universities, as well as a smaller number of faculty from the affiliated provincial institutions.

The Indonesian Government is financing the rehabilitation and expansion of facilities at the Agricultural Universities and has allocated substantially increased budgets for operational costs and research activities.

Progress to Date: The first stage of this project was devoted to organizing the Indonesian Agricultural Sciences Consortium and formulating detailed plans and priorities for a 5-year developmental period. This initial stage culminated in conversion of the project to the new long-term Institutional Development Agreement (IDA) format at the end of FY 1971. It is for this reason that the completion date of this project has been extended to FY 75 with an increase in total cost. The IDA with MUCIA is now fully operational. In addition to the long-term staff, short-term experts have advised the Universities in both technical and administrative fields. A revised baccalaureate program has been developed for installation, on a pilot basis, in the

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/ Midwest Universities Consortium for International Activities			
Through 6/30/71	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
	Estimated FY 72	Estimated through 6/30/72	Proposed FY 73		Estimated FY 1972	Proposed FY 1973		Total		
	2,328	499	1,829		Direct AID	Contract	Total	Direct AID	Contract	Total
	405	1,181		U.S. Technicians	-	-	-	-	465	465
	2,733	1,680	1,053	Participants	-	255	255	-	869	869
		Future Year Obligations	Estimated Total Cost	Commodities	-	150	150	-	316	316
				Other Costs	-	-	-	-	-	-
Proposed FY 73	1,650	2,750	7,133	Total Obligations	-	405	405	-	1,650	1,650

Country: INDONESIA

PROJECT SHEET (Continued) .

Sector: ASIA

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
Higher Agricultural Education	497-11-660-190

feeder universities and "package" undergraduate courses have been designed for the provincial universities. Both feeder universities are conducting upgrading courses for faculty members of the provincial universities. Since the project began in FY 1969, 51 participants have begun long-term masters degree or doctoral training in the U.S.

Commodities: Laboratory and research equipment; books and other library materials, visual aids; reproduction equipment; spare parts and tools to service scientific equipment.

FY 1973 Program: The contract team will continue to focus its efforts on the major areas of university administration and structure, graduate program development, undergraduate program reorganization and research development. Short-term consultants will assist in curriculum revision, designing research projects, and conducting upgrading seminars and in-service training for staff of both "feeder" and provincial universities.

U.S. Technicians: Five long-term contract advisors including two program administrators with responsibility for overall project direction, two educational advisors at Gadjah Mada University and one educational advisor at Bogor Agricultural Institute plus home campus administrative and training staff. Approximately 10 short-term consultants in specialized fields of agriculture, agricultural engineering, animal husbandry, veterinary medicine and university administration.

Participants: Advanced degree training in the United States for 44 new participants; continuation of advanced degree training for 49 participants; short-term training for 11 participants in administrative fields.

PROJECT TITLE General Participant Training	SECTOR Education and Manpower Training	FUNDS TA
PROJECT NUMBER 497-11-690-183	PRIOR REFERENCE Page 36, FY 1972 EA PDB	INITIAL OBLIGATION FY: 1967
		SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: The purpose of this project is to help Indonesia meet its large and critical need for trained personnel who will plan, direct and carry out its economic stabilization, rehabilitation, and development efforts. The scarcity of qualified and experienced Indonesians seriously hampers planning and project implementation and the lack of managerial and technical skills retards development of the economy.

In recognition of these compelling training needs, the United States along with other donors - foundations, international agencies and other countries - is providing training abroad for qualified Indonesians. This project finances specialized programs for participants with emphasis on: (1) applied administration and management training for key Indonesian government personnel with major planning and implementation responsibilities under Indonesia's Five-Year Plan; (2) training for personnel employed in enterprises or sectors receiving U.S. capital assistance or for which loans are planned; (3) training for selected candidates in agricultural and educational activities vital to Five Year Plan targets, which do not fall within the scope of our more narrowly focused technical assistance projects in these sectors. Other Indonesian training needs in the fields of nutrition, industrial

marketing, communicable disease control, statistics and the social sciences are considered on a case-by-case basis depending upon the potential contribution of the program to the success of the Indonesian Five Year Plan.

Participants are drawn from a broad range of government ministries, from organizations and agencies such as the National Planning Agency, the Indonesian National Academy of Sciences, the Central Bureau of Statistics, and the Bank Indonesia, and from the universities and the private sector.

Progress to Date: Since this project was resumed in FY 1967, 1,300 Indonesian have been programmed for training in the U.S. and third countries. Of the more than 5,000 participants who have received training since U.S. programs first started in 1951, virtually all have returned to Indonesia and many hold key positions in the development effort. A follow-up program for returned participants has been instituted and a comprehensive revised participant directory was completed in FY 1972.

FY 1973 Program: Training will be financed for 146 participants.

(continued)

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1972			Proposed FY 1973		
					Direct AID	Contract/Other Agency		Total		
Through 6/30/71	6,130	4,712	1,418							
Estimated FY 72	1,000	1,145								
Estimated through 6/30/72	7,130	5,857	1,273	U.S. Technicians	-	-	-			
		Future Year Obligations	Estimated Total Cost	Participants	988	-	988	1,050	-	1,050
				Commodities	12	-	12	10	-	10
				Other Costs	-	-	-	-	-	-
Proposed FY 73	1,060	Continuing		Total Obligations	1,000	-	1,000	1,060	-	1,060

Country: INDONESIA

PROJECT SHEET (Continued)

Sector: ASIA

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
General Participant Training	497-11-690-183

Participants: 103 new trainees, including 95 to study in the United States and 8 in Thailand and the Philippines, in fields such as public administration; development economics; banking; accounting, budgeting, and auditing; industrial and supply management; education and educational administration; investment law; and transportation planning and administration. In addition, 43 participants will continue their training in the United States.

Commodities: Technical books, professional journals, language laboratory equipment and supplies, and instructional materials.

PROJECT TITLE Family Planning	SECTOR Population and Health	FUNDS Population
PROJECT NUMBER 497-15-580-188	PRIOR REFERENCE Page 25, FY 1972 EA PDB	INITIAL OBLIGATION FY: 1968
		SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: The purpose of this project is to help Indonesia implement its national family planning program. The Indonesian Government seeks to reduce the present estimated growth rate of 2.6 - 3.0% per year to 2.0 - 2.15% by 1976. According to revised targets of the Indonesian Five Year Plan, by 1976 approximately 6 million women of childbearing age will practice family planning; about 21,000 doctors, nurses, mid-wives and related staff workers will be trained; and family planning services will be provided in about 4,000 clinics. The program concentrates on the islands of Java, Madura and Bali, which comprise 7% of Indonesia's land area but contain two-thirds of its population.

The United States is among more than 20 bilateral, multilateral and private donors providing assistance to Indonesian Government agencies and private organizations engaged in family planning programs. U.S. support concentrates on 4 areas: (1) training personnel and providing supplies and equipment for family planning clinical services; (2) developing a cadre of family planning-oriented health education specialists, who in turn can train clinical workers; (3) establishing a system to collect, process and evaluate statistical data essential for more effective family planning services; and (4) support of a pilot

scheme to expand the marketing of contraceptives.

Progress to Date: In June 1970, President Suharto established a National Family Planning Coordinating Board with full authority to plan and direct the nation-wide program. This Board developed a comprehensive five-year action plan (based on the recommendations of a joint World Bank/UNDP/WHO Report) which was accepted by the Indonesian Government in September 1970. Since the beginning of the project in 1968, the United States has provided contraceptives, medical equipment and vehicles to equip the rapidly increasing number of clinics offering family planning services which totaled 1,800 at the end of CY 1971. During FY 1972, the first group of health education specialists began intensive training with American Public Health Association advisory assistance and a service statistics program was instituted and is now providing rapid feedback of family planning clinical data. A.I.D. has also provided local currency support for ten locally sponsored family planning conferences, management/logistics training, and translation and printing of informational literature.

FY 1973 Program: The direct-hire population officers will continue to manage overall project activities and assist the National Family Planning Coordinating

U.S. DOLLAR COST (In Thousands)				Cost Components	OBLIGATIONS						PRINCIPAL CONTRACTORS/
	Obligations	Expenditures	Unliquidated		Estimated FY 1972			Proposed FY 1973			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/71	3,753	1,844	1,909	U.S. Technicians	60	-	60	70	160	230	American Public Health Association Personal Services Contracts
Estimated FY 72	1,700	1,591		Participants	190	-	190	190	-	190	
Estimated through 6/30/72	5,453	3,435	2,018	Commodities	1,375	-	1,375	2,080	-	2,080	
		Future Year Obligations	Estimated Total Cost	Other Costs	75	-	75	-	-	-	
Proposed FY 73	2,500	Continuing		Total Obligations	1,700	-	1,700	2,340	160	2,500	

Country: INDONESIA

PROJECT SHEET (Continued).

Sector: ASIA

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
Family Planning	497-15-580-188

Board in planning and management. The American Public Health Association advisors will continue their assistance in implementing the training program for health educators. Short-term assistance will be provided to expand family planning training at the University of Indonesia's School of Public Health and to increase population research at the National Institute of Public Health.

U.S. Technicians: 2 direct-hire population officers and 1 secretary to provide overall project management; 2 long-term American Public Health Association contract advisors (\$90,000) in the field of health education; 8 short-term contract (PSC) consultants in the fields of population training, research and evaluation (\$70,000).

Participants: 42 new to be trained in the U.S., India and the Philippines and 6 continuing participants for training in the United States, in the fields of family planning administration, family planning research and evaluation, and health education.

Commodities: Contraceptives and medical equipment and supplies for 500 new family planning clinics.

INDONESIA

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-OBLIGATIONS AND LOAN AUTHORIZATIONS			REPAYMENTS AND INTEREST	TOTAL LESS REPAYMENTS AND INTEREST		
	1970	1971	TOTAL 1946-1971	1946-1971			
A. OFFICIAL DEVELOPMENT ASSISTANCE							
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	56.2	78.5	531.0	40.1	490.9		
Loans.....	51.4	70.7	290.2	40.1	250.1		
Grants.....	4.8	7.8	240.8	-	240.8		
(Supporting Assistance).....	(-)	(-)	(63.1)	-	-		
FOOD FOR PEACE - TOTAL	148.4	97.6	646.7	25.7	621.0		
Title I - Total	123.8	87.8	583.8	25.7	558.1		
REPAYABLE IN U.S. DOLLARS - LOANS.....	123.8	87.8	487.8	16.3	471.5		
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	96.0	9.4	86.6		
Loans.....	-	-	51.0	9.4	41.6		
Grants.....	-	-	45.0	-	45.0		
Title II - Total	24.6	9.8	62.9	-	62.9		
EMERGENCY RELIEF, ECON. DEVELOP. & WORLD FOOD PROGRAM	21.5	4.9	31.0	-	31.0		
VOLUNTARY RELIEF AGENCIES.....	3.1	4.9	31.9	-	31.9		
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.5	1.0	71.1	52.4	18.7		
PEACE CORPS.....	-	-	0.7	-	0.7		
SOCIAL PROGRESS TRUST FUND.....	-	-	-	-	-		
OTHER.....	0.5	1.0	70.4	52.4	18.0		
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	205.1	177.1	1,248.8	118.2	1,130.6		
Loans.....	175.7	158.5	895.3	118.2	777.1		
Grants.....	29.4	18.6	353.5	-	353.5		
B. OTHER OFFICIAL							
EXPORT-IMPORT BANK LONG-TERM LOANS.....	2.5	2.8	178.2	137.4	40.8		
TOTAL ECONOMIC	207.6	179.9	1,427.0	255.6	1,171.4		
Loans.....	178.2	162.3	1,073.5	255.6	817.9		
Grants.....	29.4	17.6	353.5	-	353.9		
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.),	5.6	16.8	97.8	-	97.8		
Credit Sales (PMS).....	-	-	-	-	-		
Grants.....	5.6	16.8	97.8	-	97.8		
(Additional Grants from Excess Stocks).....	(0.8)	(1.0)	(4.1)	(-)	(4.1)		
OTHER MILITARY ASSISTANCE GRANTS	-	16.5	16.5	-	16.5		
TOTAL MILITARY	5.6	33.3	114.3	-	114.3		
TOTAL ECONOMIC AND MILITARY	213.2	213.2	1,541.3	255.6	1,285.7		
Loans.....	178.2	162.3	1,073.5	255.6	817.9		
Grants.....	35.0	50.9	467.8	-	467.8		
OTHER ECONOMIC PROGRAMS							
ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS			D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES				
	FY 1970	FY 1971	FY 1946-71	DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	98.9	138.7	326.0	TOTAL	180.3	297.4	1,244.1
Int'l Finance Corp.	-	22.1	22.1	Japan	72.6	146.8	588.3
Int'l Dev. Association	80.5	95.9	227.4	Netherlands	21.3	53.2	209.9
Asian Dev. Bank	12.4	13.5	26.9	Germany	10.2	41.1	187.3
UNDP - Special Fund	3.4	3.8	15.8	France	17.3	14.8	73.7
UNDP - TA(CY)	0.7	0.9	16.0	Other	58.0	41.5	184.9
Other UN (CY)	1.9	2.5	17.8	ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)			
				1970 (Calendar Year).....	-	-	-
				1971 (Calendar Year).....	-	-	-
				Cumulative thru 1971.....	483	-	-

*Less than \$50,000.

Korea

Korea



BASIC DATA

Population (<i>millions - mid-1971</i>)	32
Annual Growth Rate (<i>percent</i>)	2.2
Population in Urban Areas	38
(<i>Percent - 1970</i>)	
Labor Force in Agriculture	50
(<i>Percent</i>)	

Per Capita GNP (<i>dollars</i>)	278*
Life Expectancy (<i>years</i>)	58
People Per Doctor	2,130
Literacy Rate (<i>percent</i>)	71
Students as % of 5 - 19 Age Group	64
(<i>Primary and Secondary</i>)	

* - 1971 in 1970 prices and exchange rates.

KOREA

PROGRAM SUMMARY (in thousands of dollars)							
FISCAL YEAR	Total	Agricultural & Rural Development	Population & Health	Education & Man-power Training	Industry, Transportation & Urban Dev.	Non-Project Loans	Program Development & Support
1971							
Devel. Loans	55,000	49,000	- 1/	6,000	-	-	-
Tech. Assist.	3,957	803	-	1,722	549	-	883
Population	1,660	-	1,660 2/	-	-	-	-
Other	-	-	-	-	-	-	-
Total	60,617	49,803	1,660	7,722	549	-	883
1972							
Devel. Loans	21,500	17,000	-	2,500	2,000	-	-
Tech. Assist.	3,025	704	-	1,083	215	-	1,023
Population	800	-	800	-	-	-	-
Other	-	-	-	-	-	-	-
Total	25,325	17,704	800	3,583	2,215	-	1,023
1973							
Devel. Loans	25,000	15,000	-	-	-	10,000	-
Tech. Assist.	2,800	823	-	806	455	-	716
Population	800	-	800	-	-	-	-
Other	-	-	-	-	-	-	-
Total	28,600	15,823	800	806	455	10,000	716

1/ Excludes population grant programs.

2/ Funded from development loan funds.

Korea has made significant economic advances in the past decade. In real terms, per capital GNP has increased an average of 6 1/2% a year over the decade. During this period the share of domestic resources devoted to development increased, and domestic savings doubled in the period 1967-1971 (second plan) standing at 14% of GNP in 1971 -- a remarkable achievement in a country with almost negligible domestic savings at the beginning of the decade. More spectacular has been Korea's performance on increasing its exports and thereby its own means for supplying more of the foreign exchange needed for development. Merchandise exports increased at a compounded annual

rate of 35% from 1967-1971. Domestic revenues estimated in the national budget, took 16.9% of GNP in 1971 - a heavy burden in a country with a per capita GNP of \$278.

Korea's achievements were made possible by combining favorable domestic policies with continued high levels of assistance from the United States, Japan, the World Bank group and other countries and international financial agency members of the Korean Consultative Group. A.I.D. Supporting Assistance grants and Development Loans in the five U.S. fiscal years roughly corresponding to the Second Plan amounted to \$267 million. In the same period, the United States also supplied \$393 million in P.L. 480 credits. The other Consultative Group donors provided \$1,128 million.

Despite the Korean people's remarkable development progress thus far, significant problems remain, and recent events have clouded Korea's otherwise bright foreign exchange earnings prospects.

It is estimated that the recent five-year textile agreement with the United States, under which Korea has agreed to limit its exports of woolen and synthetic cloth, will reduce Korea's projected export earnings needed for development in the Third Plan period by approximately \$325 million. In addition, U.S. troop withdrawals and the new requirement for deposit of Korean currency against 10% of MAP deliveries will further erode Korea's earnings from us.

FY 1973 A.I.D. PROGRAM

Because of our strong interest in Korean development, even more vitally needed now that Korea is undertaking a major military modernization program which will have to be supported increasingly from domestic resources, we plan to continue development lending and technical assistance in the period 1972-1976 (Third Plan), though on a reduced scale as compared with that provided during the Second Plan. Major U.S. capital flows in support of Korean development will come from P.L. 480 -- approximately \$180 million in food grains and cotton in FY 1973. Export-Import Bank credits will also be available, although limited by Korea's growing debt service burden. We expect other Consultative Group members,

KOREA

some of which have interests in Korean development matching or exceeding our own, to maintain the levels of aid they have furnished in the past, so that A.I.D.'s share of total assistance will be reduced substantially.

We plan a \$25 million agricultural sector Development Loan in FY 1973 and a Technical Assistance program of \$3.6 million concentrating in agriculture, education, and family planning.

Agriculture

Korea's agricultural production continues to grow, but not fast enough to meet the country's needs. Although the country is becoming urbanized, almost half the population are small farmers with holdings of about 2 acres. In 1971, total production from agriculture, forests, and fisheries rose 2.5% over 1970, compared with manufacturing, which expanded 19.1%. Average crop yields per hectare increased slightly, but total production did not rise accordingly, owing to insufficient use of fertilizer and the land area under cultivation was reduced because of industrial development and highway construction. Rice production in 1971 amounted to 5.4 million metric tons (MT), slightly above 1970, whereas the wheat, corn, and barley crops actually declined from the year before. Because agricultural production has not kept pace with consumption, Korea had to import 1,110,000 MT of rice in 1971 and 800,000 MT in 1972, as well as substantial quantities of other food grains, much of which came from the United States financed by P.L. 480 credits and A.I.D. Development Loans.

To help the Koreans increase agricultural production and improve rural incomes, A.I.D. has financed a survey of Korean agricultural development by a Michigan State University team working with Korean agricultural economists and specialists. This survey will identify factors inhibiting agricultural development, predict the consequences of various alternative development strategies, examine the role of agricultural institutions such as the National Agricultural Cooperative Federation, and indicate priorities for either foreign or domestic investment. Based on the results

of the survey, which will be completed this spring, A.I.D. plans to lend \$25 million in FY 1973 to help solve key problems in areas of fertilizer distribution, credit expansion, storage and marketing and the import of essential commodities.

The achievement of the agricultural goals of the Korean Third Five-Year Development Plan will depend in large measure on more sophisticated planning and research by well-trained Korean technicians and administrators. Therefore, A.I.D. will implement an agricultural planning and research project for which \$823,000 in Technical Assistance funds is proposed for FY 1973 to improve the planning, policy formulation and decision-making capabilities of the Korean Ministry of Agriculture and related organizations. The project will establish a more effective and coordinated program of research at the two existing agricultural research organizations. Under this project U.S. technical advisors will assist Korean agricultural planners and researchers in advanced analytical techniques, computer systems analysis and improved research program management.

Education and Training

The major obstacles to continued improvement in the country's primary, secondary and higher educational institutions are the lack of a long-range planning capability, the need for more and better quality research, and outmoded curricula.

Therefore, in FY 1973 A.I.D. will provide \$180,000 to support Korean educational planning in the Council for Long Range Education Planning, the recently established Korean Education Development Laboratory and other Korean organizations. A.I.D. advisors will help plan ways of raising the quality of institutions of primary, secondary and higher education in both urban and rural areas through improved planning and curriculum development. The purpose of this assistance is to make Korea's educational system more relevant to the Korean people's development needs. For instance, advanced training of Korean engineers, scientists, industrial and commercial managers, and private and public

KOREA

executives is required as Korea moves away from its traditional agricultural orientation toward an industrially-based economy affected by international competition.

This assistance will be provided in conjunction with the primary/middle school pilot project, begun in FY 1972 with the aid of a \$2 million A.I.D. Development Loan. The pilot project is designed to introduce and test educational innovations such as programmed instruction, differentiated teacher staffing (involving the use of master teachers plus teachers' assistants), and instructional television, which offer the prospect of higher-quality education at lower cost.

A.I.D. is also helping train researchers and equip a semi-autonomous public policy research institution, the Korea Development Institute, to conduct research for decision-makers on major economic policy issues, for which \$344,000 will be needed in FY 1973. Finally, A.I.D. will use \$282,000 in FY 1973 to continue to provide U.S. training to raise the number and quality of Korean technical and managerial leaders and to help the Koreans plan and implement their own participant training program.

Family Planning

Korea's family planning program has helped bring the country's population growth rate down from 2.8% in 1962, when the program began, to a current rate of just above 2%. This program has had substantial financial support for ten years by the Korean Government, augmented in recent years with assistance from A.I.D. and other donors. A network of family planning/health centers has been established throughout the country. A national training and research center has been constructed and equipped with aid from Sweden and A.I.D.

The Koreans believe that an increase in population of 2% a year is still too high. Thus, a major goal of the Korean Third Five-Year Year Plan, beginning in 1972, is to reduce the population growth rate to 1.5% by 1976. To achieve this target will require continued substantial expenditures for improvements in management, information and education

programs, and research. In FY 1973, \$800,000 in Federal Assistance funds will finance A.I.D. advisors to work directly with the Ministry of Health and Social Affairs and the Ministry of Home Affairs (which is responsible for family planning field workers) to improve the delivery of family planning services being provided in both rural and urban areas. In particular, A.I.D. technicians will advise the Koreans on more efficient management and coordination of the various family planning programs now being administered by agencies of the Korean government and other institutions. A.I.D. will also provide further support in such areas as vital statistics registration, information, education and research.

Industrial and Urban Development

While Korean industry has made substantial progress in recent years, continued industrial development will depend to a great extent on the ability of the nation to mobilize increasing amounts of domestic savings for private investment and to attract greater amounts of foreign equity and loan capital. Also of critical importance is the ability of Korean industry to remain internationally competitive. As Korean wage levels rise, the factors of technological efficiency, quality control and innovativeness will determine whether export markets are maintained and expanded.

Because Korea's industrial growth is proceeding at a rapid pace and since other donors are now providing technical and financial assistance to Korean industry, the role of A.I.D. with respect to Korean industry has narrowed. In FY 1972, A.I.D. provided a \$2 million feasibility studies loan, some of which is being used for studies in port development, communications, and urban planning. However, in FY 1973, A.I.D.'s assistance to Korean industry will be confined to providing highly specialized training in technical or management areas. In addition, under a private enterprise development project, A.I.D. will provide \$254,000 in FY 1973 for technical advisors to modernize Korean money and capital markets and advise the Korean Government on governmental procedures which affect the environment for foreign capital. Finally, A.I.D. plans to use \$201,000 in FY 1973

KOREA

to begin a project to expand the use of advanced technology and scientific innovation, which will help Korea keep production costs low, maintain high standards of industrial quality control, and respond to new demands for products in the international and domestic market-place.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY
Unliquidated as of 12/31/71

COUNTRY: KOREA

(In Thousands of Dollars and Equivalent)

TABLE IV

Loan No.		Date		Grace Period (years)	Life of Loan (years)	Interest Rate (%)		Amount Authorized	Amount Disbursed	Currency of Re-payment	Principal Repayments	Interest Collected
		Auth-orized	Loan Agree-ment			Grace Period	Amorti-zation					
489-H-030	Feasibility Studies	9/8/65	9/9/65	10	40	1	2-1/2	1,996	1,249	US\$		35
489-H-033	Seoul Thermal Power Plant	12/29/65	2/5/66	10	40	1	2-1/2	21,000	18,756	US\$		492
489-H-034	Seoul Water Works	12/29/65	6/2/66	10	40	1	2-1/2	3,260	2,726	US\$		41
489-H-038	Seoul Sewage Treatment Plant	6/9/66	7/13/66	10	40	1	2-1/2	3,500	364	US\$		7
489-H-039	Air Navigational Dev.	6/9/66	6/22/66	10	40	1	2-1/2	4,200	3,599	US\$		78
489-H-046	Yongnam Thermal Power Plant	5/26/67	6/29/67	10	40	1	2-1/2	16,500	13,681	US\$		179
489-H-047	Power Trans. and Dist.	5/9/67	6/17/67	10	40	1	2-1/2	12,700	4,360	US\$		37
489-H-048	Inchon Water Works	5/23/67	6/30/67	10	40	1	2-1/2	1,800	1,629	US\$		23
489-H-051	Korea Dev. Finance Corp	12/1/67	1/31/68	10	40	2	2-1/2	2,900	2,500	US\$		29
489-H-052	Korea Development Bank	5/17/68	6/26/68	10	40	2	2-1/2	14,585	4,185	US\$		57
489-H-054	Korea Institute of Science & Tech.	6/26/68	11/7/68	10	40	2	2-1/2	1,900	1,580	US\$		36
489-H-060	Program Loan No. 4	4/10/69	6/5/69	10	40	2	3	10,000	9,533	US\$		224
489-H-065	ChungJu Fertilizer Plant	6/18/69	9/25/69	10	40	2	3	5,000	665	US\$		5
489-H-066	Tong Suh Acrylonitrile Plant	6/20/69	10/20/69	10	40	2	3	5,000	2,897	US\$		27
489-H-073	Program Loan No. 5	4/15/70	6/3/70	10	40	2	3	10,000	3,887	US\$		6
489-H-079	Rice Procurement	1/29/71	3/16/71	10	40	2	3	35,000	31,838	US\$		244
489-H-080	Agricultural Credit	5/28/71	6/24/71	10	40	2	3	14,000		US\$		
489-H-081	Korea Advanced Institute of Science	6/25/71	8/31/71	10	40	2	3	6,000		US\$		
489-H-083	Second Feasibility Studies	11/22/71	1/20/72	10	40	2	3	2,000		US\$		
	Total	XXXXXXXX	XXXXXXXX	XXX	XXX	XXXXX	XXXXX	171,341	103,449	XXXXX	XXXXXX	1,520

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

TABLE V

COUNTRY: KOREA

Project Title	* Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1971			Estimated FY 1972			Proposed Program FY 1973	Future Year Obligation	Estimated Total Cost	
				Obligations	Expenditures	Unliquidated Obligations 6/30/71	Obligations	Expenditures	Unliquidated Obligations 6/30/72				
AGRICULTURE & RURAL DEVELOPMENT													
Rural Policy Planning & Development	489-11-110-594	1963	1972	5,346	4,747	599	704	846	457	-	-	6,050	
Agriculture Planning & Research	* 489-11-110-685	1973	1976				704			823	1,600	2,423	
EDUCATION & MANPOWER TRAINING													
Education Policy & Planning	489-11-680-650	1962	1971	975	731	244		244				975	
Public Administration	489-11-790-652	1962	1971	713	544	169		97	72			713	
Economic Planning	489-11-720-587	1963	1971	1,549	1,171	378		240	138			1,549	
Public Safety (TC & SA)	489-11-710-644	1966	1971	6,897	6,661	236		236				6,897	
Development of Legal Institutions	489-15-690-669	1969	1971	352	205	147		111	36			352	
Advanced Management Training	489-15-280-673	1971	1975	182	32	150	236	108	278	282	435	1,135	
Korea Development Institute	489-15-755-674	1971	1975	416	5	411	368	248	531	344	314	1,442	
Youth Rehabilitation and Retraining Center	489-11-690-695	1972	1972				250	75	175	-	-	250	
Education Development	489-11-690-684	1972	1976				229	103	126	180	440	849	
INDUSTRIAL & URBAN DEVELOPMENT													
Industrial Development	489-15-230-606	1961	1971	2,023	1,765	258		258				2,023	
Water Resources Planning	489-11-250-609	1965	1971	1,670	1,591	79		79				1,670	
Private Enterprise Development	* 489-15-930-677	1971	1976	115	70	45	215	230	30	254	700	1,284	
Science and Technology	* 489-11-230-683	1973	1977							201	1,100	1,301	
PROGRAM DEVELOPMENT AND SUPPORT													
	489-15-999-000	1956	Cont	29,264	29,189	75	1,023	1,019	79	716		Continuing	
TECHNICAL ASSISTANCE SUB-TOTAL							3,025	3,894	1,922	2,800			
POPULATION													
Family Planning	* 489-11-580-649	1962	Cont	4,944	2,856	2,088	800	1,104	1,784	800		Continuing	
*Detailed project narrative--See Table VI.							Total (including population)						
							3,825	4,998	3,706	3,600			

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
A.I.D. employed	49	41	37
Participating agency	1	-	1
Contractor technicians	16	13	12
Total	66	54	50

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	81	140	140
Contract	--	--	--
Total	81	140	140

Country: KOREA

PROJECT SHEET

TABLE VI

PROJECT TITLE Agriculture Planning & Research	SECTOR Agricultural and Rural Development	FUNDS TA
PROJECT NUMBER 489-11-110-685	PRIOR REFERENCE	INITIAL OBLIGATION FY: 1973
		SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: This project is designed to improve the Korean Government's effectiveness in agriculture sector planning and research. Specifically, it seeks (1) to upgrade the planning, policy formulation and decision-making capabilities of the Ministry of Agriculture and Forestry and related institutions and (2) to establish a coordinated national research program. The recently completed sector study carried out by Michigan State University stressed the importance of improved planning and of coordinated research if substantial increases in food production -- particularly rice and wheat -- are to be achieved. The agriculture sector has been relatively neglected in Korea's recent spectacular industrial expansion. However, the targets for the Third Five Year Plan beginning this year call for a sharp increase in agriculture investment. In order to maximize the return from such investments, Ministry economists and planners must be able to analyze and make recommendations on questions of price policy, agricultural credit, tariffs, farm machinery, agricultural processing industries, marketing and storage systems. U.S. advisors will work with the Ministry counterparts in these areas and Koreans will be trained in the U.S. in agricultural economics.

While there is now considerable amount of research activity being carried out at different institutions, there is no unified plan to establish priorities for such efforts. A coordinated national framework is essential.

however, if new rice and wheat seed varieties are to be adapted to soil and climatic conditions peculiar to Korea. U.S. advisors under this project will help the Korean Government establish such a plan and will assist in upgrading the quality and usefulness of work undertaken. Korean researchers will be trained in the U.S. and at the International Rice Research Institute in the Philippines and the International Maize and Wheat Improvement Center in Mexico.

FY 1973 Program: U.S. direct-hire and contract advisors will work with the MAF and related institutions in agricultural planning and research. Korean staff will be sent to the U.S., the Philippines and Mexico for training in agricultural economics and agricultural research.

U.S. Technicians: 3 direct-hire (chief Agr. Officer, 2 Ag Economists), 9 long term contract advisors (3 agricultural economists/planners, 1 research administrator, 3 agronomists, 1 plant breeder, & 1 soil fertility advisor) and 4 short term consultants (16 man-months) in rice and wheat agronomy.

Participants: 9 participants for 12 months study in the U.S. in agriculture economics (4), fertilizer production and marketing (2), seed technology (2), pesticides (1); 7 participants for 4 months each in rice/wheat agronomy, in the U.S., the Philippines and Mexico.

U.S. DOLLAR COST (In Thousands)				PRINCIPAL CONTRACTORS/							
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1972			Proposed FY 1973			
					Direct AID	Contract/	Total	Direct AID	Contract/	Total	
Through 6/30/71											New England Colleges of Agriculture Michigan State University
Estimated FY 72											
Estimated through 6/30/72				U.S. Technicians				135	563	698	
				Participants				119	-	119	
				Commodities				-	-	-	
				Other Costs				6	-	6	
Proposed FY 73	823	1,600	2,423	Total Obligations				260	563	823	

PROJECT TITLE Private Enterprise Development	SECTOR Industrial and Urban Development	FUNDS TA
PROJECT NUMBER 489-15-930-677	PRIOR REFERENCE Page 51, FY 1972 PDB	INITIAL OBLIGATION FY: 1971
		SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: This project has been expanded and extended one year to assist the ROK meet the sharply increased domestic savings goal of the Third Five Year Development Plan (1972-76). It is now planned to assist the National Planning Board, Ministries of Finance and Commerce and Industry, and private sector organizations such as the Federation of Korean Industry and Korean Chamber of Commerce in the following areas: (1) reform of stock market organization and operating procedures, (2) establishment of new financial institutions dealing in commercial paper and short term securities, identification of legal impediments to investment, revision of corporate accounting and financial planning practices.

Progress to Date: Draft legislation on reform of the commercial paper market has been approved by the Ministry of Finance and is now being considered by the National Assembly. Short-term consultants working with the Ministry of Finance have recommended changes in the Foreign Capital Inducement Law.

FY 1973 Program: Two direct-hire advisors and up to ten short-term consultants will advise participating Ministries and private sector organizations on:

- (a) Stock exchange law and operation
- (b) Business and corporate tax law

- (c) Equity market development
- (d) Corporate accounting and financial planning practices.

U.S. Technicians: Two direct-hire specialists.

Contract - up to 40 man-months of short-term services in fields noted above.

Participants: 11 participants for short-term U.S. training in foreign investment promotion, corporate tax law, and equity market development.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	OBLIGATIONS							
				Estimated FY 1972		Proposed FY 1973					
				Direct AID	Contract/Other	Total		Direct AID	Contract/Other	Total	
Through 6/30/71	115	70	45							Contractors to be determined	
Estimated FY 72	215	230		Cost Components							
Estimated through 6/30/72	330	300	30	U.S. Technicians	144	51	195	82	140		222
		Future Year Obligations	Estimated Total Cost	Participants	20	-	20	32	-		32
				Commodities	-	-	-	-	-		-
				Other Costs	-	-	-	-	-		-
Proposed FY 73	254	700	1,284	Total Obligations	164	51	215	114	140	254	

Country: KOREA

PROJECT SHEET

TABLE VI

PROJECT TITLE Science & Technology	SECTOR Industrial and Urban Development	FUNDS TA
PROJECT NUMBER 489-11-230-683	PRIOR REFERENCE Page 54, FY 1972 PDB	INITIAL OBLIGATION FY: 1973
		SCHEDULED FINAL OBLIGATION FY: 1977

Project Target and Course of Action: This project seeks to maintain and, if possible, improve Korea's competitive position in world trade through better, more widespread utilization of modern science and technology. This is particularly true of industrial manufactured exports which have been assigned high priority in the ROK's Third Five Year Development Plan.

The Republic of Korea is not richly endowed with natural resources, such as minerals, timber, or water power. As a result, industrial expansion in the 60's depended heavily on relatively cheap labor combined with imported technology. With labor costs rising, the use of advanced technology and scientific innovation will help the country to keep production costs low, maintain high standards of quality control, and respond to new demands for products in the international and domestic marketplaces.

It is anticipated that science exchange between Korea and the United States may well be the most effective device for supporting Korea's long-range technological advance. The Korean Government will face a continuing requirement for technical personnel to assist in government planning for the development of science and technology. This project will provide such assistance.

FY 1973 Program: During FY 73 a direct-hire science advisor will work with the Ministry of Science and Tech-

nology (MOST) and with ROKG institutions on matters pertaining to science policy development and planning and the implementation of discrete science projects. Specialists will be provided to survey and advise on the potential role of science information management, to evaluate the MOST program for science promotion, and to assist the Korea Institute of Science and Technology in research projects in such areas as alloys, agricultural chemicals and atomic energy. ROKG officials will receive training in the U.S. in science policy, planning, and research and information management.

U.S. Technicians: One full-time direct-hire and 6 short-term PASA (AEC) (\$55,000) advisors to assist the Koreans in applying modern science to industry; contracts with the United States National Academy of Science for 5 short-term consultants (\$31,000) to advise the Korean Government on the development of science and technology research.

Participants: 14 participants (5 for 1 year and 9 for 3 months) in science programs.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL COMMODITIES AGENCIES			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1972			Proposed FY 1973		
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Through 6/30/71										
Estimated FY 72										
Estimated through 6/30/72										
		Future Year Obligations	Estimated Total Cost							
Proposed FY 73	201	1,100	1,301	Total Obligations				115	86	201

PASA: AEC
National Academy of
Science

Country: KOREA

PROJECT SHEET

TABLE VI

PROJECT TITLE Family Planning	SECTOR Health and Population	FUNDS Population
PROJECT NUMBER 489-11-580-649	PRIOR REFERENCE Page 26, FY 1972 FDB	INITIAL OBLIGATION FY: 1962
		SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: The objective of this project is to assist Korea in improving national health and family planning through the support of the National Family Planning Program initiated in 1962. This program is aimed at reducing the population growth from the rate of 3 percent in 1962 to 1.5 percent in 1976. To achieve this goal a national network of Family Planning-Maternal and Child Health Service centers has been established, public information programs are underway, and a national family planning center has been set up in Seoul. U.S. assistance consists of advisory services (including research), training and commodities.

Progress to Date: Korea's population growth rate has dropped to approximately 2 percent per year. Assisted by U.S. technical advice at the policy and planning level the Ministry of Health and Social Affairs (MHSA) has established a permanent family planning unit and a network of family planning field workers and doctors working through 190 health centers and 1,350 subcenters. Estimates indicate that more than 25% of married couples practice contraception.

As part of a public information and education program, A.I.D. contract advisors from the American Public Health Association have helped to develop and field-test prototype educational materials on family planning which

will be incorporated into the public school curricula. Plans and necessary designs have been completed by contract technicians from the International Population Institute for the installation of a more efficient national registration system. The Korean Institute for Family Planning is now functioning as a national center for family planning research and training. Research is being carried out under a contract with the East-West Center of the University of Hawaii to identify behavioral constraints to family limitation, and improve the administration of the Korean family planning program.

The U.S. has provided medical equipment, training aids, and vehicles to expand family planning services in both urban and rural areas. A.I.D. furnished advisors on vital statistics who assisted the Korean Government in the conduct of the 1970 population census, the most comprehensive in Korea's history. Other A.I.D. grants to the Population Council, International Planned Parenthood Federation, and the United Nations Fund for Population Activities are also in part being used to support the Korean program.

FY 1973 Program: In FY 1973, assistance will be continued for the Korean Government's reform of the civil and vital registration system. A.I.D. technical advisors will also participate with the ROKG and other donor agencies in intensifying information, education

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1972			Proposed FY 1973		
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Through 6/30/71	4,944	2,856	2,088		201	218	419	193	200	393
Estimated FY 72	800	1,104		U.S. Technicians	78	-	78	116	-	116
Estimated through 6/30/72	5,744	3,960	1,784	Participants	291	-	291	279	-	279
		Future Year Obligations	Estimated Total Cost	Commodities	12	-	12	12	-	12
Proposed FY 73	800	Continuing		Other Costs	582	218	800	600	200	800
				Total Obligations						

American Public Health Association;
International Population Institute;
East-West Center, University of Hawaii;
U.S. Department of Health, Education and Welfare;
New contractor not yet determined

Country: KOREA

PROJECT SHEET (Continued)

TABLE VIa

Sector:

PROJECT TITLE	PROJECT NUMBER
Family Planning	489-11-580-649

and communications activities which will increase the awareness of the population on the subject of population control and family planning. Finally, A.I.D. technicians will provide policy advice to the ROKG to support the continuing expansion of the family planning services network, especially in urban areas where the majority of the people are now concentrated.

U.S. Technicians: Six full-time direct-hire advisors (Chief Family Planning Advisor, Public Health Advisor, Population/Supply Management Advisor, and three Urban Population Advisors) will work in the fields outlined above. Also, a PASA Advisor (\$35,000) from the Department of Health, Education and Welfare will assist the ROKG in family planning education and training.

Contract: 48-man-months of short-term advisory services (\$165,000) in family planning and medical education, population information, and research design, methodology and evaluation.

Participants: 63 short-term participants (\$116,000) in vital statistics and registration, family planning program coordination, management of family planning services network and other population studies for training in the U.S. and Taiwan.

Commodities: Health kits, data processing equipment, and vehicles and spare parts.

Other Costs: To finance travel of senior government officials responsible for Korean family planning programs to observe operations of U.S. family planning activities.

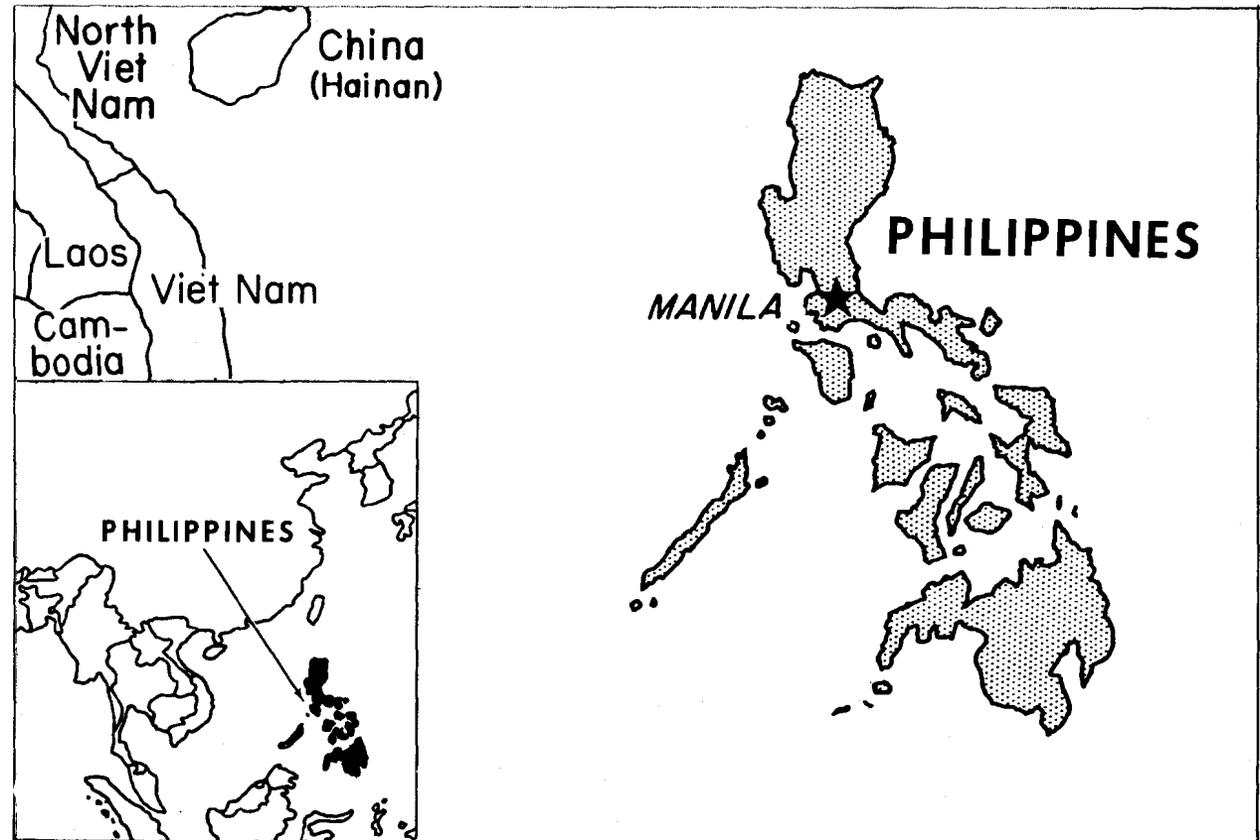
KOREA
(U.S. Fiscal Years - Millions of Dollars)

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-OBLIGATIONS AND LOAN AUTHORIZATIONS			REPAYMENTS AND INTEREST	TOTAL LESS REPAYMENTS AND INTEREST		
	1970	1971	TOTAL 1946-1971	1946-1971			
A. OFFICIAL DEVELOPMENT ASSISTANCE							
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	35.0	60.6	2,951.2	19.0	2,932.2		
Loans.....	20.0	55.0	397.2	19.0	378.2		
Grants.....	15.0	5.6	2,554.0	-	2,554.0		
(Supporting Assistance).....	(10.0)	(-)	(2,333.7)	-	-		
FOOD FOR PEACE - TOTAL	103.7	109.6	1,317.6	14.5	1,303.1		
Title I - Total.....	76.0	90.1	840.2	14.5	825.7		
REPAYABLE IN U.S. DOLLARS - LOANS.....	40.5	70.1	207.7	11.9	195.8		
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	35.5	20.0	632.5	2.6	629.9		
Loans.....	3.2	-	15.3	2.6	12.7		
Grants.....	32.2	20.0	617.2	-	617.2		
Title II - Total.....	27.7	19.5	477.4	-	477.4		
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	26.1	17.3	300.2	-	300.2		
VOLUNTARY RELIEF AGENCIES.....	1.6	2.2	177.2	-	177.2		
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	1.6	1.9	868.0	6.5	861.5		
PEACE CORPS.....	1.6	1.9	8.5	-	8.5		
OTHER.....	-	-	859.5	6.5	853.0		
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	140.3	172.1	5,136.8	40.0	5,096.8		
Loans.....	63.7	125.1	645.1	40.0	605.1		
Grants.....	76.6	47.0	4,491.7	-	4,491.7		
B. OTHER OFFICIAL							
EXPORT-IMPORT BANK LONG-TERM LOANS	85.0	104.7	212.3	8.9	203.4		
TOTAL ECONOMIC	225.3	276.8	5,349.1	48.9	5,300.2		
Loans.....	148.7	229.8	857.4	48.9	808.5		
Grants.....	76.6	47.0	4,491.7	-	4,491.7		
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	133.8	389.7	3,411.1	*	3,411.1		
Credit Sales (FMS).....	-	15.0	15.0	*	15.0		
Grants.....	133.8	374.7	3,396.1	-	3,396.1		
(Additional Grants from Excess Stocks).....	(11.1)	(16.4)	(184.2)	(-)	(184.2)		
OTHER MILITARY ASSISTANCE GRANTS	237.7	208.2	1,599.7	-	1,599.7		
TOTAL MILITARY	371.5	597.9	5,010.8	*	5,010.8		
TOTAL ECONOMIC AND MILITARY	596.8	874.7	10,359.9	48.9	10,311.0		
Loans.....	148.7	244.8	872.4	48.9	823.5		
Grants.....	448.1	629.9	9,487.5	-	9,487.5		
OTHER ECONOMIC PROGRAMS							
ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS			D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES				
	FY 1970	FY 1971	FY 1946-71	DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	78.2	150.3	376.5	TOTAL	171.2	155.0	645.9
IERD - World Bank	40.0	84.5	194.5	Japan	161.1	1134.4	540.4
Int'l Finance Corp.	5.0	0.7	8.1	Germany	5.0	15.3	69.5
Int'l Dev. Association	15.0	7.0	64.9	Italy	3.0	0.6	14.1
Asian Dev. Bank	17.5	53.8	82.6	Other	2.1	4.7	21.9
UNDP - Special Fund	-	3.5	18.3				
UNDP & TA (CY)	0.1	0.2	2.6				
Other UN (CY)	0.6	0.6	5.5				
				ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)			
				1970 (Calendar Year).....	-		
				1971 (Calendar Year).....	-		
				Cumulative thru 1971.....	-		

* Less than \$50,000.

^a Includes \$86.4 million in transfers under Sec. 3 of PL 914652

Philippines



BASIC DATA

Population (<i>millions - mid-1971</i>)	40
Annual Growth Rate (<i>percent</i>)	3.4
Population in Urban Areas	34
(<i>Percent - 1970</i>)	
Labor Force in Agriculture	57
(<i>Percent</i>)	

Per Capita GNP (<i>dollars</i>)	274*
Life Expectancy (<i>years</i>)	55
People Per Doctor	1,390
Literacy Rate (<i>percent</i>)	72
Students as % of 5-19 Age Group	64
(<i>Primary and Secondary</i>)	

* - 1971 in 1970 prices and exchange rates.

PHILIPPINES

PROGRAM SUMMARY (in thousands of dollars)							
FISCAL YEAR	Total	Agricultural & Rural Development	Population & Health	Education & Manpower Training	Industry, Transportation & Urban Dev.	Non-Project Loans	Program Development & Support
1971							
Devel. Loans	376	-	- 1/	-	376	-	-
Tech. Assist.	4,213	1,787	326	991	-	-	1,109
Population	5,000	-	5,000 2/	-	-	-	-
Other (C.F.)	1,500	1,500	-	-	-	-	-
Total	11,089	3,287	5,326	991	376	-	1,109
1972							
Devel. Loans	20,000	-	-	-	20,000	-	-
Tech. Assist.	4,000	2,014	200	843	-	-	943
Population	5,400	-	5,400	-	-	-	-
Other	-	-	-	-	-	-	-
Total	29,400	2,014	5,600	843	20,000	-	943
1973							
Devel. Loans	10,000	10,000	-	-	-	-	-
Tech. Assist.	5,030	3,153	210	652	-	-	1,015
Population	5,535	-	5,535	-	-	-	-
Other	-	-	-	-	-	-	-
Total	20,565	13,153	5,745	652	-	-	1,015

1/ Excludes population grant programs.

2/ Funded from development loan funds.

The Philippines has experienced a pattern of development which is characterized by cycles of fairly rapid economic growth followed by external payments crisis requiring painful retrenchment. The most recent crisis in late 1969 and early 1970 led to an IMF Standby Agreement that called for a thorough stabilization program. It included complementary internal and external measures to improve the balance of payments and create a stable basis for future economic development. While the government's performance in meeting the technical requirements of the agreement has been excellent, the program has not yet succeeded in controlling domestic price inflation, increasing currently at the rate of almost 20% annually. GNP growth rate dropped from 7.1% in 1969 to 5% in 1970.

The Philippines has been burdened by a very high population growth rate of 3.4% and a pattern of internal migration

that has caused urban areas to mushroom beyond the capability of the government or the private sector to provide jobs, services and housing. In its order of priorities the Philippine Government has addressed itself to checking the population growth rate, ameliorating social and economic conditions in the rural areas and providing increased services to all the people. Such areas as land reform, food production, population control, infrastructure development, rural electrification and development of cooperatives have been chosen as priority areas for government action.

The Philippines is receiving assistance from members of a Consultative Group, organized under leadership of the World Bank in 1971. Originally formed in response to the Philippine Government's last balance of payments crisis, the Group has reviewed Philippine economic performance and development plans and has projected an annual resource requirement of \$200 million to be provided through external concessional assistance over a four year span. For the first year the United States is providing some \$65 million toward this target (\$10 million in Technical Assistance, \$20 million in Development Loans, \$29 million in P.L. 480 Title I and \$16 million in P.L. 480 Title II). Other substantial contributions are Japan (\$65 million), the IBRD (\$32 million), and the Asian Development Bank (\$23.4 million).

FY 1973 A.I.D. PROGRAM

The A.I.D. program in the Philippines is concentrated in two sectors, 1) rural development and agriculture and 2) health and family planning. Since 1968 most of A.I.D.'s assistance to the Philippines has been for these two sectors.

For FY 1973 \$10,565,000 is proposed for Technical Assistance. Of this \$5,745,000 will support family planning and health activities, while \$3,153,000 will support activities in rural development and agriculture.

In addition, Development Loans amounting to \$10 million are being proposed for development of rural industry, mainly

PHILIPPINES

processing of agricultural products, and for support of joint Philippine-U.S. rural development efforts through provision of U.S. equipment and commodities.

A \$20 million level of P.L. 480 Title I assistance is also planned for FY 1973.

Rural Development and Agriculture

The A.I.D. program in the Philippines includes a number of activities in support of Philippine agricultural development. Our aid for agriculture and that of other donors will, we hope, become more highly concentrated as a result of a broad agriculture sector survey now being conducted by the World Bank to assist the Filipinos in planning an integrated policy of agricultural development.

Our assistance in agriculture is concentrated in three main areas:

1. Agricultural Development

The Philippines needs to increase and diversify its agricultural production to increase its export earnings (from such commodities as mangoes, bananas and orchids), to reduce the foreign exchange drain caused by significant grain imports, and to improve nutrition. A joint U.S.-Philippine agricultural services project is supporting the Philippine Government's four-year agricultural plan, particularly in the area of feedgrains, livestock, tropical fruits and fisheries. Working within this framework of national agricultural priorities, U.S. assistance has focused on the increased production of sorghum (a new crop in the Philippines), yellow corn, and swine. Related projects seek to improve availability and quality of rural water supplies for irrigation and industrial use and to develop the considerable potential for Philippine fisheries. To reinforce these priority production efforts, the United States is also providing assistance to improve agricultural

research, production and crop reporting systems; farm credit; and marketing. \$1,318,000 of Technical Assistance funds are requested for these activities.

2. Rural Electrification

The rural electrification project is part of the over-all Philippine power development program. The project will provide assistance to the Philippines to establish up to 36 geographically dispersed rural electric cooperative systems. The construction will be financed by loans and grants from the United States, Japan, and Philippine national budget resources. \$20 million in Development Loans have been authorized in FY 1972 to assist the Philippines in construction of the systems. We will also provide \$915,000 in Technical Assistance for the development of these cooperative organizations.

The overall Philippine power development program will also be assisted by the World Bank and the Asian Development Bank (ADB). The World Bank is presently processing a \$32 million loan to extend the transmission grid on the Island of Luzon and the ADB has approved a \$23.4 million loan for the extension of the Mindanao grid.

3. Provincial Development

This project for which \$920,000 is proposed for FY 1973, operates through providing commodity assistance and technical advice to upgrade development efforts of three separate groups of government agencies: provincial and city governments which have displayed the ability to implement economic and social development programs; the University of the Philippines including training, research and consultation

PHILIPPINES

services provided by the University's Local Government Center; and the National Government represented by Provincial Development Assistance Project staffs, which are composed of representatives of major government branches operating out of the National Economic Council.

Family Planning and Health

The Philippines has one of the highest population growth rates in the world (3.4% a year). A reduction of this rate is a prime objective of the U.S.-supported program. There has been widespread acceptance of family planning practices in the Philippines since the program began in 1967, with some 800,000 women of prime child-bearing age now estimated to be practicing some form of family planning. Over 1100 clinics have been established and 10,000 doctors, nurses, and midwives trained in the Philippines and in the United States. A.I.D. assistance has been channeled into virtually all aspects--development of information and educational materials, research, provision of contraceptives equipment and supplies to private and government clinics, collection and analysis of demographic statistics, and provision of technical advice to the Philippine Government's Population Commission, which oversees the wide range of family planning activities in the Philippines.

The proposed FY 1973 program, amounting to \$5,745,000 for U.S. technicians, contraceptives, clinical equipment and supplies, training and a share of local operating costs, will permit expansion to 400 additional clinics with the objective of including some 650,000 more women in the program. Greater emphasis will be placed on linking family planning with nutrition and maternal/child health programs. The Philippine Government is increasingly financing the local costs of the program, with approximately 30% financed in FY 1972, and is expected to pay 100% of the local costs by 1976.

Public Safety

The problem of law and order is a major social and political issue in the Philippines. The crime rate, long recognized as a serious problem, remains high generally and shows evidence of increasing further in urban centers. President Marcos has undertaken a major program to improve law enforcement. In support of this program in FY 1973, \$530,000 in Technical Assistance funds will help to establish badly needed training facilities, to improve national and local police communications, to modernize identification and records systems, and to establish several model local police departments.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: PHILIPPINES

(In Thousands of Dollars and Equivalent)

TABLE IV

Loan No.	TITLE	Date		Grace Period (years)	Life of Loan (years)	Interest Rate (%)		Amount Authorized	Amount Disbursed	Currency of Re-payment	Principal Repayments	Interest Collected
		Auth- orized	Loan Agree- ment			Grace Period	Amorti- zation					
492-H-023	Feasibility (& Related) Studies	6-21-67	9-14-67	5	25	3½	3½	2,000	568	U.S.\$		24
492-H-025	Rural Electric Cooperative (VRESCO) (Two Step)	6-27-68	8-31-68	5 5	25 25	3½ 5	3½ 5	2,130	1,805	U.S.\$		46
492-H-026	Rural Electric Cooperative (MORESCO) (Two Step)	6-27-68	8-31-68	5 5	25 25	3½ 5	3½ 5	1,330	1,108	U.S.\$		23
492-H-027	Engineering Consultative Services- Rural Electrification	10-13-71	11-15-71	10	40	2	3	600		U.S.\$		-
	TOTAL	xxxxxx	xxxxxx	xxx	xxx	xxxxxx	xxxx	6,060	3,481	xxxx		93

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

TABLE V

COUNTRY: PHILIPPINES

Project Title	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1971			Estimated FY 1972			Proposed Program FY 1973	Future Year Obligation	Estimated Total Cost	
				Obligations	Expenditures	Unliquidated Obligations 6/30/71	Obligations	Expenditures	Unliquidated Obligations 6/30/72				
AGRICULTURE AND RURAL DEVELOPMENT													
Equipment Pool Improvement	492-11-995-166	1967	1971	1,045	811	234	<u>2014</u>	-	234	-	<u>3153</u>	-	1,045
Water Resources Development	492-11-120-233	1968	1973	343	321	22	134	136	20	125	-	-	602
Agricultural Services	492-11-120-126	1966	1973	3,215	2,507	708	700	1,155	253	875	-	-	4,790
Provincial Development	492-11-995-236	1968	1973	2,750	1,043	1,707	625	1,625	707	920	-	-	4,295
Inland Fisheries	492-11-180-234	1971	1973	180	2	178	150	206	122	155	-	-	485
Rural Electrification	* 492-11-220-248	1972	1976	-	-	-	405	274	131	915	1,195	-	2,515
Rural Industry	* 492-11-190-251	1973	1977	-	-	-	-	-	-	163	480	-	643
HEALTH													
Malaria Eradication	492-11-511-013	1952	1973	8,602	8,590	12	<u>200</u>	185	27	<u>210</u>	-	-	9,012
EDUCATION AND MANPOWER													
Internal Security	492-11-710-231	1968	1973	2,279	1,755	524	<u>843</u>	835	439	<u>652</u>	-	-	3,559
General Participant Training	492-11-995-237	1968	Cont	186	149	37	750	47	50	60	Continuing	-	-
General Tech. Advisory Services	492-11-995-247	1972	1974	-	-	-	60	29	4	62	100	-	195
PROGRAM DEVELOPMENT AND SUPPORT													
	492-11-999-000	1954	Cont.	8,824	8,757	67	<u>943</u>	938	72	<u>1,015</u>	-	-	Continuing
TECHNICAL ASSISTANCE SUB-TOTAL							<u>4,000</u>	<u>5,664</u>	<u>1,825</u>	<u>5,030</u>			
POPULATION													
Family Planning	* 492-11-570-220	1967	Cont.	11,986	5,831	6,155	<u>5,400</u>	5,694	5,861	<u>5,535</u>	-	-	Continuing
Total (including population)							9,400	11,358	7,686	10,565			

*Detailed project narrative--See Table VI.

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
A.I.D. employed	50	50	49
Participating agency	8	5	5
Contractor technicians	6	13	20
Total	64	68	74

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	99	83	68
Contract	-	5	16
Total	99	88	84

PROJECT TITLE Rural Electrification	SECTOR Agriculture and Rural Development	FUNDS TA
PROJECT NUMBER 492-11-220-248	PRIOR REFERENCE Page 16, FY 1972 PDB	INITIAL OBLIGATION FY: 1972
		SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: The purpose of the project is to assist the Philippines to establish up to 36 administratively and technical viable rural electric cooperative systems throughout the Philippines. These systems would provide reliable service in areas inhabited by about 5 million people, at a total cost of about \$95.3 million. Necessary to achieving this goal will be the development of adequate administrative expertise and funding sources in the National Electrification Administration in order that NEA may act as a financing institution for creation of a rural electrification system and to provide technical and management advice to the cooperatives being established. The project has been broadened from the concept of only providing the technical assistance for the development of the cooperative distribution systems to also include providing the technical assistance necessary to establishing the National Electrification Administration as an adequate administrative unit to continue the electrification program once the initial phase has been completed. Foreign exchange costs of the initial phase are being financed by a Development Loan for \$20 million in FY 1972.

Progress to Date: In 1964 the USAID responded to a Philippines request for assistance in the electric power development sector, which resulted in a nationwide survey and the publication of a two-volume report of the Electric Power Industry in the Philippines. Two pilot

projects, patterned after the U.S. rural electric cooperative experience, were initiated with the USAID providing needed dollar loans and the Philippines providing the loans for required pesos. These two pilot cooperatives are in their early operational phases. The Philippines has decided to mount a national rural electrification program patterned after these two cooperatives.

The Philippine electrification program, totaling over \$600 million the next five years, consists of three major components of power generation, transmission, and distribution. The National Power Corporation will develop with foreign currency loans from the IBRD and the ADB the generation and transmission components. The power distribution component which will be developed through cooperative organizations, is based on the encouraging experience of the two pilot electric cooperatives, and will be financed by a U.S. Development Loan of \$20 million, Japanese reparation payments of \$30 million, Philippine Budget appropriations and PL 480-generated counterpart pesos totaling \$34 million. In FY 1972 a project coordinator, a contract NRECA team leader, and three contract NRECA cooperative technicians have assisted the NEA in the initial stages of the project's implementation. They have begun to organize the cooperatives which will construct distribution systems, aided in the determination of consistent national standards for the systems, provided assistance in the organization and management of the cooperatives, and

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
Through 6/30/71	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1972			Proposed FY 1973			
Estimated FY 72	405	274		U.S. Technicians	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	National Rural Electric Cooperative Association Personal Services-Rural Electrification Administration
Estimated through 6/30/72	405	274	131	Participants	-	11	11	-	80	80	
		Future Year Obligations	Estimated Total Cost	Commodities	-	-	-	-	-	-	
				Other Costs	-	-	-	-	-	-	
Proposed FY 73	915	1,195	2,515	Total Obligations	35	370	405	35	880	915	

Country: PHILIPPINES

PROJECT SHEET (Continued)

Sector: Agriculture and Rural Development

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
Rural Electrification	492-11-220-248

assisted in procurement of commodities and equipment.

FY 1973 Program: The contract technicians will continue to assist and advise the National Electrification Administration with the establishment of rural electric cooperatives and the organization and management advisors will assist the National Electrification Administration upgrade its administrative capability.

U.S. Technicians: One direct hire project manager, one contract team leader to supervise seven contract cooperative specialist technicians; and two contract organization and management advisors. Approximately 14 man-months of short-term consultants acquired either under a personal services contract or PASA arrangement with the Rural Electrification Administration (REA). These would be experts in such areas as rate analysis, power use and utilization and safety standards.

Participants: Sixteen participants from the NEA staff will also be trained in the U.S. in technical and administrative areas to fill operating positions in NEA and the cooperatives.

Country: PHILIPPINES

PROJECT SHEET

TABLE VI

PROJECT TITLE Family Planning	SECTOR Population and Health	FUNDS POPULATION
PROJECT NUMBER 492-11-570-220	PRIOR REFERENCE Page 28, FY 1972 PDB	INITIAL OBLIGATION FY: 1967
		SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: The purpose of this project is to support Philippines efforts to reduce the population growth rate while improving maternal and child health. Specifically the project helps 1) finance up to 1,670 private and public clinics with a goal of 600,000 new acceptors per year; 2) develop Philippine family planning information education systems, training programs, demographic studies, and research projects; and 3) finances the purchase of contraceptives for distribution through various private and government channels. The project targets its efforts in support of the goal outlined in the Four Year Development Plan for the Philippines 1972-1975 of reducing the birth rate from the present 3.1% per annum to 2.7% or even lower by 1975.

Progress to Date: In FY 1971 total U.S. assistance to the family planning effort had reached an annual level of 5 million dollars and the program had expanded to over 850 clinics. Awareness of the problem presented by an annual population growth rate over 3% has increased in the Philippines, coupled with determination to do something about it. First to respond were numerous private organizations with organization of family planning sections in established clinics and hospitals, and with limited educational campaigns. These groups also created pressure which forced the government to establish policy and become operationally involved in the family planning effort. As a result of this intense pressure a national Population Commission was created and policies towards contraceptive

importation were liberalized. By the end of FY 1972 more than 1,100 clinics will have been established in some rural areas and 70% of Philippine municipalities. About 10,000 doctors, nurses, midwives and lay personnel have attended various training courses in family planning. In November 1971 a private foundation was established for coordinating private efforts in family planning with a permanent center in Manila. This was accomplished with Philippine, A.I.D. and Rockefeller Foundation support.

FY 1973 Program: It is expected that about 600,000 acceptors, constituting 11% of the fertile population, will be added in 1973. Clinic coverage will be expanded to more than 1,500. Intensive efforts will be made to increase continuation rates through more home follow-up visits.

Commodity funds will be used to cover the costs of contraceptive supplies and of equipment for the new clinics to be established. Previously contraceptives had been provided under central A.I.D. funding; this year, however, they will be financed under the project which accounts for the large increase in commodity costs. Contract services will cover management and fiscal auditing of the various sub-project activities and research support. Local costs of the approximately 25 agencies involved are being funded by Philippine Government on a gradually increasing basis. In FY 1972 the Philippine Government picked up about 25% of

U.S. DOLLAR COST (In Thousands)				OBLIGATIONS			PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	Estimated FY 1972		Proposed FY 1973				
					Direct AID	Contract/Other Agency	Total	Direct AID		Contract/Other Agency	Total
Through 6/30/71	11,986	5,831	6,155							University of Chicago/ University of the Philippines	
Estimated FY 72	5,400	5,694		U.S. Technicians	212	280	492	240	320		560
Estimated through 6/30/72	17,386	11,525	5,861	Participants . . .	130	-	130	25	-	25	University of North Carolina/Xavier University
		Future Year Obligations	Estimated Total Cost	Commodities . . .	1,646	-	1,646	3,260	-	3,260	
Proposed FY 73	5,535	Con't.	Con't.	Other Costs . . .	2,858	274	3,132	1,430	260	1,690	Population Council
				Total Obligations	4,846	554	5,400	4,955	580	5,535	

Country: PHILIPPINES

PROJECT SHEET (Continued)

Sector: Population and Health

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
Family Planning	492-11-570-220

the local costs rising to 50% in FY 1973.

U.S. Technicians: Six direct hire technicians--two program administrative specialists and four advisors--are funded under the project. The advisors are assisting the Philippines with upgrading clinical support programs, development of research programs and in the areas of education and information. Four contract technicians will be utilized in demographic research and development of training programs. The contracts, which also provide for some 40 man-months of short-term advisory services, are with Virginia Polytechnic Institute for \$75 thousand; University of North Carolina/Xavier University \$115 thousand, University of Chicago/University of the Philippines \$90 thousand; and Population Council \$40 thousand.

Participants: Six short-term participants will be trained in the U.S. and Taiwan in such areas as evaluating clinic operations, family planning program administration, and demographic research and analysis.

Commodities: \$3.26 million will be used for contraceptives, medical equipment and supplies, clinical equipment, mobile clinics and limited other vehicle support.

Local Costs: \$1.43 million will be used to fund the local costs of clinics and general support of the program. \$260,000 of contract local costs cover expenses of demographic research being carried out at Xavier University in association with the University of North Carolina's Population Laboratory activities and at the University of the Philippines.

PHILIPPINES

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-OBLIGATIONS AND LOAN AUTHORIZATIONS			REPAYMENTS AND INTEREST	TOTAL LESS REPAYMENTS AND INTEREST		
	1970	1971	TOTAL 1946-1971	1946-1971			
A. OFFICIAL DEVELOPMENT ASSISTANCE							
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	<u>9.0</u>	<u>11.1</u>	<u>320.7</u>	<u>34.8</u>	<u>285.9</u>		
Loans.....	-	0.4	58.9	34.8	24.1		
Grants.....	9.0	10.7	261.8	-	261.8		
(Supporting Assistance).....	(-)	(-)	(145.7)	-	-		
FOOD FOR PEACE - TOTAL	<u>13.5</u>	<u>27.4</u>	<u>191.1</u>	<u>14.8</u>	<u>176.3</u>		
Title I - Total.....	<u>10.2</u>	<u>20.3</u>	<u>82.5</u>	<u>14.8</u>	<u>67.7</u>		
REPAYABLE IN U.S. DOLLARS - LOANS.....	<u>10.2</u>	<u>20.3</u>	<u>50.0</u>	<u>7.7</u>	<u>42.3</u>		
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	32.5	7.1	25.4		
Loans.....	-	-	19.8	7.1	12.7		
Grants.....	-	-	12.8	-	12.8		
Title II - Total.....	<u>3.3</u>	<u>7.1</u>	<u>108.6</u>	-	<u>108.6</u>		
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	-	3.0	9.6	-	9.6		
VOLUNTARY RELIEF AGENCIES.....	3.3	4.1	99.0	-	99.0		
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	<u>2.5</u>	<u>2.0</u>	<u>879.9</u>	<u>117.3</u>	<u>762.6</u>		
PEACE CORPS.....	2.5	2.0	33.2	-	33.2		
OTHER.....	-	-	846.7	117.3	729.4		
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	<u>25.0</u>	<u>40.5</u>	<u>1,391.7</u>	<u>166.9</u>	<u>1,224.8</u>		
Loans.....	10.2	20.7	231.9	166.9	65.0		
Grants.....	14.8	19.8	1,159.9	-	1,159.8		
B. OTHER OFFICIAL							
EXPORT-IMPORT BANK LONG-TERM LOANS	<u>9.6</u>	<u>54.1</u>	<u>257.4</u>	<u>140.3</u>	<u>117.1</u>		
TOTAL ECONOMIC	<u>34.6</u>	<u>94.6</u>	<u>1,649.1</u>	<u>307.2</u>	<u>1,341.9</u>		
Loans.....	19.8	74.8	489.3	307.2	182.1		
Grants.....	14.8	19.8	1,159.9	-	1,159.9		
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	<u>15.9</u>	<u>17.0</u>	<u>449.9</u>	-	<u>449.9</u>		
Credit Sales (FMS).....	-	-	-	-	-		
Grants.....	15.9	17.0	449.9	-	449.9		
(Additional Grants from Excess Stocks).....	(1.1)	(0.4)	(23.6)	(-)	(23.6)		
OTHER MILITARY ASSISTANCE GRANTS	<u>9.0</u>	-	<u>181.8</u>	-	<u>181.8</u>		
TOTAL MILITARY	<u>24.9</u>	<u>17.0</u>	<u>631.7</u>	-	<u>631.7</u>		
TOTAL ECONOMIC AND MILITARY	<u>59.9</u>	<u>111.6</u>	<u>2,280.8</u>	<u>307.2</u>	<u>1,973.6</u>		
Loans.....	19.8	74.8	489.3	307.2	182.1		
Grants.....	39.7	36.8	1,791.6	-	1,791.6		
OTHER ECONOMIC PROGRAMS							
ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS			D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES				
	FY 1970	FY 1971	FY 1946-71	DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	<u>73.7</u>	<u>66.3</u>	<u>349.8</u>	TOTAL	<u>116.7</u>	<u>93.3</u>	<u>518.8</u>
IBRD - World Bank	59.0	22.3	239.0	Japan	106.5	83.5	452.9
Int'l Finance Corp.	7.4	8.0	31.7	Canada	7.1	6.3	36.6
Asian Dev. Bank	2.5	31.1	38.6	Germany	1.3	2.4	21.4
UNDP - Special Fund	3.9	3.5	21.6	Other	1.8	1.0	7.9
UNDP - TA(CB)	0.3	0.6	8.7				
Other UN (CY)	0.6	0.8	10.2				
				ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)			
				1970 (Calendar Year)..... -			
				1971 (Calendar Year)..... -			
				Cumulative thru 1971..... -			

*Less than \$50,000.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY
Unliquidated as of 12/31/71

COUNTRY: CEYLON

(In Thousands of Dollars and Equivalent)

TABLE IV

Loan No.		Date		Grace Period (years)	Life of Loan (years)	Interest Rate (%)		Amount Authorized	Amount Disbursed	Currency of Re-payment	Principal Repayments	Interest Collected
		Auth-orized	Loan Agree-ment			Grace Period	Amorti-zation					
383-H-014	Commodity Import Loan	5/22/69	8/8/69	10	40	2	3	4,999	3,906	U.S.\$		80
	Total.....	XXXXXXXX	XXXXXXXX	XXXX	XXXX	XXXXXX	XXXXXX	5,000	3,906	XXXXX		80

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY
Unliquidated as of 12/31/71

COUNTRY: IRAN

(In Thousands of Dollars and Equivalent)

TABLE IV

Loan No.		Date		Grace Period (years)	Life of Loan (years)	Interest Rate (%)		Amount Authorized	Amount Disbursed	Currency of Re-payment	Principal Repayments	Interest Collected
		Auth- orized	Loan Agree- ment			Grace Period	Amorti- zation					
265-H-025	Management Assistance for Electric Power	6/10/66	1/16/67	5	25	3-1/2	3-1/2	6,213	3,747	U.S.		245
	Total.....	XXXXXX	XXXXXX	XXX	XXX	XXXXX	XXXXX	6,213	3,747	XXXXX	XXXXX	245