AGENCY FOR INTERNATIONAL DEVELOPMENT

DEVELOPMENT AND HUMANITARIAN ASSISTANCE PROGRAMS

FY 1973 PRESENTATION TO THE CONGRESS

PROGRAM AND PROJECT DATA

LATIN AMERICA

LATIN AMERICA

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FY 1973 DEVELOPMENT ASSISTANCE PROGRAM COUNTRIES

LATIN AMERICA

PROGRAM SUMMARY
(In millions 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	232.5 1/	90.6	9.0 1/	37.0	85.9	10.0	-
Tech. Assist.	80.6 3/	17.0	.6	35.1	7.7	-	20.2
Population	15.2 2/	-	15.2 2/	-	-	-	-
Other	2.8 4/	-	1.8	-	.5	-	.5
Total	331.2 2/	107.6	26.6	72.1	94.1	10.0	20.7
1972							
Devel. Loans	232.9	53.5	2.4	33.0	132.0	12.0	-
Tech. Assist.	78.8	15.3	1.9	33.4	7.1	-	21.1
Population	12.1	-	12.1	-	-	-	-
Other	2.0 5/	-	-	-	2.0	-	-
Total	325.8	68.8	16.4	66.4	141.1	12.0	21.1
1973							
Devel. Loans	295.0	118.5	16.5	42.5	117.5	-	-
Tech. Assist.	80.0	16.5	2.1	33.3	7.0	-	21.1
Population	14.4	-	14.4	-	-	-	-
Other							
Total	389.4	135.0	33.0	75.8	124.5	-	21.1

/1 Excludes population grant programs.
/2 Funded from development loan funds.
/3 Includes $509,000 for Argentina (of which $50,000 in Agriculture. $84,000 in education, and $375,000 in program development) and $368,000 in non-Alliance Technical Assistance for a grant to Organization of American States.
/4 Supporting Assistance, of which $2,782,000 for Haiti and $45,000 for Guatemala.
/5 Contingency fund for Bolivia.

Substantial economic growth was recorded in Latin America during the last decade. Agricultural production continued to increase, although inadequately; industrial expansion and modernization moved forward; and education and health services were expanded significantly. This considerable growth has not, however, been adequate in itself nor sufficiently well distributed in most countries to extend the benefits of progress to the common man. Rapidly increasing population, unrelenting urban growth, and ever growing numbers of unemployed and underemployed people increasingly undermine the benefits they derive from the real progress which has been made. While the growth process has been established and the intellectual, physical, institutional and financial foundations of accelerated process have been laid, it is evident that the problem remains formidable in complexity and dimension.

The context within which development progress in the Americas is occurring is one of rapid, pervasive change. Virtually all of the traditional political, social, economic and demographic structures and relationships are in transition. Almost everywhere there is recognition that progress toward a more just and abundant economic and social order is the most urgent and important priority of national life. Also, there is consensus that the quality, pace and depth of such development depend upon the vigor, wisdom and adequacy of national efforts.

Although the Latin American countries have demonstrated increased self-confidence and self-reliance in managing the course of their development, they still want the United States to remain an active participant in hemispheric progress. The need for foreign exchange for development continues to outstrip the hemisphere's earning capacity. Expansion of U.S. and other world markets for Latin American exports and a sustained flow of capital, both private and public, are essential to promote growth. Moreover, despite the growth of managerial, technical and scientific capabilities, help is needed to solve the complex problems which persist. Solutions to the problems of population growth, urban migration, education and agriculture will continue to require U.S. knowledge, skills, and financial resources.

The FY 1973 assistance program reflects continued reliance upon the multilateral lending institutions for major capital resource transfers. In 1964 A.I.D. bilateral lending, at a level of $477 million, represented 56 percent of the total commitments by A.I.D., the World Bank and the Inter-American Development Bank (IDB). In 1971 A.I.D. bilateral lending accounted for a 15 percent share, and by 1973 the share will be about 10 percent. Even so, A.I.D. bilateral assistance programs will remain the basic means of transferring U.S. knowledge and skills to the hemisphere.

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The proposed FY 1973 activities embody two concepts that are essential to program design and implementation in the rapidly changing Latin America of the 1970's.

-- First, the proposed activities have been selected in close collaboration with our Latin American partners. The Latin Americans do not want solutions "made in the United States," nor do they believe that the cost of development efforts still required in the years ahead should be underwritten entirely by the United States. Instead, they want and need our collaboration and support as they undertake the major share of their own development and determine their own priorities and answers.

-- Second, the proposed program is designed to be carried out within a multilateral framework. Many of the activities proposed will be carried forward in conjunction with or in support of programs of international, regional, and subregional agencies. Considerable attention is given to coordination in program design and implementation. To this end A.I.D. participates in World Bank-led Consultative Groups on assistance to Peru and Colombia; takes part in country reviews conducted by the Inter-American Committee on the Alliance for Progress (CIAP); invites CIAP staff into its internal deliberations on proposed lending; and regularly shares information and analyses with other assistance agencies. Simultaneously A.I.D. is helping to strengthen this framework through, for example, provision of funds to CIAP for improving the system of preparation and follow-up of country assistance reviews.

A.I.D. stresses support of strong regional institutions. The proposed FY 1973 program continues to earmark a significant share -- 18 percent -- of grant funds for transfers to programs of the Organization of American States (OAS), and will provide both capital and technical assistance to subregional development agencies. Over $100 million has been provided to these agencies at concessional interest rates to help them initiate operations and establish themselves on a strong financial footing. A.I.D. believes that one of the most important objectives of this assistance is to ensure that they can count on further financing from other sources.

Progress and Problems

The impressive achievements of the last decade provide a base for accelerated progress during the next decade. During the 1960's the regional growth rate in Gross National Product (GNP) averaged 5.5 percent, varying from 3.2 to 7.6 percent per year. During the past four years it has ranged between 6.3 and 7.0 percent. Increases in food production have enabled about half of the countries to provide a better nutritional level for their people, although food production has not kept pace with population growth in other countries. Expanded education and health services have increased the ability of many rural and urban residents to participate in development activities.

There are, however, continuing disparities in rates of progress within any given country and among the countries of the region. In most, a large proportion of the population is still barely above the subsistence level. Moreover, continued high population growth rates have eroded much of the benefits of economic growth. Thus, while the GNP of the region rose over 80 percent between 1960 and 1971 per capita GNP grew by less than half that rate, by only 34 percent. Although the regional per capita GNP was about $530 in 1971, per capita income for an estimated 50 percent of the people actually was under $150 each. About one-quarter, or over 66 million people, had an annual income of less than $100. Although data are incomplete, it is clear that income distribution patterns remain inequitable.

Large segments of the Latin American population are unemployed and cannot meet their basic needs. In many countries productivity in agriculture is persistently low. Moreover, disparities in income levels as well as in health, education and community services encourage the rural exodus to the cities which in turn exacerbates urban unemployment and other problems.

Increased agricultural production and improved distribution of food products are required in order to provide higher levels

of nutrition and improved farmer incomes, increased revenues for investment and expanded foreign exchange earnings. Also, the common man must have broader access to education and specialized training in the skills needed for development before he can participate in, contribute to and share fully in his country's growth. Further extension of health services, particularly in rural areas, is essential. Finally, the greatest problem for the future is to find the means to create additional opportunities for productive employment in both rural and urban areas.

The FY 1973 Program

The proposed program of $389.4 million includes $80 million in Technical Assistance, $295 million in Development Loans and $14.4 million in Population funds. The major areas of concentration for grant funds are education and manpower training, agricultural and rural development, and population. The lending program, in addition to supporting coordinated national efforts in agriculture, education and health, will provide capital for public and private investment through regional and national organizations and for urban development. The complex problems affecting urban residents are addressed directly, through assistance to urban planning and housing, as well as indirectly through education and training, efforts to raise rural incomes, and family planning.

Increasingly in recent years the program for Latin America has become "people oriented." Rather than placing priority on growth and macroeconomic change *per se*, the emphasis of the program has shifted toward devising, and supporting, the means to assure that the benefits of growth and change are more evenly distributed. This new emphasis reflects the view that while growth and broad economic improvements are indispensable, growth alone has not assured, and cannot assure, distribution of development benefits to the common citizen. It further assumes that further introduction of new concepts, innovative technologies and streamlined management methods is required now to accelerate and distribute the benefits of development.

To the extent feasible, assistance programs and activities are being formed and implemented within the context of sectoral analyses and strategies. The sector approach is comprehensive. It supplements the more traditional macroeconomic and technical analysis with an investigation of the social and cultural aspects of the development process. Through the sector analysis A.I.D. is providing an important and unique complement to the programs of other assistance donors.

The results of a sector analysis, carried out by cooperating country personnel assisted by A.I.D. specialists, are used to determine the allocation of domestic and external resources. A detailed analysis identifies the range of variables within a given sector, such as agriculture or education, and between that sector and other parts of the economy. By tracing the impact of alternative investments on such goals as export growth, production increases and generation of employment, an estimated optimum resource allocation can be arrived at.

In countries where the sector approach is being adopted, U.S. lending and technical assistance are being integrated into overall efforts to increase the efficiency of the country's systems of agriculture, education or urban development and to promote a wider sharing in their benefits. Analyses in agriculture have been completed or are underway in Colombia, Panama and four countries of Central America, and an overall analysis is being developed for Central America as a whole. In the latter part of FY 1972 sector analysis in education will be continued in Colombia, Panama, and Paraguay and will be undertaken in El Salvador.

In Colombia U.S. loans have been made within the context of a sector approach since 1968. For FY 1972 and FY 1973 a series of interrelated loans planned for the fields of agriculture, education, capital markets and urban development will address the complex of development problems. For example, sector lending will be used in urban areas to assist a combined municipal and federal government program designed to increase employment opportunities in smaller population centers so as to reduce migration to the large cities. While this loan is used to create small borrower supervised credit, the capital markets loan will provide seed capital for a savings and loan system and support the government's plan to establish employment services in industrialized urban centers.

AGRICULTURAL AND RURAL DEVELOPMENT

Primary emphasis in agricultural assistance programs in the 1960's was directed toward increasing productivity of food crops. With the introduction of additional credit at lower terms, increased availability of fertilizers, better seeds, steadily improving techniques for water and land use, expanded transport and market facilities, and generally a more scientific approach to agricultural management, some production gains have taken place. Total Latin American food production increased some 35% between 1962 and 1971 with per capita food production up about 6% for the same period. Part of this increased production was due to new lands; however, a significant part was due to greater use of modern inputs as indicated by a 140% increase in fertilizer consumption. Total yields of certain crops in particular countries increased dramatically. For example, corn production increased by some 41% in Brazil, 76% in El Salvador, 62% in Chile, and 36% in Guatemala, and rice increased about 79%, 212% and 100% respectively in El Salvador, Nicaragua and Uruguay.

Even so, most of the increases in agricultural production, considered on a hemispheric basis, were absorbed by commensurate population increases or decreases in the unit value of export crops such as coffee, cacao and rubber. Moreover, and critically important, much of the increased production and increases in profitability came from large and middle-sized farms. No major breakthrough has increased smaller farmers's standards of living or employment opportunities. The quality of life of the great mass of rural population has tended to remain at extremely low levels. Failures to utilize available technology, bottlenecks and constraints in both marketing and credit, adverse pricing policies, and organizational and management deficiencies of key rural institutions are among a wide range of factors contributing to these disappointing aspects of agriculture sector performance. As a result, significant numbers of small farmers are remaining on the margin of development progress in the rural areas or are moving to the cities, where employment opportunities are limited.

While certain activities, such as extension, research, and credit, geared to production increases for specific crops in certain regions, have been beneficial, in some instances dramatically so, it is clear that more meaningful progress will require new approaches to rural development. Continuous comprehensive analysis and planning, significant policy changes, and more effective and efficient public and private agricultural institutions organized to reach the masses of rural people are needed. If the small farmer is to be benefited, he must not only be informed of and learn to use improved seeds, fertilizers, and credit, but also have access to sufficient credit and an efficient marketing system. And he must receive reasonable prices for his increased output. Thus, for effective planning all factors must be considered, including total availability of resources, effectiveness of investment in different commodities, price and demand, and land ownership. Fortunately governmental policies and programs in many countries are increasingly being undertaken within the systematic and comprehensive framework needed to address these complex variables.

A major constraint in the rural sector has been the lack of adequate numbers of trained personnel and efficient institutions to both develop and implement policies and programs. However, considerable progress in correcting these deficiences is evident in many countries. Thousands of technicians, managers and policy-makers have been trained during the past decade and A.I.D. has been instrumental in helping develop agricultural schools and universities throughout Latin America. These now serve as technical centers for producing increasing numbers of research and extension staff as well as farm managers, planners and private sector agricultural specialists.

Assistance to agriculture and rural development is programmed to receive 40 percent of A.I.D. Alliance Loans, or $118.5 million, and 21 percent of Alliance Technical Assistance, or $16.7 million in FY 1973. This assistance is increasingly being provided on the basis of sectoral analyses. Some of these analyses that have been prepared indicate that domestic and export food and fibre requirements can be attained with accompanying significant increases in rural employment and redistribution of income. In these instances the goals for production, employment and income distribution are not necessarily in conflict. In Colombia, for example, detailed analysis

indicated that a given amount of credit for one commodity would have over thirty times the impact on employment as th same amount applied to another commodity. Similarly, it has been possible to estimate whether one policy option or another would benefit a greater proportion of small farmers or low income consumers.

Agricultural sector loans are underway in Colombia, Costa Rica, and Guatemala. Sector studies in agriculture of varying complexity are at various stages in Panama, El Salvador and Honduras. A.I.D. is financing the participation of U.S. universities participating in these and other related activities. In FY 1973 support will also be continued to such important international research institutions as the International Center for Tropical Agriculture (CIAT) in Colombia and the Center for Corn and Wheat Improvement (CIMMYT) in Mexico as well as to various countries to enable them to participate with these Centers in adapting and applying their findings to local needs and conditions. In particular countries A.I.D. projects are directed toward increasing production of grains, soybeans and rice, the primary production crops of small and medium-sized farms throughout the hemisphere.

In Guatemala a recently formulated rural development program is aimed at improving the incomes of highland Indians and other small farmers. Five basic grains and seven other crops are stressed. Loans are available for fertilizer and improved seeds, and newly trained agricultural agents are working with small farmers and producer cooperatives to modernize their operations. The Guatemalan government guarantees a minimum price for the increased output. For the first time, thousands of subsistance farmers are being brought into the commercial economy through a comprehensive program that also assures continued reasonable food prices to the consumer.

A similar program in Costa Rica has helped to bring together the several public institutions concerned with agricultural development into a national and regional system of agricultural planning and services. The system, in which small farmers have a voice individually and through cooperatives, assures that a growing number of small farmers will have access to the technical assistance, credit, and equitable marketing arrangements they need.

In El Salvador, as a part of the government's long-term agricultural sector development strategy, A.I.D.-financed technical assistance and loans will continue to provide credit for capital improvements to small and medium farms and to improve the Ministry of Agriculture's extension service and research capacity. The government hopes to diversify existing cropping patterns and bring the mass of subsistence farmers into the monetary economy.

In Bolivia, A.I.D. loans will support rural self-help development programs planned and carried out by local institutions. Funds will be loaned to local governments to support public works improvements and to import equipment for construction of secondary electric distribution lines for isolated rural areas, a high priority activity in the government's development strategy.

Increased production needs to be complemented by the development of more efficient wholesale and retail outlets. Marketing problems are being attacked by increased evaluation of present marketing institutions in order to introduce refinements without destroying the favorable aspects of existing systems. In Colombia, Brazil, Costa Rica and Guatemala, reforms of existing public marketing systems are presently being attempted with loans for training, facilities and working capital.

Cooperatives play a particularly important part in mobilizing the resources required for rural development and in assisting small farmers to make use of production inputs, credit and marketing facilities. Credit union membership in Latin America has increased to well over one million families. Nearly $500 million in loans has been mobilized by the credit union movement alone. In FY 1973 A.I.D. will continue to provide technical management advisory services to cooperatives and credit union federations in management improvement, mobilization of agricultural production credit and educational programs. Increased emphasis is being accorded to application of the cooperative mechanism to the needs of low-income

small farmers and to helping rural people work together in the solution of their own problems.

Education and Manpower Training

During the 1960's A.I.D. provided considerable assistance to the Latin American countries in what has proven to be an impressive expansion of their education systems. Over 275,000 classrooms at the primary level were constructed in 18 Latin American republics, and the number of teachers increased from about 727,000 to some 1,400,000. Primary school enrollment rose from approximately 24,288,000 to an estimated 41,573,000 -- a 71 percent increase. Secondary school enrollment rose from about 3,081,000 to about 9,466,000 -- a 195 percent increase. Enrollment in post-secondary schools rose from some 520,000 to some 1,395,000 -- a 168 percent increase. Central government expenditures on education as a percent of total central government expenditures rose from 9 percent in 1961 to an estimated 14 percent in 1970 -- as a percentage of GNP, such expenditures increased from 1.6 percent to 2.3 percent.

Unfortunately, these great increases in enrollment have been partly offset by population growth. To prevent an increase in the number of school age children not enrolled, primary school enrollment will have to grow by 50 percent over the level of the 1960's. Further, the education systems remain inefficient with an estimated 70 percent of the primary students and some 65 percent of students at the secondary level dropping out before graduation. Finally, the content of education continues in many instances to be inappropriate in terms of today's manpower needs that call for different patterns of specialized knowledge and skills among the graduates of secondary and post-secondary institutions.

Recognizing the needs of Latin American countries for new kinds of solutions for these major problems, A.I.D. began in the late 1960's to provide major support for comprehensive analyses of their requirements or education, and to provide education sector loans to address problems of efficiency, quality and accessibility in the education systems. Education sector loans to Brazil, Colombia, Panama and Paraguay have provided support, not only for expansion of school construction and teacher training activities but for a continuing process of analysis to identify bottlenecks and costly inefficiencies, to the improvement of information management procedures, training for better management and monitoring, and experimental methods to lower the unit costs of education.

In order to carry out this effort to reduce unit costs, Latin American officials spend varying periods of time at a U.S. university where they can draw on available expertise in designing experiments or pilot projects to be carried out in their own countries.

Alternatives being explored include year-round schooling, educational television and radio programmed instruction, non-formal, out-of-school instruction, and the use of simpler, less expensive instructional materials and school construction. In El Salvador, a systematic process of school reform built around educational television (ETV) was initiated in 1968 with assistance from A.I.D. and the World Bank. The first three-year phase of the program is now completed. More than 40,000 seventh, eighth and ninth grade children are being taught by retrained teachers using a modernized curriculum incorporating ETV. In Colombia a third education sector loan of $20 million was made in FY 1972 combined with at least equal resources from the Colombian government. This loan will assist the government to carry out a major reform of the administrative organization of the educational system, to improve data management and educational planning, to redesign primary level programs in rural areas to make them more relevant to rural problems and the needs of rural populations, to reorganize the secondary school curriculum through the creation of 19 large experimental comprehensive high schools, to make higher education more responsive to the developmental needs of the country, and to train teachers.

Assistance to education and manpower training will receive 14 percent of A.I.D. Alliance Loans, or $42.5 million, and over two-fifths of Alliance Technical Assistance, or $33.4 million in FY 1973.

In addition to the combined technical assistance and lending programs in specific countries, such as Bolivia, Ecuador and Guatemala and the regional teacher training and textbook

programs, A.I.D. is helping to support activities of multilateral organizations in education, science and technology. The United States will continue to provide its share of the OAS Special Multilateral Fund for education and science. Activities supported by this program include the strengthening of regional centers through fellowships, visiting educators and researchers, laboratory equipment and library support. A.I.D. proposes to provide approximately $8.9 million to this Fund in FY 1973.

The need for skilled managers in the public and private sectors requires training beyond that given in the formal general education system. A.I.D. will continue to provide advisory services and training in tax collection, financial management, business administration and development planning. The Central American Institute of Business Administration (INCAE) with loan funds authorized in FY 1972, will improve the quality of training given to business and government leaders in Central American countries. Other activities will improve the statistical bases for planning and allocation of development resources in Guatemala and Honduras.

The training of labor union leaders continues to be an important part of U.S. programs. Through an agreement with the American Institute of Free Labor Development (AIFLD), trade union education programs now operate in 19 countries. These programs are aimed at strengthening the free democratic trade union forces in Latin America. AIFLD has provided trade union training for 1,128 trade union leaders at its institute at Front Royal, Virginia, and courses in labor economics at Georgetown University for 89 others. In Latin America 187,000 unionists have participated in labor education programs. Through the International Trade Secretariats, AIFLD also sponsors a technical assistance program in Latin America to offer local and national education seminars, affiliate local unions with national federations, and organize unorganized workers. AIFLD also administers a Regional Revolving Loan Fund through which loans are made to unions to foster the improvement of skills and support employment and income generating projects.

Public safety programs in 13 countries are designed to assist them strengthen civil police institutions. About 300 police officers are trained annually at the International Police Academy in Washington, D.C. About 40 U.S. advisors are assigned to work with police institutions in the hemisphere. In addition to their efforts to promote the use of professional police methods, these advisors may be also be made available for assistance in the enforcement of laws concerning narcotics growth, trafficking and smuggling.

POPULATION AND HEALTH

The population growth rates of several Latin American countries are the highest in the world. The average annual rate of growth for the region is slightly under 3 percent, but in more than half the Latin American A.I.D. recipient countries it exceeds 3 percent per year. Although recent censuses indicate that population continues to grow at disturbingly high rates, the rate of growth itself appears to be decelerating in some countries. Nevertheless, the increase in absolute numbers of people continues to dilute the benefits of economic growth and reduces the resources available for further development. Many Latin Americans are not able to share higher incomes, more widespread education, expanded health services and a better environment to the extent that they should. Resources that might otherwise be invested for further economic growth must be applied to provide basic services for the increasing population, especially in the urban areas.

Assistance to Latin American countries in the fields of health and population is coordinated among donor organizations. A.I.D. and a number of private and public organizations share their analyses of problems and jointly determine their respective roles in response to the needs and desires of the recipient countries. The international and private organizations are expanding their operations, and governments are gradually assuming the costs of programs initiated by external donors. In the Dominican Republic, for example, A.I.D. made a loan in FY 1968 for construction of a network of health facilities. The government is now using its own resources to expand the national health service.

The proposed A.I.D. population and health program for FY 1973 includes $16.5 million in Alliance Loans, $2.1 million in Alliance Grants, and $14.4 million in Population funds.

Much of the Population funding is used for closely integrated programs of health and family planning, such as the maternal and child care programs in Central America. Alliance grant and loan funds will be provided for other kinds of health activities.

In Ecuador, grant funds will be used to improve protein and caloric intake among women and children in a project operating through the public school system. In Brazil, an A.I.D. food fortification project includes research, testing and distribution of enriched foods. In addition, a pilot low-cost health delivery system in the Brazilian Northeast is planned. In Haiti, a malaria eradication project is underway in coordination with the Pan American Health Organization and UNICEF.

Proposed loans in the health field will help provide integrated health services for rural communities in Guatemala, and will improve public health capabilities in Colombia through expansion of health facilities, training, improved water supplies, and improved production of medicine and vaccines. In Panama, proposed loans will bring integrated health awareness and improved nutrition to rural communities by assisting local health committees or cooperatives in projects such as simple water systems, medical supplies, and village garden projects. In Guyana, loan funds will be provided to extend potable water services in the eastern coastal area.

The technical assistance program in Population will include three fundamental activities: 1) provision of basic health services within an integrated system including family planning, expansion of clinics, training of doctors and paramedics, and supply of medicines and equipment; 2) expansion of programs to increase awareness and use of health and family planning services; and 3) demonstration of the importance of population dynamics in all sectoral planning.

Improvement of Health and Family Planning Delivery Systems: Special emphasis is placed on provision of family planning clinical services and strengthening of traditional health service facilities. A.I.D. will collaborate with international organizations, among them the World Bank, the Inter-American Development Bank, and the Pan American Health Organization (PAHO).

In FY 1973 PAHO will assist Ministries of Health to train the manpower required to implement the growing number of governmental maternal and child health and family planning programs. PAHO also expects to work with governments which seek to integrate family planning into their maternal health programs. In Paraguay and other countries nutrition education is also integrated into the maternal child health program.

Private organizations active in Latin America will receive regional grant funds. Among these are:

-- International Planned Parenthood Federation, with affiliates in most Latin American countries, which promotes the establishment of national planned parenthood associations;

-- Pathfinder Fund, which helps to establish family planning information and service programs;

-- Population Council, which provides support for post-partum family planning education programs in Venezuela, Honduras, and Colombia; and

-- Pan American Federation of Associations of Medical Schools, which trains doctors to establish community medicine programs that utilize paramedical personnel to expand family planning services.

Family Planning Awareness and Education: Many health and family planning programs are planned and started on the assumption that if supplies, personnel and services are available, people will seek the services and follow the advice given. However, administrators of family planning programs recognize that this assumption is overly optimistic. Ancillary education, information and communications programs are needed. During FY 1973 A.I.D. will continue to:

(1) support research in selected countries to design education programs, identify target audiences and use the most effective channels for motivation programs;

(2) refine techniques for better identifying factors influencing personal decisions to practice family planning;

(3) provide information materials for Latin American organizations engaged in population communication work and test newly developed visual materials designed to reach functional illiterates; and

(4) examine the feasibility, and if appropriate, support the establishment of information centers to gather, study, and disseminate information on population problems to groups of leaders from the private and public sectors in order to increase their participation in and support of population programs in their countries.

Demographic Information: Adequate demographic and social data must be developed in order to define more clearly the nature of the population problem, provide the means for more precise planning in all social and economic matters and evaluate progress in the development effort. During FY 1972 and FY 1973, A.I.D. will:

(1) assist Latin American centers to develop manpower statistics and other demographic data and data analysis;

(2) support programs to analyze preliminary 1970-1972 census data to identify change factors;

(3) use every possible forum to insure that the population factor is part of short- and long-range planning; and

(4) support bilaterally or through regional arrangements the modernization of government statistical systems in Latin America, to permit the generation of adequate data in areas such as income distribution, population growth rates, employment, unemployment and underemployment.

Throughout Latin America a half dozen centers are active in a variety of specialized activities that have developed in response to national and regional needs. Examples are the Community Medicine Training Center in Cali, Colombia; the demographic training center (CELADE) in Chile with a subcenter in Costa Rica; and the Tri-national Research Center (Chile-Argentina-Uruguay) for cooperation in biomedical research. Evaluation units for family planning programs have been established, with the participation of Columbia University, in El Salvador, Costa Rica and Ecuador.

INDUSTRIAL AND URBAN DEVELOPMENT

Latin American countries are intent upon financing larger increments of their own development by increasing foreign exchange earnings and mobilizing domestic savings. Thus they are assigning high priority to export development, tourism and the development of capital markets to support expanded private investment. The United States has supported these initiatives through institutions of the Organization of American States such as the Inter-American Export Promotion Center (CIPE) at Bogota, through loans to regional banks such as the Caribbean Development Bank and the Central American Bank for Economic Integration, and through direct bilateral assistance to a number of countries including Colombia, Guatemala, Honduras, Nicaragua, Paraguay and Uruguay.

A.I.D. will continue to support CIPE in its market information, export promotion and technical assistance activities and, in response to many requests for expanded assistance from individual countries, will explore a number of additional bilateral export promotion activities. Recently the United States has reiterated offers to help in coordinating with other multilateral and bilateral donors to participate in specific activities.

Through the Organization of American States (OAS) the United States has provided assistance to strengthen national tourism programs. The U.S. Travel Office is offering advisory assistance to the OAS Tourism Development Office on the 1972 "Tourism Year of the Americas" program to stimulate increased tourism to and within Latin America. The Central American Tourism Organization is active in coordinating public and private efforts to improve facilities and services in this region of increasing attractiveness to tourists. For FY 1973, A.I.D. plans to make a $15 million loan to the Central American Bank for Economic Integration. The Bank will make

loans to Central American governments to finance projects considered essential for tourism development--water and sewer systems, roads, electric power, airport and port facilities.

Latin American countries have expressed strong interest in development of capital markets. President Nixon's 1970 offer of $5 million to support their development efforts responds to this interest. In FY 1973 A.I.D. plans to provide the fourth $1 million payment of this pledge to be used in part for capital market studies and technical assistance in specific countries and in part to finance symposia at which participating representatives will be able to share experiences, identify problems and plan remedial measures. In FY 1973 direct technical assistance will be extended to regional financial organizations such as the Andean Development Corporation as well as to national credit unions, housing cooperatives, savings and loan societies and other intermediate credit institutions to improve their capacity to make studies, assess projects, and, in general, better manage their systems.

Through the National Association of the Partners of the Alliance (NAPA) additional support is enlisted on a voluntary basis from private groups. State chapters of NAPA in the United States work with Latin American countries on a broad spectrum of on-going activities ranging from investigations of investment and marketing potential to teacher exchanges. A total of 18 Latin American countries benefit from direct relationship with 40 States.

Urban Development

Further compounding the difficulties inherent in Latin America's growth has been the tendency toward concentration of people in urban areas which has become especially pronounced in the last 20 years. The process of urbanization, which has proceeded further in Latin America than in other developing regions, exacerbates the problems that are common to most cities--shortages of low-cost housing, municipal services strained beyond their capacities, unemployment, underemployment and health problems. Over 100 million more people lived in urban areas in 1970 than in 1950. For every city and town dweller of 1950 there are now three, and urban residents outnumber rural inhabitants.

Effective urban and regional development plans, adequate land-use controls, essential municipal services, employment and housing are all urgent, high priority needs. Recent reliable estimates suggest a current housing gap of 20 million dwelling units--a figure that is growing by at least one million units each year. A.I.D. has taken the lead in stimulating urban planning and in training Latin Americans in the concepts of urban development and the management of housing development.

A major A.I.D. effort has been to help create private institutions that can generate local savings and channel them into housing, thereby providing the long-term credit necessary for private investment to alleviate housing shortages. As a result of A.I.D. assistance, ten countries now have savings and loan legislation and, in others, savings and loan associations operate under general banking or other laws.

In the countries to which A.I.D. has provided seed capital, there are over 100 savings and loan associations with over 1,250,000 savers. In FY 1973, A.I.D. will continue to assist the development of housing cooperatives through feasibility studies, training and organization. Emphasis will be given to low-cost, low-income housing. The feasibility of utilizing cooperative techniques to provide site development and housing for low-income families will be explored. A loan planned for the Central American Bank for Economic Integration will provide the long-term mortgage financing required to further support low- and middle-income housing development at moderate rates of interest.

The United States provides technical and capital assistance in the formulation and implementation of urban and regional development plans. The metropolitan plans for San Salvador and Sao Paulo for example were prepared with A.I.D. assistance, as were the scopes of work for the plans for Panama City and Tegucigalpa, the capital of Honduras. In FY 1973 a proposed A.I.D. loan will complement Inter-American Bank funds to finance a comprehensive plan for Tegucigalpa and to improve metropolitan services in other urban centers. Technical assistance will be provided at the same time to design and implement a broad reform in fiscal and administrative management.

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

REGION: LATIN AMERICA

(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
LATIN AMERICA - TOTAL	331,150	325,826	389,416	247,705*	232,900	295,000	80,618	78,811	80,016	(15,245)**	12,115	14,400	2,827	2,000	--
Inter-American Programs	12,594	14,861	16,880	--	--	--	12,594 f/	14,861	16,880	--	--	--	--	--	--
Latin America Regional	20,590	32,490	31,992	7,951 b/	15,000	10,000	12,639	12,275	13,457	(7,951)	5,215	8,535	--	--	--
Caribbean Regional	8	10,050	20,350	--	10,000	20,000	8	50	350	--	--	--	--	--	--
Central American Common Market															
Central America Regional Programs (ROCAP)	3,534	13,090	27,700	209 b/	9,900	25,000	3,325	3,190	2,700	(209)	--	--	--	--	--
Costa Rica	6,432	1,655	1,060	4,613	--	--	1,819	1,350	844	(403)	305	216	--	--	--
El Salvador	2,452	8,958	14,150	439 b/	7,000	12,000	2,013	1,500	1,700	(439)	458	450	--	--	--
Guatemala	14,178	13,400	24,350	10,477	9,500	20,500	3,656	3,200	3,200	(977)	700	650	45 a/	--	--
Honduras	5,180	5,325	18,242	2,520	2,000	15,000	2,660	2,750	2,650	(920)	575	592	--	--	--
Nicaragua	12,478	11,660	7,500	10,297	9,100	5,000	2,181	2,000	2,000	(397)	560	500	--	--	--
Argentina	509	--	--	--	--	--	509	--	--	--	--	--	--	--	--
Bolivia	3,675	35,573	18,214	335 b/	30,000	14,500	3,340	3,264	3,485	(335)	309	229	--	2,000 c/	--
Brazil	79,379	9,350	8,300	67,500	--	--	11,879	9,350	8,300	--	--	--	--	--	--
Chile	1,510	1,022	850	30 b/	--	--	1,480	1,000	850	(30)	22	--	--	--	--
Colombia	83,990	91,530	78,600	81,017	88,000	75,000	2,973	2,850	3,000	(417)	680	600	--	--	--
Dominican Republic	13,472	6,815	11,600	10,900	5,000	10,000	2,572	1,815	1,600	--	--	--	--	--	--
Ecuador	15,346	4,596	14,543	12,031	--	10,000	3,315	3,250	3,450	(1,281)	1,346	1,093	--	--	--
Guyana	1,250	12,500	10,100	--	11,300	9,000	1,250	1,200	1,100	--	--	--	--	--	--
Haiti	2,782	2,960	6,000	--	--	3,000	--	2,960	3,000	--	--	--	2,782 a/	--	--
Jamaica	20,937	1,218	10,849	20,580	--	10,000	357	426	400	(580)	792	449	--	--	--
Panama	11,120	15,825	22,295	7,670	12,100	19,000	3,450	3,150	2,900	(670)	575	395	--	--	--
Paraguay	6,941	6,681	7,094	4,571	4,000	4,000	2,370	2,275	2,600	(471)	406	494	--	--	--
Peru	6,888	24,062	13,747	3,350	20,000	10,000	3,538	3,890	3,650	(350)	172	97	--	--	--
Uruguay	4,932	1,355	24,500	3,190	--	23,000	1,742	1,355	1,400	(190)	--	100	--	--	--
Venezuela	975	850	500	25 b/	--	--	950	850	500	(25)	--	--	--	--	--

* 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.
f/ Includes $368,000 of Multilateral Technical Assistance.

SUMMARY OF PROGRAM BY COUNTRY AND SECTOR

(in thousands of dollars)

REGION: LATIN AMERICA

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
Bolivia	3,675	35,573 1/	18,214	1,098	12,076	5,009	335	309	229	1,323	1,165	7,701	386	9,255	4,227	-	12,000	-	533	768	1,048
Brazil	79,379	9,350	8,300	43,129	1,781	2,319	308	123	300	5,012	3,852	3,751	27,597	-	-	-	-	-	3,333	3,594	1,930
Chile	1,510	1,022	850	-	-	-	30	22	-	100	209	200	3	-	-	-	-	-	1,377	791	650
Colombia	83,990	91,530	78,600	32,020	28,387	18,000	417	680	5,600	21,078	20,978	10,920	29,139	40,000	42,000	-	-	-	1,336	1,485	2,080
Dominican Republic	13,472	6,815	11,600	749	551	10,601	107	-	-	11,736	619	300	46	5,000	-	-	-	-	834	645	699
Ecuador	15,346	4,596	14,543	338	281	231	2,031	1,346	1,178	476	698	3,928	634	290	7,276	10,000	-	-	1,867	1,981	1,930
Guyana	1,250	12,500	10,100	457	342	319	1,837	2,400	6,000	344	523	388	490	8,900	3,000	-	-	-	455	335	393
Haiti 2/	2,782	2,960	6,000	-	845	4,170	-	1,800	1,710	-	-	-	-	-	-	-	-	-	-	315	120
Jamaica	20,937	1,218	10,849	10,000	-	5,000	580	792	449	136	202	182	10,000	-	5,000	-	-	-	221	224	218
Panama	11,120	15,825	22,295	2,521	401	10,412	5,774	575	3,395	880	849	840	740	12,491	6.183	-	-	-	1,205	1,509	1,465
Paraguay	6,941	6,681	7,094	824	959	2,432	471	406	494	4,736	551	795	302	4,191	2,729	-	-	-	608	574	644
Peru	6,888	24,062	13,747	1,297	4,295	1,307	350	172	97	879	1,204	743	3,528	17,483	10,445	-	-	-	834	908	1,155
Uruguay	4,932	1,355	24,500	252	330	15,421	190	-	100	1,003	615	563	3,134	85	8,100	-	-	-	353	325	316
Venezuela	975	850	500	-	-	-	25	-	-	734	765	250	-	-	-	-	-	-	216	85	250
Central American Common Market:																					
Central America Regional	3,534	13,090	27,700	120	99	100	209	-	-	1,506	5,564	11,190	756	6,497	15,480	-	-	-	943	930	930
Costa Rica	6,432	1,655	1,060	610	372	210	1,013	305	216	494	504	127	3,904	222	202	-	-	-	411	252	305
El Salvador	2,452	8,958	14,150	1,034	7,581	12,837	439	458	450	547	497	493	-	-	-	-	-	-	432	422	370
Guatemala	14,178	3/ 3,400	24,350	1,163	5,419	15,845	3,477	700	3,150	1,477	1,188	4,180	7,316	5,269	379	-	-	-	745	824	796
Honduras	5,180	5,325	18,242	770	785	10,764	520	575	592	2,829	852	801	278	2,130	5,100	-	-	-	783	983	985
Nicaragua	12,478	11,660	7,500	7,584	771	5,765	597	560	500	388	9,309	186	2,900	194	190	-	-	-	1,009	826	859
Caribbean Regional	8	10,050	20,350	-	-	-	-	-	-	-	-	10,000	-	10,000	10,000	-	-	-	8	50	350
Latin American Regional	20,590	32,490	31,992	2,611	2,694	13,445	7,926	5,215	8,535	7,772	7,711	7,735	1,445	16,115	1,496	-	-	-	836	755	781
Inter-American Programs	12,594	14,861	16,880	964	798	850	-	-	14	8,672	8,560	10,500	1,475	3,015	2,710	-	-	-	1,483	2,488	2,806
Argentina	509			50						84									375		
Total	331,150	325,826	389,416	107,591	68,767	135,037	26,636	16,438	33,009	72,206	66,415	75,773	94,073	141,137	124,517	10,000	12,000	-	20,646	21,069	21,080

1/ Includes $2,000,000 Contingency Fund

2/ Supporting Assistance

3/ Includes $45,000 Supporting Assistance

REGION: LATIN AMERICA

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
Bolivia	26	23	20	6	7	4	18	15	15	50	45	39	108	61	51	-	-	-	108	61	51
Brazil	99	92	57	20	16	3	81	103	144	200	211	204	517	227	206	75	133	74	592	360	280
Chile	13	6	2	-	-	-	7	3	1	20	9	3	47	32	30	49	55	31	96	87	61
Colombia	34	29	27	5	7	6	9	6	10	48	42	43	172	107	114	9	7	-	181	114	114
Dominican Republic	32	30	25	7	3	3	11	10	6	50	43	34	49	56	55	65	45	43	114	101	98
Ecuador	28	34	30	-	-	-	23	21	18	51	55	48	91	55	82	-	-	6	91	55	88
Guyana	8	6	6	1	1	1	1	1	1	10	8	8	43	46	52	15	18	4	58	64	56
Haiti	-	-	2	3	3	3	1	2	3	4	5	8	-	2	6	-	-	-	-	2	6
Jamaica	4	5	5	1	1	1	2	1	1	7	7	7	23	46	48	-	-	-	23	46	48
Panama	42	36	30	4	4	3	3	8	10	49	48	43	119	82	82	1	-	-	120	82	82
Paraguay	13	9	9	9	7	6	15	16	14	37	32	29	50	51	111	-	-	-	50	51	111
Peru	22	25	25	1	1	1	23	20	29	46	46	55	70	80	110	45	50	20	115	130	130
Uruguay	9	8	7	2	2	2	6	9	9	17	19	18	47	73	76	-	12	32	47	85	108
Venezuela	6	5	4	-	-	-	6	7	1	12	12	5	54	60	28	-	-	-	54	60	28
Central American Common Market:																					
Central American Regional	13	15	15	2	2	1	12	17	19	27	34	35	27	23	30	18	10	5	45	33	35
Costa Rica	14	15	9	3	2	-	9	10	7	26	27	16	68	47	31	-	-	-	68	47	31
El Salvador	8	8	8	5	5	5	13	15	15	26	28	28	111	69	76	-	-	-	111	69	76
Guatemala	28	31	30	3	2	2	7	9	9	38	42	41	94	94	135	6	7	4	100	101	139
Honduras	18	17	15	2	1	2	12	12	14	32	30	31	169	158	132	10	10	10	179	168	142
Nicaragua	13	13	13	10	3	-	13	25	29	36	41	42	109	130	124	-	-	-	109	130	124
Caribbean Regional	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America Regional	7	4	5	17	12	20	60	53	62	84	69	87	-	-	-	2446	2320	1539	2446	2320	1539
Inter-American Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total.....	437	411	344	101	79	63	332	363	417	870	853	824	1968	1499	1579	2739	2667	1768	4707	4166	3347

ECONOMIC AND SOCIAL DATA

REGION: LATIN AMERICA

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	INFANT DEATHS PER 1,000 LIVE BIRTHS	PRIMARY AND SECONDARY STUDENTS				LITERACY RATE
									1960	1970	1960	1970	
	MILLIONS	PERCENT	1960	1970			YEARS		THOUSANDS		AS PERCENT 5-19 AGE GROUP		PERCENT
Bolivia	4.8	2.4	30	34	48	2,610	50	108	426	865	34	51	40
Brazil	97.8	2.8	46	56	52	2,320	64	94	8,715	17,664	33	49	67
Chile	9.5	1.9	68	73	24	1,730	61	92	1,403	2,342	55	71	84
Colombia	21.8	3.2	48	60	45	2,190	60	76	1,933	3,713	32	45	73
Dominican Republic	4.2	3.0	31	40	61	1,930	58	72	558	861	48	55	65
Ecuador	6.3	3.4	36	39	53	2,800	52	80	663	1,235	40	52	68
Guyana	0.8	3.0	29	30	30	4,420	61	43	139	189	65	71	80
Haiti	5.0	2.0	14	17	83	13,420	48	130	258	333 a/	19	20 a/	10
Jamaica	2.0	1.9	29	38	36	1,490	65	32	271	417	50	57	82
Panama	1.5	3.0	41	48	37	1,670	66	58	201	333	52	62	79
Paraguay	2.5	3.1	36	36	54	1,610	58	67	327	491	48	53	74
Peru	14.0	3.1	47	52	45	1,950	54	62	1,642	3,220	45	63	61
Uruguay	2.9	1.3	72	78	21	1,040	69	54	416	588	63	78	91
Venezuela	10.8	3.5	67	76	25	1,120	67	46	1,406	2,267	53	59	76
CENTRAL AMERICAN COMMON MARKET													
Costa Rica	1.8	3.2	33	37	49	1,810	65	60	238	428	50	64	84
El Salvador	3.5	3.4	38	38	60	4,270	58	63	355	622	39	49	49
Guatemala	5.5	2.9	34	31	65	4,150	49	92	324	580	22	29	38
Honduras	2.8	3.4	22	26	67	3,960	49	36	220	431	29	41	45
Nicaragua	2.0	3.2	37	48	60	1,930	50	45	174	345	33	43	50

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/ - 1969.

ECONOMIC AND SOCIAL DATA

REGION: LATIN AMERICA

II

COUNTRY	GROSS NATIONAL PRODUCT				AGRICULTURAL PRODUCTION		INTERNATIONAL COMMODITY TRADE				
	TOTAL GNP 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	
Bolivia	970	203	4.9	2.4	0.0	-2.4	127	175	Tin, petroleum	138	175
Brazil	38,500	394	8.8	5.8	3.7	1.0	1,741	2,900	Coffee	1,496	3,600
Chile	8,090	854	4.4	2.5	3.1	1.1	878	1,150	Copper	751	950
Colombia	6,975	320	5.7	2.3	2.3	-1.1	554	720	Coffee, petroleum	699	880
Dominican Republic	1,490	356	5.2	2.3	5.2	2.1	137	245	Sugar, coffee	185	330
Ecuador	1,682	267	6.3	2.9	2.8	-0.7	184	233	Bananas, coffee	164	248
Guyana	252 b/	330 b/	n.a.	n.a.	1.6	-1.4	104	140	Sugar, bauxite, alumina	118	135
Haiti	440 b/	90 b/	n.a.	n.a.	-0.7	-2.8	36	48	Coffee, bauxite	38	57
Jamaica	1,178 b/	592 b/	n.a.	n.a.	-4.9	-6.6	275	340	Bauxite, alumina, sugar	327	560
Panama	1,090	739	7.6	4.5	2.8	-0.2	90	115	Petrol. prod., bananas	235	370
Paraguay	605	246	4.9	1.6	2.5	-0.6	49	65	Meat, wood	59	83
Peru	6,250	446	3.3	0.2	0.4	-2.5	763	880	Fish & prod., copper	805	752
Uruguay	2,435	833	1.9	0.7	-0.6	-1.8	186	200	Wool, meat	164	220
Venezuela	10,020	931	4.9	1.2	3.9	0.4	2,398	3,270	Petroleum, iron ore	1,474	2,150
CENTRAL AMERICAN COMMON MARKET											
Costa Rica	967	539	8.0	4.7	6.6	3.4	136	235	Coffee, bananas	178	350
El Salvador	1,043	294	3.8	0.4	4.5	1.1	189	228	Coffee	220	250
Guatemala	1,932	354	5.4	2.4	3.5	0.6	232	305	Coffee, cotton	207	290
Honduras	714	255	4.6	1.1	3.6	0.2	143	183	Bananas, coffee	149	200
Nicaragua	873	440	4.6	1.4	1.5	-1.7	137	179	Cotton, coffee	182	211

n.a. - Not available.

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

REGION: LATIN AMERICA

COUNTRY	GOLD & FOREIGN EXCHANGE[a]			CENTRAL GOVERNMENT FINANCES[b]							
				EXPENDITURES						DOMESTIC REVENUES	
				TOTAL		DEFENSE EXPENDITURES					
				AMOUNT		AMOUNT		AS % OF GNP[c]			
	1969	1970	1971	1970	1971	1970	1971	1970	1971	1970	1971
	$ MILLIONS			$ MILLIONS				PERCENT		$ MILLIONS	
Bolivia	42	46	54	180	229	19	20	2.1	2.1	112	128
Brazil	656	1,186	1,744	5,401	6,517	948	1,117	2.7	2.8	5,073	6,439
Chile	344	389	278[d]	2,187	3,807	164	277	2.2	3.3	1,750	2,182
Colombia	221	206	203	775	954	91	115	1.4	1.6	711	847
Dominican Republic	40	32	54	294	351	30	31	2.2	2.0	274	317
Ecuador	65	83	65	n.a.	n.a.	31	36	2.0	2.0	n.a.	n.a.
Guyana	21	20	26	69	83	2	3	0.9	n.a.	57	68
Haiti[e]	4	4	10	46	55	n.a.	n.a.	n.a.	n.a.	45	53
Jamaica[f]	141	165	205	306	368	6	7	0.5	n.a.	266	304
Panama[g]	182	304	419[h]	209	217	2	2	0.2	0.2	160	186
Paraguay	10	18	21	89	110	11	12	1.9	1.9	71	78
Peru	167	329	240	1,068	1,175	180	234	3.0	3.5	1,018	1,044
Uruguay	184	175	176	374	580	50	91	2.1	3.6	332	408
Venezuela	933	1,021	1,522	2,529	2,795	204	216	2.1	2.0	2,111	2,686
CENTRAL AMERICAN COMMON MARKET											
Costa Rica	29	16	28	172	264	-	-	-	-	153	164
El Salvador	64	63	65	139	186	11	13	1.1	1.2	134	142
Guatemala	72	78	94	192	208	29	18	1.6	0.9	166	174
Honduras	31	20	22	115	126	7	9	1.0	1.2	87	90
Nicaragua	44	49	59	113	126	12	12	1.5	1.3	81	90

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/ - August.
e/ - Government finances data for fiscal years ending September 30.
f/ - Government finances data for fiscal years beginning April 1.
g/ - Gold and foreign exchange data include commercial bank holdings.
h/ - June.

Bolivia

BASIC DATA

Population (*millions - mid-1971*)	4.8
Annual Growth Rate (*percent*)	2.4
Population in Urban Areas (*Percent - 1970*)	34
Labor Force in Agriculture (*Percent*)	48
Per Capita GNP (*dollars*)	203*
Life Expectancy (*years*)	50
People Per Doctor	2,610
Literacy Rate (*percent*)	40
Students as % of 5 - 19 Age Group (*Primary and Secondary*)	51

* - 1971 in 1970 prices and exchange rates.

BOLIVIA

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.	3,340	1,098	-	1,323	386	-	533
Population	335	-	335 2/	-	-	-	-
Other	-	-	-	-	-	-	-
Total	3,675	1,098	335	1,323	386	-	533
1972							
Devel. Loans	30,000	11,000	-	-	7,000	12,000	-
Tech. Assist.	3,264	1,076	-	1,165	255	-	768
Population	309	-	309	-	-	-	-
Other	2,000 3/	-	-	-	2,000	-	-
Total	35,573	12,076	309	1,165	9,255	12,000	768
1973							
Devel. Loans	14,500	4,000	-	6,500	4,000	-	-
Tech. Assist.	3,485	1,009	-	1,201	227	-	1,048
Population	229	-	229	-	--	-	-
Other	-	-	-	-	-	-	-
Total	18,214	5,009	229	7,701	4,227	-	1,048

/1 Excludes population grant programs.
/2 Funded from development loan funds.
/3 Contingency Fund

Bolivia faces enormous obstacles to development. Per capita GNP is only $200 per annum, the lowest in South America. Two-thirds of the country's population is rural and is handicapped by pervasive illiteracy, inadequate educational systems, primitive productive practices, poor communications and transportation, poor sanitation and health, and traditional isolation. Frequent changes of government, four in the past three years, have retarded the achievement of development objectives. But any Bolivian government faces developmental responsibilities with very limited public resources. The country's poverty severely limits its effective tax base. Hence, public sector resources are barely sufficient to pay governmental salaries, with little surplus available to meet pressing public investment needs.

The government of President Hugo Banzer which succeeded to power in August, 1971, inherited a faltering economy suffering from inadequate levels of public and private sector investment and chronic unemployment. The government also faced serious balance of payment problems and public confidence in the economy was low. Moving quickly to address these problems, the new government stressed the theme of national unity and sacrifice. The Government has already demonstrated its willingness and ability to take difficult political decisions, such as raising electric power rates; concluding expropriation settlements with Gulf Oil and International Metals Processing Company and negotiating toward a settlement with the principals of Mina Matilde. Initially, the government set as its highest priority a public investment program to put people to work in order to stimulate the economy and provide reassurance to potential domestic and foreign investors. A.I.D. supported this program with a $2 million grant from the Contingency Fund and a $12 million program loan in FY 1972.

The Bolivian government is now beginning to address longer term development priorities. Although the problems are immense, there is promise for the future, based on Bolivia's demonstrated potential. There were significant increases in cotton, rice, corn and potatoes between 1969 and 1971. The recently signed natural gas export agreement with Argentina should further reduce Bolivia's dependence on traditional minerals exports for foreign exchange. Although the state mining enterprise, COMIBOL, continues to be plagued by high production costs, it increased output by 7.5 percent in 1971 and is expected to maintain or improve upon last year's performance.

Bolivia's development assistance requirements are beyond the capacity of any single economic assistance agency. Cognizant of this, the Bolivian Government is attempting to marshal the support of the various international financial institutions, including A.I.D. The international agencies are now beginning to respond to the critical needs of the new government. The World Bank has recently prepared detailed economic studies which include analysis of the investment needs of the mining sector. The Inter-American Development Bank (IDB)

is preparing a review of Bolivia's rural development requirements, including proposed investment priorities in the agriculture sector. The IMF has held discussions with the government regarding the fiscal situation and reform requirements. The Inter-American Committee on the Alliance for Progress (CIAP) has scheduled a country review of Bolivia for later this year to discuss its developmental plans and priorities. To assure the most efficient use of international resources for development, the Minister of Planning and Coordination chairs a permanent Coordinating Committee composed of representatives from the Federal Republic of Germany, Argentina, Japan, the United States, the UN and the Inter-American Development Bank.

FY 1973 A.I.D. PROGRAM

In addition to its support of the government's public investment program, A.I.D.'s FY 1972 program focuses upon further development of the agricultural and industrial sectors. An $8 million agricultural credit loan and a planned $7 million private investment fund loan will serve to stimulate the economy, particularly the private sector. In FY 1973, this concentration will continue, with additional emphasis on infrastructure, health and education needs. The proposed program consists of $3.7 million in technical assistance, primarily in rural development, human resources development, and government management assistance; and $14.5 million in capital assistance for education, urban development and rural electrification. A P.L. 480 Title I credit of about $7 million for wheat imports will help to meet Bolivia's immediate consumption needs while A.I.D. and the government continue their efforts to stimulate domestic wheat production. A Title II program of about $2.7 million will stress maternal, child, and school feeding, including nutritional education.

Agriculture and Rural Development

Through concentrated efforts, complemented by foreign technical assistance, Bolivia has increased agricultural production in semitropical crops such as sugar, rice and cotton, especially in the Santa Cruz region. This area has boomed since the completion of the U.S. -supported Cochabamba-Santa Cruz highway in 1956.

Despite this progress, the agricultural sector continues to be beset with major problems. Almost half of the labor force is engaged in farming, yet agriculture contributes only about 20% of total GNP. The sector is characterized by small, inefficient farms. Agriculture's share of export earnings is less than 5%; food imports are about 16% of total imports; and domestic marketing is dominated by small unit sales. Storage and processing facilities are badly needed. External assistance agencies are helping the government tackle these problems in the following ways:

First, an $8 million A.I.D. marketing and production loan signed in November 1971 is designed to provide agricultural credit for production and marketing of food crops for domestic consumption, and to create a rediscount facility in the Central Bank for channeling credit into agricultural development projects through the domestic banking system. Second, development of sheep and cattle for export is supported by loans of $6.8 million by IDA and $5 million by IDB. A.I.D. is financing technical assistance from Utah State University in livestock production and the Swiss and Israelis are also assisting cattle and dairy production. Third, in a limited but effective manner, the Bolivian National Community Development Service helps to improve community facilities in the rural areas. Under this program, village committees provide a mechanism whereby the traditional self-help spirit of the Bolivian campesino can operate effectively. The program helps finance self-help projects in agriculture, irrigation education, and health. To follow up an earlier loan, A.I.D. plans to lend $3.0 million in support of this program in FY 1972.

A further effort in rural development will be made in FY 1973 through a proposed $4 million A.I.D. rural electrification loan.

Industrial and Urban Development

Bolivian industrial growth stagnated over the past three years as political and economic uncertainties discouraged new investment. Recognizing the need for increased private investment, the new government has tried to improve the investment climate by promulgating a new investment code and settling nationalization disputes. It has also sought to overcome the problem of a small domestic market by joining in regional

groupings such as the Andean Pact. A.I.D. has assisted in this effort through a $1.4 million feasibility studies loan to identify investment projects aimed at sales in the Andean market.

Another major A.I.D. effort in this sector is a proposed FY 1972 $7 million loan to fund feasibility studies for private sector investments geared to the domestic market, as well as capital equipment for private manufacturing--including food processing--industries. The IDB has made a $10.8 million loan to the Bolivian Development Corporation for feasibility studies, tourism, and medium-sized mines, and is expected to make a $1.5 million loan to the Industrial Bank. The Federal Republic of Germany has also made a $1.3 million loan to the Industrial Bank. The government realizes the need for infrastructure development in the secondary urban centers and is encouraging regional, departmental, and municipal government participation in the developmental process. It has established a National Urban Development Service (NUDS) which is receiving A.I.D. technical assistance. The Service would be responsible for lending to local governments for public works in the major centers of each of the departments. If the NUDS progresses satisfactorily, A.I.D. proposes a $4 million loan to the Service in FY 1973.

Education and Manpower Training

Bolivia's principal needs in this sector are for increased managerial ability to carry out national development activities and for better institutions with a capability to train the human resources required for development. The first need is being met in part by NUDS and by U.S. and multilateral technical assistance to governmental planning and finance agencies. A.I.D.'s principal efforts are in fiscal reform, tax administration and local government. A recent A.I.D.-financed study of human resources in Bolivia only began to identify the magnitude of gap. The government is currently examining proposals for institutional reorganization and reform in education. A.I.D. is assisting this process through a contract with San Jose College. After the reforms have been enacted, the government will be better able to define its specific educational needs. A.I.D. will be prepared to make a $6.5 million loan to meet part of the need for external assistance in this area.

Population and Health

With a population increase of about 2.4% per year, and an average intake of only 1,800 calories per day per person (well below the FAO minimum standard), Bolivia has critical needs in this sector. A.I.D. will provide limited support for Ministry of Health programs in population research, family care, and family planning. Nutritional information will be distributed in conjunction with P.L. 480 Title II food joint voluntary agency and government programs.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: BOLIVIA

(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 Repayment	Principal Repayments	Interest Collected
		Authorized	Loan Agreement			Grace Period	Amortization					
L-015/B	Access Roads 3 and 7 (increase)	7/25/68	4/01/69	10	40	2	2½	2,400	-	US$	-	-
L-021	Highways 1 and 4	5/28/64	9/16/64	10	40	3/4	2	33,200	33,196	US$	-	746
L-021/A	Highways 1 and 4 (increase)	2/09/67	8/02/67	10	40	1	2½	9,500	6,218	US$	-	7
L-031	Santa Cruz Electric Power	6/30/66	9/24/66	5	30	1	2½	4,750	4,261	US$	-	72
	Two-step			10	40	1	2½					
L-035	Feasibility Studies	6/13/67	3/22/68	10	40	1	2½	1,500	1,294	US$	-	5
L-038	Community Development	7/25/68	8/24/70	10	40	2	2½	915	235	US$	-	-
L-039	Civil Air Transport	10/31/68	12/20/68	10	40	2	3	2,000	391	US$	-	6
L-040	T/A and Equipment	10/31/68	12/20/68	10	40	2	3	1,000	670	US$	-	1
L-041	Program Assistance	10/05/71	10/18/71	10	40	2	3	12,000	5,000	US$	-	-
L-042	Agric. Marketing & Production	11/02/71	11/12/71	10	40	2	3	8,000	-	US$	-	-
	Total.....							75,265	51,265			837

TABLE V

COUNTRY: BOLIVIA

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

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			
AGRICULTURAL AND RURAL DEVELOPMENT											1,009		
Rural Development	*	511-11-190-364	1967	1975	4,323	3,525	798	1,077	1,534	341	1,009	2,200	8,609
EDUCATION AND MANPOWER TRAINING											1,201		
Labor Training		511-11-410-043	1955	1976	1,706	1,577	129	148	177	100	130	100	2,084
Government Management Assistance	*	511-11-720-082	1967	1975	1,634	1,289	345	495	683	157	552	1,086	3,767
Public Safety		511-11-710-091	1956	1973	2,207	2,166	41	170	188	23	184	-	2,561
Human Resources Development	*	511-11-690-439	1967	1975	1,351	865	486	351	548	289	335	798	2,835
INDUSTRIAL AND URBAN DEVELOPMENT											227		
Industrial Development		511-11-290-049	1967	1972	354	319	35	20	53	2	-	-	374
Engineering Advisory Services		511-11-310-205	1968	1975	797	751	46	235	242	39	227	482	1,741
PROGRAM DEVELOPMENT AND SUPPORT											1,048		
Special Development Activities		511-16-998-412	1964	Cont.	399	399	-	50	50	-	50	Cont.	Cont.
Technical Support		511-11-999-000	1955	Cont.	7,461	7,426	35	718	728	25	998	Cont.	Cont.
POPULATION											229		
Family Care		511-11-570-439	1969	Cont.	648	351	297	309	453	153	229	Cont.	Cont.
							Technical Assistance Subtotal				(3,485)		
				Total (including population)				3,573	4,656	1,129	3,714		

*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	26	23	20
Participating agency	6	7	4
Contractor technicians	18	15	15
Total	50	45	39

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	108	61	51
Contract	-	-	-
Total	108	61	51

Country: BOLIVIA

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Rural Development	AGRICULTURE AND RURAL DEVELOPMENT		T.A.
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 511-11-190-364	p. 17, FY 1972 LA P.D.B.	FY: 1967	FY: 1975

Project Target and Course of Action: To promote import substitution and increase exports; diversify crop production; and promote integration of the rural population into the economic, social and political life of Bolivia. Utah State University is assisting Ministry of Agriculture, the National Wheat Institute and agricultural and livestock cooperatives in all aspects of cereals and sheep production and marketing.

Progress to Date: In wheat, Utah State University has helped the GOB establish sound legal and administrative foundations upon which a solid structure of programs and policies can be built. In the seed dissemination program, Coposu and Joral high-yield varieties are being grown in nearly all the major wheat areas. The Bolivian Oil Company, Yacimientos Petroliferos Fiscales Bolivianos, is helping to build demand for fertlizer. It is expected that 12-14,000 tons of domestic wheat will be presented to the mills this crop year, the highest figure in 15 years. Sheep program continues to expand forage production and dissemination of new sheep breeds. The Agrarian Reform Agency which received its final A.I.D. financial input in FY 1971 now has 23 operating field units which have prepared almost 500,000 land titles. The Community Development Service has assisted community groups in completing 4,800 small, self-help projects, e.g. bridges, farm-to-market roads, irrigation canals, etc. Technical assistance has upgraded the capability of this Service such that a $3 million loan may be feasible in FY 1972

FY 1973 Program: Total: $1,009. Utah State University will continue same activities.

Technicians: Total: $715; 2 U.S. direct hire advisors ($80); 1 U.S. direct hire in community development ($30); 3 full-time and 10 man months TDY under Utah State sheep contract ($235); 5 full-time and 15 man months TDY under Utah State cereals contract ($370)

Participants: Total: $92; 13 participants for 8.5 man-years from Ministry of Agriculture.

Commodities: Total: $75; 1 replacement vehicle for Ministry of Agriculture ($5); breeding sheep ($35); wheat seed and tools for wheat program ($35).

Other Costs: Total: $127; logistic support ($20) and contract advisors ($84); invitational travel ($6); 4 local direct hire staff ($17).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	4323	3525	798
Estimated FY 72	1077	1534	
Estimated through 6/30/72	5400	5059	341
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	1009	2200	8609

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	129	723	852	110	605	715
Participants	65	-	65	92	-	92
Commodities	-	100	100	5	70	75
Other Costs	2	58	60	43	84	127
Total Obligations	196	881	1077	250	759	1009

PRINCIPAL CONTRACTORS/AGENCIES

Utah State University

Country: BOLIVIA

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Government Management Assistance	EDUCATION AND MANPOWER TRAINING		T.A.
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 511-11-720-082	p. 54, FY 1972 LA P.D.B.	FY: 1967	FY: 1975

Project Target and Course of Action: The target is to increase the managerial and financial ability of the government to carry out national development activities. AID is helping to: 1) establish expenditure priorities and controls through sound budgeting/accounting/auditing; 2) increase managerial capability through public administration training; 3) develop management information systems for planning, programming and evaluating public sector activities and 4) establish the National Urban Development Service to channel funds to local governments to increase local participation in development.

Progress to Date: Contract advisors have assisted in placing 40 trained accountants in government ministries; 190 auditors with the Controller General; and a new revenue accounting system in Treasury. Under guidance by U.S. Internal Revenue Service advisors, a master collection file for 3 large cities was set up; 35 management, 65 audit, and 45 tax collection trainees and instructors were trained and a management statistical system was set up. The Bolivian Institute for Public Administration (IPA) has 7 new instructors and now offers courses for 800 students. IPA is now self-sufficient and AID help is phased out. The A.I.D.-financed local government assistance contract began in March, 1972. UN advisors in development administration and Personnel and OAS tax advisors in policy and administration assist in this sector.

FY 73 Program: Total: $552. The same activities will be continued with an increased emphasis on local government.

Technicians: Total $400, 1 U.S. direct-hire advisor ($20); 3 long-term and 2 short-term contract advisors in fiscal reform to assist the Ministry of Finance in electronic data processing and audit ($200); 2 long-term and 2 short-term contract advisors under Institute for Public Administration ($100); 3 full-time and 1 short-term Internal Revenue Service Service (IRS) PASA technicians ($80).

Participants: Total $56; 3 in government administration to U.S. ($17); 2 to the U.S. from Bolivia IRS ($11); 5 to U.S. and Third Countries from urban development ministry ($28).

Commodities: Total $20, office machinery for Ministry of Finance ($10); office machinery for Bolivian IRS ($10).

Other Costs: Total $76, logistic support for Direct Hire and invitational travel ($44); logistic support for contract ($25); 2 locals ($7).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	1634	1289	345
Estimated FY 72	495	683	
Estimated through 6/30/72	2129	1972	157
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	552	1086	3767

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	33	317	350	20	380	400
Participants	70	-	70	56	-	56
Commodities	-	-	-	20	-	20
Other Costs	12	63	75	31	45	76
Total Obligations	115	380	495	127	425	552

PRINCIPAL CONTRACTORS/AGENCIES

Internal Revenue Service (IRS)
Public Administration Service (PAS)
Institute of Public Administration (IPA)

Country: BOLIVIA

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Human Resources Development	EDUCATION AND MANPOWER TRAINING		T.A.
PROJECT NUMBER 511-11-690-439	PRIOR REFERENCE p. 45, FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: To assist in educational improvements which contribute to: lowering the 65% illiteracy rate; increasing the administrative efficiency of the educational system; and restructuring the educational system toward producing skills needed for economic development. The course of action is to support the administrative reorganization and unification of educational system under Ministry of Education in place of three paralel systems currently in existence.

Progress to Date: A.I.D. recently completed an indepth education sector analysis which is the first step toward a possible sector loan in FY 1973. To combat illiteracy, A.I.D. has financed and provided technical assistance for publication of 200,000 copies of primary language arts textbooks, first-grade readers; science textbooks; and math textbooks. 10,000 teachers guides were provided with each subject. A decree was passed March 2, 1972, making all above-mentioned publications the official textbooks of the country. All these elementary-level books, except math textbooks, have already been distributed. Instructors from the Curriculum Laboritory, to which A.I.D. assistance terminated in FY 1971, are holding seminars throughout the country, teaching the use of the textbooks.

To assist in the program of educational administration and reform, an A.I.D.-funded contract was signed with San Jose State College in November 1971. Two specialists began work in Bolivia in February 1972. The Inter-American Development Bank has made three loans totalling $1.3 million to Bolivia's education sector in connection with educational reform and reorganization.

FY 1973 Program: Total: $335. Continue the FY 1972 program with particular emphasis on the San Jose State College Contract.

Technicians: $240; two U.S. direct hire technicians; two San Jose State specialists; 11 man months TDY under San Jose contract.

Participants: $44; 3 Overseas Evaluation Fund plus 2 other short-term for 15 man months; six to San Jose State 24 man months.

Other Costs: $51. 8 local direct hire staff; logistic support for technicians and contract advisors and invitational travel.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	1351	865	486
Estimated FY 72	351	548	
Estimated through 6/30/72	1702	1413	289
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	335	798	2835

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	70	229	299	60	180	240
Participants	10	—	10	44	–	44
Commodities	–	–	–	–	–	–
Other Costs	17	25	42	51	–	51
Total Obligations	97	254	351	155	180	335

PRINCIPAL CONTRACTORS/AGENCIES

San Jose State College

BOLIVIA

(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	3.0	3.7	346.6	9.7	336.9
Loans	—	—	114.3	9.7	104.6
Grants	3.0	3.7	232.3	—	232.3
(Supporting Assistance)	—	—	(162.4)		
FOOD FOR PEACE - TOTAL	9.3	6.8	101.5	8.7	92.8
Title I - Total	—	5.0	56.8	8.7	48.1
REPAYABLE IN U.S. DOLLARS - LOANS	—	5.0	28.7	3.6	25.1
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	—	—	28.1	5.1	23.0
Loans	—	—	28.1	—	23.0
Grants	—	—	—	—	—
Title II - Total	9.3	1.8	44.7	—	44.7
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	1.8	—	22.2	—	22.2
VOLUNTARY RELIEF AGENCIES	7.5	1.8	22.5	—	22.5
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	1.4	1.0	41.9	3.5	38.4
PEACE CORPS	1.4	1.1	16.8	—	16.8
SOCIAL PROGRESS TRUST FUND	—	0.1	14.5	3.5	11.0
OTHER	—	—	10.6	—	10.6
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	13.7	11.5	490.0	21.9	468.1
Loans	—	5.0	185.6	21.9	163.7
Grants	13.7	6.5	304.4	—	304.4
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	—		44.9	17.4	27.5
TOTAL ECONOMIC	13.7	11.5	534.9	39.3	495.6
Loans	—	5.0	230.5	39.3	191.2
Grants	13.7	6.5	304.4	—	304.4
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	1.3	1.8	25.3	—	25.3
Credit Sales (FMS)	—	—	—	—	—
Grants	1.3	1.8	25.3	—	25.3
(Additional Grants from Excess Stocks)	(0.1)	(0.2)	(1.7)	—	(1.7)
OTHER MILITARY ASSISTANCE GRANTS	—	—	—	—	
TOTAL MILITARY	1.3	1.8	25.3		25.3
TOTAL ECONOMIC AND MILITARY	15.0	13.3	560.2	39.3	520.9
Loans	—	5.0	230.5	39.3	191.2
Grants	15.0	8.3	329.7	—	329.7

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	31.5	27.8	180.7
IBRD - World Bank	23.2	—	23.2
Int'l Dev. Association	1.4	6.8	32.6
Inter-Am Dev. Bank	5.0	19.5	101.0
UNDP - Special Fund	1.3	0.8	11.6
UNDP - TA(CY)	0.4	0.5	8.6
Other UN(CY)	0.2	0.2	3.7

D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	7.1	8.4	43.7
Germany	3.3	4.4	24.1
Japan	0.3	0.7	9.8
United Kingdom	1.5	0.3	3.7
Other	2.0	3.0	6.1

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1970 (Calendar Year).....28
1971 (Calendar Year).....27
Cumulative thru 1971.....55

*Less than $50,000.

Brazil

BASIC DATA

Population (*millions - mid-1971*)	97.8
Annual Growth Rate (*percent*)	2.8
Population in Urban Areas (*Percent - 1970*)	56
Labor Force in Agriculture (*Percent*)	52
Per Capita GNP (*dollars*)	394*
Life Expectancy (*years*)	64
People Per Doctor	2,320
Literacy Rate (*percent*)	67
Students as % of 5 - 19 Age Group (*Primary and Secondary*)	49

* - 1971 in 1970 prices and exchange rates.

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BRAZIL

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	67,500	40,000	-	-	27,500	-	-
Tech. Assist.	11,880	3,129	308	5,012	097	-	3,333
Population	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	79,379	43,129	308	5,012	27,597	-	3,333
1972							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	9,350	1,781	123	3,852	-	-	3,594
Population	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	9,350	1,781	123	3,852	-	-	3,594
1973							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	8,300	2,319	300	3,751	-	-	1,930
Population	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	8,300	2,319	300	3,751	-	-	1,930

In recent years Brazil has made impressive economic gains. The economy grew at approximately 9% a year over the period 1968-70, and economic growth exceeded 11% in 1971. The annual inflation rate was less than 20% in 1971, down from 45% in 1965 and about 90% in 1964. Manufactured exports have expanded rapidly since 1968, lessening Brazil's traditional over-dependence on coffee and other primary products. Domestic and foreign confidence in Brazilian development remains high, and the availability of large-scale financial resources, including loans from multilateral institutions, is expected to continue.

Brazil's impressive development performance has been uneven. While modern, large-scale farming techniques have been introduced in the temperate South, the Northeast still practices backward agriculture, characterized by underemployment, low farm productivity, and primitive "slash and burn" cultivation. Despite rapid industrial growth, marked by the expansion of modern plants and absorption of sophisticated technology, unemployment is great among unskilled workers.

Maldistribution of income persists. Per capita income in the Northeast is only $180, contrasted to a Southern average of $550. The government recognizes the problems of imbalance and has undertaken some significant initiatives toward redressing them. The TransAmazonian highway project, which has started to open the vast northern and western areas of Brazil and PROTERRA, and a new four-year plan for the stimulation of agriculture and agro-industry in the North and Northeast, are directed at integrating these regions more productively into the nation's economy. Also basic to the government's long-range strategy is its intention to broaden access to economic opportunity by extending the public education system.

FY 1973 A.I.D. PROGRAM

Given the strength of the Brazilian economy and the availability of capital transfers from other sources, the 1973 A.I.D. program will be modest in comparison to programs in the late 1960's. Emphasis will be placed on transfers of managerial and technical knowledge and skills, rather than on large transfers of capital resources. A.I.D. will also continue to manage and monitor the implementation of prior-year loans, which have a current pipeline of $270 million.

Recognizing that management and technical skills remain the critical limiting factors to further rapid Brazilian growth, A.I.D. will assist the government's efforts to make more efficient and equitable use of its resources by helping to improve Brazilian competence in planning, training, management and research. For FY 1973, A.I.D. proposes a grant Technical Assistance level of $8.3 million. Emphasis is on agriculture and education. No lending is planned for FY 1972, but some development lending needed to facilitate the transfer of U.S. scientific, technological and managerial expertise will be considered in FY 1973,

particularly in instances where project size or complexity grows beyond the scope of the normal grant Technical Assistance programs.

Future multilateral agency support for priority government programs is expected to continue at approximately the 1972 level of $670 million. The World Bank (IBRD) expects to continue assisting development of transportation, power and steel. The Inter-American Development Bank (IDB) will continue to concentrate its support in the rural sector, especially in agriculture infrastructure development.

U.S. P.L. 480 Title II commodities of approximately $22 million in FY 1973 will be used for dietary supplements for children through child feeding programs, dietary supplements for under-employed workers and their families through labor intensive public (or private) works programs, and improvement of agricultural development systems through support of feed grain project initiatives. About half of the P.L. 480 Title II commodities provided to Brazil are administered by voluntary agencies (Church World Service/ Lutheran World Relief and Catholic Relief Services).

Education and Manpower Training. An illiteracy rate of about 33% is symptomatic of an inadequate educational system. To combat the problem, Brazil has more than doubled its federal and state budgetary allocations to education, greatly increased student enrollments, improved its educational staffs at federal and state levels, and committed itself to a major reform program aimed at eliminating illiteracy by establishing an integrated primary/secondary educational system available to all Brazilians. In support of this program, A.I.D. is implementing two sector loans totalling $82 million. The loans supplement Brazilian federal government funds to support state education development plans in accordance with national standards. Complementary A.I.D.-funded technical assistance activities include helping the Brazilians states prepare plans for integrated development of their public school systems, and assisting the Brazilians to organize and manage reform programs, including teacher training, modernization of curricula, preparation of materials, and construction of multi-purpose junior high schools adapted to Brazil's employment needs.

Agricultural and Rural Development. Low rural incomes and low productivity, especially in the North and Northeast, are characteristic of Brazilian agriculture. The average annual income for 13 million people in Northeast Brazil's farm population is $50 per capita. To alleviate these conditions, large amounts of Brazilian resources are being allocated to open up new areas for development, and to stimulate agro-industry in North, Northeast and Central West Brazil.

A.I.D. will assist these efforts in FY 1973 through implementation of loans authorized in previous years for agriculture research, Northeast agricultural marketing, and Northeast rural farm-to-market roads. A.I.D. will also continue its assistance to higher agriculture education and research through U.S. university contracts and complementary technical assistance in seed and soil development.

Health. Efforts in the 1960's to increase the availability of doctors and health facilities on a national basis have yielded important improvements, but problems of malnutrition, inadequate water and sanitation facilities, and the lack of basic health delivery systems continue to plague the more backward areas of the country. A.I.D.'s efforts are concentrated in strengthening the Brazilian Government's capability to plan and develop low cost health delivery systems, especially for rural areas. A.I.D. is also assisting Brazilian programs to improve the nutrition of her poorer people by enriching certain staple foods (such as manioc) and developing high-protein additives for other basic foodstuffs.

Industrial Development. In order to provide the necessary momentum to make Brazil's development self-sustaining, Brazilian institutions now require access to advanced science and technology. Toward this end, A.I.D. will continue to support a program of cooperation in chemistry research and education between the Brazilian National Research Council and the U.S. National Academy of Sciences. Assistance to the Brazilian Institute of Geography and Statistics for the development of several technical censuses will also continue in FY 1973.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: BRAZIL **(In Thousands of Dollars and Equivalent)** **TABLE IV**

Loan No.	Title	Date: Authorized	Date: Loan Agreement	Grace Period (years)	Life of Loan (years)	Interest Rate (%): Grace Period	Interest Rate (%): Amortization	Amount Authorized	Amount Disbursed	Currency of Repayment	Principal Repayments	Interest Collected
L-022	CEMAT Power Expansion	5/07/64	6/05/64	3	25	5-1/2	5-1/2	4,592	4,479	US$		345
	Two-step			10	40	3/4	2					
L-023	FURNAS Power Transmission Lines	5/18/64	10/02/64	3	25	5-1/2	5-1/2	17,812	17,646	US$		1,539
	Two-step			10	40	3/4	2					
L-026	Peixoto Power Plant Expansion	6/27/64	11/27/64	3	20	5-1/2	5-1/2	18,400	17,369	US$		606
	Two-step			10	40	3/4	2					
H-029	Air Navigation Aids	6/30/64	9/04/64	10	40	3/4	2	2,700	2,202	US$		49
L-041	COPEL Electric System	3/27/65	6/09/65	5	25	5-1/2	5-1/2	11,400	10,756	US$		375
	Two-step			10	40	1	2-1/2					
L-047	Minas Gerais Highway Maint. Equipment	5/28/65	7/22/65	3	20	3-1/2	3-1/2	12,900	12,195	US$		463
	Two-step			10	40	1	2-1/2					
L-053	COHEBE-Boa Esperanca Hydroelectric Power Plant	10/20/65	12/01/65	6	25	3-1/2	3-1/2	10,700	10,571	US$		378
	Two-step			10	40	1	2-1/2					
L-054	FINEP-Feasibility and Resources Study	10/28/65	6/03/66	10	40	1	2-1/2	8,944	6,371	US$		142
L-057	Sewerage Maintenance Equipment	6/13/66	8/18/66	3	20	5-1/2	5-1/2	2,175	2,138	US$		43
	Two-step			10	40	1	2-1/2					
L-058	Water System Maintenance Equipment	6/13/66	8/18/66	3	20	5-1/2	5-1/2	2,925	2,896	US$		52
	Two-step			10	40	1	2-1/2					
L-059	Sao Paulo Highway Maintenance	6/29/66	8/18/66	3	18	3-1/2	3-1/2	14,500	7,587	US$		96
	Two-step			10	40	1	2-1/2					
L-060	DNER Highway Engineering Service	6/27/66	3/28/68	10	40	1	2-1/2	400	107	US$		-
L-062	Mascarenhas Hydroelectric & Distribution Expansion	6/29/66	8/18/66	4	24	5-1/2	5-1/2	13,300	3,977	US$		51
	Two-step			10	40	1	2-1/2					
L-065	Mineral and Water Resources	5/25/67	11/29/67	10	40	1	2-1/2	8,400	1,990	US$		21
L-066	Santa Cruz Thermal Plant Expansion	6/22/67	10/13/67	5	20	6	6	40,776	24,354	US$		219
	Two-step			10	40	1	2-1/2					
L-069	Rio Grande do Sul Highway Maintenance	6/22/67	12/21/70	3	15	3-1/2	3-1/2	5,500	169	US$		-
	Two-step			10	40	1	2-1/2					
L-070	Power Training & Technical Assistance	10/23/67	10/23/67	5	20	6	6	717	566	US$		9
	Two-step			10	40	1	2-1/2					
L-072	Malaria Eradication II	3/11/68	5/21/68	10	40	2	2-1/2	10,300	4,044	US$		119
L-073	Program Loan	3/29/68	5/23/68	10	40	2	2-1/2	74,949	71,753	US$		1,780

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: BRAZIL (cont'd-page 2) **(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 Repayment	Principal Repayments	Interest Collected
		Authorized	Loan Agreement			Grace Period	Amortization					
L-074	Health Sector Loan	5/29/68	1/15/70	10	40	2	2-1/2	15,400	9,314	US$		101
L-075	Passo Real Hydroelectric	6/28/68	6/30/69	5	25	6	6	27,400	3,852	US$		37
	Two-step			10	40	2	2-1/2					
L-076	IBGE Statistical Development	6/28/68	8/13/69	10	40	2	2-1/2	5,800	149	US$		1
L-077	Agricultural Research	6/28/68	3/09/71	10	40	2	2-1/2	11,930	-	US$		-
L-078	Education Sector	6/29/68	11/13/69	10	40	2	2-1/2	32,000	8,366	US$		39
L-080	Urban Sanitation	5/15/70	4/02/71	10	40	2	3	25,000	-	US$		-
L-081	Education Sector II	6/29/70	6/17/71	10	40	2	3	50,000	-	US$		-
L-082	Rural Road Construction	2/26/71	11/03/71	5	15	2	3	25,000	-	US$		-
	Two-step			10	40	2	3					
L-083	North/Northeast Agricultural Mktg.	2/26/71	11/08/71	5	20	2	3	14,000	-	US$		-
	Two-step			10	40	2	3					
L-084	North/Northeast Agric. Marketing-T/A	2/26/71	11/08/71	10	40	2	3	1,000	-	US$		-
L-085	Electric Power Training & T/A	3/12/71	10/29/71	5	20	6	6	2,500	-	US$		-
	Two-step			10	40	2	3					
L-086	Capital Markets Development Fund	6/24/71	-	10	40	2	3	15,000	-	US$		-
L-087	NE Small & Medium Industry Develop.	6/29/71	-	10	20	2	3	10,000	-	US$		-
	Two-step			10	40	2	3					

COUNTRY: BRAZIL

TABLE V

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

Project Title	*	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1971 Obligations	Through FY 1971 Expenditures	Through FY 1971 Unliquidated Obligations 6/30/71	Estimated FY 1972 Obligations	Estimated FY 1972 Expenditures	Estimated FY 1972 Unliquidated Obligations 6/30/72	Proposed Program FY 1973	Future Year Obligation	Estimated Total Cost
AGRICULTURE AND RURAL DEVELOPMENT											2,319		
Agricultural Education	*	512-11-110-094	1951	1973	17,765	15,965	1,800	1,167	2,113	854	1,803	-	20,735
Agricultural Production		512-15-130-247	1963	1974	2,591	2,288	303	233	415	121	286	200	3,310
Agricultural Marketing		512-15-140-248	1964	1972	1,340	1,289	51	151	151	51	--	--	1,491
Agrarian Reform		512-15-120-249	1965	1971	1,432	1,186	246	--	246	--	--	--	1,432
Agriculture - Technical Support		512-11-199-289	1971	Cont.	262	259	3	230	214	19	230	Cont.	Cont.
Agricultural Production		512-15-130-298	1963	1971	9,194	8,982	212	--	200	12	--	--	9,194
EDUCATION AND MANPOWER TRAINING											3,751		
Labor		512-11-410-028	1964	1973	3,441	3,109	332	530	550	312	450	--	4,421
Public Safety		512-11-710-070	1959	1972	8,289	8,048	241	160	300	101	--	--	8,449
Development Planning and Administration		512-11-790-122	1964	1974	4,879	4,241	638	577	700	515	175	235	5,866
Higher Education	*	512-11-660-263	1959	1973	6,967	4,878	2,089	1,723	2,135	1,677	1,907	--	10,597
Education - Technical Support		512-11-699-290	1963	Cont.	1,375	1,258	117	302	413	6	325	Cont.	Cont.
Education Administration and Planning	*	512-11-680-296	1963	1977	6,085	5,297	788	560	770	578	804	3,197	10,646
Higher Education		512-11-660-300	1966	1971	250	221	29	--	29	--	--	--	250
Development Management	*	512-15-790-309	1973	1976	--	--	--	--	--	--	90	750	840
INDUSTRIAL AND URBAN DEVELOPMENT													
Industry and Commerce		512-15-950-227	1963	1971	576	544	32	--	32	--	--	--	576
PROGRAM AND DEVELOPMENT SUPPORT											1,930		
Special Development Activity		512-15-998-286	1966	Cont.	100	100	--	45	45	--	50	Cont.	Cont.
Technical Support		512-11-999-000	1952	Cont.	31,952	31,877	75	3,549	3,600	24	1,880	Cont.	Cont.
POPULATION AND HEALTH											300		
National Water and Sewerage		512-11-520-062	1961	1972	3,143	3,141	2	53	55	--	--	--	3,196
Health		512-11-540-265	1966	1976	892	699	193	70	158	105	300	680	1,942
Total (including population)								9,350	12,126	4,375	8,300		

*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	99	92	57
Participating agency	20	16	3
Contractor technicians	81	103	144
Total	200	211	204

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year: Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	517	227	206
Contract	75	133	74
Total	592	360	280

Country: BRAZIL

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Agricultural Education	AGRICULTURE AND RURAL DEVELOPMENT		TA
PROJECT NUMBER 512-11-110-094	PRIOR REFERENCE p. 12, FY 72 LA P.D.B.	INITIAL OBLIGATION FY: 1951	SCHEDULED FINAL OBLIGATION FY: 1973

Project Target and Course of Action: To improve Brazil's capacity to produce the well-trained agriculturalists necessary to fully develop the nation's agricultural and rural resources. This project provides for technical assistance programs between four pairs of Brazilian and U.S. universities: The Federal University of Vicosa and Purdue; Rio Grande do Sul and Wisconsin; Ceara and Arizona; Sao Paulo and Ohio State. U.S. professors help to strengthen and upgrade faculty, establish graduate programs, strengthen undergraduate programs, improve the quality of extension services and pragmatic research, revise curriculum, and improve administration. Brazilian professors from the cooperating universities receive MS and PhD training in the United States.

Progress to Date: Graduate level programs have been started at all four Brazilian universities. PhD programs have begun in both Vicosa and Sao Paulo. Graduates of the four Brazilian schools are much in demand for both public and private sector jobs. Other achievements have been: 1) adoption of a modern departmental system, 2) better integration of teaching, research, and extension, and 3) greater efforts to assist lesser developed universities.

FY 1973 Program: Work at the four Brazilian schools will emphasize the development of new graduate programs with a strong research component as well as the improvement of existing programs. Additional efforts will also be made to bring the results of the programs to bear on the lesser developed universities, especially in the North and North-East. This may involve the development of a new contract arrangement. 1973 contract costs: Arizona $200,000; Ohio State $190,000; Purdue $325,000; Wisconsin $328,000.

U.S. Technicians: One direct-hire coordinator, five Purdue professors and 12 man-months of short-term advisors; four Arizona professors and 12 man-months of short-term advisors; six Wisconsin professors and 12 months short-termers; 3 Ohio State professors with 12 man-months of short-term assistance.

Participants: 37 participants (including extensions) will be trained in soils, agricultural economics and marketing plant and animal sciences, home economics, and entomology at U.S. universities.

Commodities: Laboratory equipment and publications.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	17,765	15,965	1,800
Estimated FY 72	1,167	2,113	
Estimated through 6/30/72	18,932	18,078	854
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	1,803	-	20,735

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	58	676	734	31	965	996
Participants	3	376	379	729	38	767
Commodities	-	54	54	-	40	40
Other Costs	-	-	-	-	-	-
Total Obligations	61	1106	1167	760	1043	1803

PRINCIPAL CONTRACTORS/AGENCIES

Purdue University
University of Wisconsin
University of Arizona
Ohio State University

Country: BRAZIL

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Higher Education	EDUCATION AND MANPOWER TRAINING		TA
PROJECT NUMBER 512-11-660-263	PRIOR REFERENCE p. 48, FY 72, L.A. P.D.B.	INITIAL OBLIGATION FY: 1959	SCHEDULED FINAL OBLIGATION FY: 1973

Project Target and Course of Action: The purposes are to: (1) assist selected Brazilian universities to improve administrative practices and organizational structures; (2) establish a research capability in those areas of science and technology identified as essential to Brazilian development; (3) provide academic training for key future leaders who can be expected to contribute to Brazilian economic, social and political development in areas not directly related to other projects.

Progress to Date: In the administrative practices and organizational structures project, six Brazilian universities have cooperated actively with the University of Houston, sending 7 administrators each to a 4-week U.S. training course. Four of the 6 universities have already instituted widespread administrative reform. Fifteen other Brazilian universities have participated to a lesser degree in this program. High quality post-graduate teaching and research in chemistry is being developed at 2 Brazilian universities by 8 U.S. post-doctoral fellows under an A.I.D. contract with the National Academy of Science (NAS). Five U.S. fellows are doing research and teaching in Sao Paulo under the guidance of senior U.S. and Brazilian professors. Seven Brazilian students have returned from short-term training in the U.S. Academic training in various priority fields was provided to 35 key participants during the past 4 years. Sixty-nine participants are currently in training. Northeast institutions have sent another 116 participants for training. An additional activity under this program develops high quality graduate economic training at the University of Sao Paulo with assistance from Vanderbilt University.

FY 1973 Program: Continue limited advisory and training assistance for university administrative reform through the Houston University contract ($50,000); continue collaborative effort in research in chemistry, with ten new U.S. fellows to replace current group and six new research fellows in computer science (NAS $352,000).

U.S. Technicians: Sixteen postdoctoral research fellows from NAS; 7 short-term consultants in university administration from Houston.

Participants: Train about 110 new participants and extend training of 50 present participants in fields of priority interest to Brazil such as science and technology, health and urban development ($1,500,000).

Commodities: Specialized small research equipment for NAS project ($5,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	6,967	4,878	2,089
Estimated FY 72	1,723	2,135	
Estimated through 6/30/72	8,690	7,013	1,677
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	1,907	-	10,597

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	29	314	343	-	387	387
Participants	1159	202	1361	1500	15	1515
Commodities	-	13	13	-	5	5
Other Costs	6	-	6	-	-	-
Total Obligations	1194	529	1723	1500	407	1907

PRINCIPAL CONTRACTORS/AGENCIES

National Academy of Sciences (NAS)

University of Houston

Country: BRAZIL

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Education Administration and Planning	EDUCATION AND MANPOWER TRAINING		TA
PROJECT NUMBER 512-11-680-296	PRIOR REFERENCE p. 47, FY 72 LA P.D.B.	INITIAL OBLIGATION FY: 1963	SCHEDULED FINAL OBLIGATION FY: 1977

Project Target: To improve the planning and administrative capacity of the federal Ministry and the state Secretariats to upgrade Fundamental (grades 1-8) and Secondary (grades 9-11) education. The Ministry will assist the Secretariats to reorganize and to develop integrated state plans to improve Fundamental and Secondary education. Specialists are being trained to prepare, review and implement the plans. The program is closely related to an AID educational sector loan package totaling $82 million. The total end result is to be a sweeping reform of the Brazilian public school system. U.S. assistance is provided under contract with San Diego State College.

Progress to Date: Brazil continues to place the high priority on education which made possible the following impressive gains during the 1960's: primary school enrollment up 70%, secondary 31%; federal and state budgets doubled; illiteracy cut from 39% to 33% (estimated). Substantial progress has been made toward building the Ministry capacity to carry out the current reform program. The Ministry's Fundamental staff is almost complete, and its Secondary group is organizing its technical assistance team, scheduled for completion in FY 1972. Planning units are now established in 10 states. Over 300 participants have returned from long and short-term training and are employed in key positions at the federal and state levels.

FY 1973 Program: The planning capacity of the Ministry and various state secretariats will be expanded and improved. The Ministry will continue providing technical assistance to 14 states to develop educational plans, will extend assistance to two additional states, plus assistance to the remaining 6 states, as requested. The Ministry will assist four state secretariats to carry out reorganizations during FY 1973. It will issue general education planning guidelines and review the specific education plans of 22 states. The Ministry will also give training to members of state planning teams. During FY 1973 the San Diego advisors will assist with these activities, total FY 1973 contract cost is estimated at $769,000.

U.S. Technicians: One direct-hire project manager, 13 San Diego long-term advisors to work with the Ministry on educational planning and administration. Also 30 man-months of short-term advisors.

Participants: Under the contract, twenty M.A. candidates and fifteen short-term participants will study at selected U.S. institutions.

Commodities: Educational materials and teaching aids, under the contract.

Other Costs: Communications, local consultants and language training under contract.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	6,085	5,297	788
Estimated FY 72	560	770	
Estimated through 6/30/72	6,645	6,097	578
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	804	3,197	10,646

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	35	366	401	35	577	612
Participants	20	105	125	-	175	175
Commodities	-	9	9	-	5	5
Other Costs	17	8	25	-	12	12
Total Obligations	72	488	560	35	769	804

PRINCIPAL CONTRACTORS/AGENCIES

San Diego State College

Country: BRAZIL

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Development Management	EDUCATION AND MANPOWER TRAINING		TA
PROJECT NUMBER 512-15-790-309	PRIOR REFERENCE New Project	INITIAL OBLIGATION FY: 1973	SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: To strengthen managerial and organizational capabilities through professional training and action-oriented research. Emphasis will be on analysis and application of new developmental management techniques to Brazil's special organizational characteristics and requirements.

Progress to Date: In Rio, initial discussions have been held among the Ministry of Planning, the Euvaldo Lodi Institute and the Catholic University of Rio, and tentative agreement has been reached upon the establishment of a Center for Organizational Resources. The University of Sao Paulo, the Getulio Vargas Foundation School of Business Administration and the Federal University of Bahia have expressed interest in a research program for the adaptation of modern management techniques to meet Brazilian organizational needs, emphasizing application in key educational, commercial and public institutions.

FY 1973 Program: A.I.D. proposes to respond positively to Brazilian initiatives of the following types: 1. the establishment of an applied behavioral sciences center for organizational resources to teach and implement behavioral technology in organization management. 2. the development of capability in other Brazilian centers to do research on organizations and improve organizational effectiveness. 3. assistance to intermediary Brazilian organizations working with local entities concerned with mobilizing community participation and resources in development efforts. 4. technical assistance for action research in (a) the transfer of technology, and (b) the assessment of the effect of development projects upon social change.

U.S. Technicians: Short-term contract consultants.

Participants: Two short-term behavioral science trainees.

Other Costs: Local logistic support for conferences and seminars and local training contracts.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	-	-	-
Estimated FY 72	-	-	
Estimated through 6/30/72	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	90	750	840

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	-	-	-	-	75	75
Participants	-	-	-	5	-	5
Commodities	-	-	-	-	-	-
Other Costs	-	-	-	-	10	10
Total Obligations	-	-	-	5	85	90

PRINCIPAL CONTRACTORS/AGENCIES

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-OBLIGATIONS AND LOAN AUTHORIZATIONS 1970	1971	TOTAL 1946-1971	REPAYMENTS AND INTEREST 1946-1971	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	88.0	79.4	1,386.6	37.7	1,348.9
Loans	75.0	67.5	1,202.3	37.7	1,164.6
Grants	13.0	11.9	184.3	—	184.3
(Supporting Assistance)	—	—	(75.5)		
FOOD FOR PEACE - TOTAL	62.4	40.6	834.7	37.2	797.5
Title I - Total	19.9	23.6	546.8	37.2	509.6
REPAYABLE IN U.S. DOLLARS - LOANS	19.9	23.6	135.4	21.5	113.9
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	—	—	411.4	15.7	395.7
Loans	—	—	300.9	15.7	285.2
Grants	—	—	110.5	—	110.5
Title II - Total	42.5	17.0	287.9	—	287.9
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	35.0	9.0	137.2	—	137.2
VOLUNTARY RELIEF AGENCIES	7.5	8.0	150.7	—	150.7
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	3.0	2.9	144.6	65.0	79.6
PEACE CORPS	3.5	3.1	34.8	—	34.8
SOCIAL PROGRESS TRUST FUND	-0.6	—	61.5	17.8	43.7
OTHER	0.1	-0.2	48.3	47.2	1.1
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	153.4	122.9	2,365.9	139.9	2,226.0
Loans	94.4	90.9	1,742.0	139.9	1,602.1
Grants	59.0	32.0	623.9	—	623.9
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	65.6	74.0	1,426.5	1,304.3	122.2
TOTAL ECONOMIC	219.0	196.9	3,792.4	1,444.2	2,348.2
Loans	160.0	164.9	3,168.5	1,444.2	1,724.3
Grants	59.0	32.0	623.9	—	623.9
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	0.9	10.3	303.7	38.1	265.6
Credit Sales (FMS)	—	9.4	81.9	38.1	43.8
Grants	0.9	0.9	221.8	—	221.8
(Additional Grants from Excess Stocks)	—	—	(27.7)	—	(27.7)
OTHER MILITARY ASSISTANCE GRANTS	—	1.9	75.4	—	75.4
TOTAL MILITARY	0.9	12.2	379.1	38.1	341.0
TOTAL ECONOMIC AND MILITARY	219.9	209.1	4,171.5	1,482.3	2,689.2
Loans	160.0	174.3	3,250.4	1,482.3	1,768.1
Grants	59.9	34.8	921.1	—	921.1

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	377.6	298.2	1,946.5
IBRD - World Bank	205.0	160.4	998.3
Int'l Finance Corp.	8.4	10.9	60.5
Inter-Am Dev. Bank	160.6	119.9	835.7
UNDP - Special Fund	2.3	5.7	29.5
UNDP - TA(CY)	0.6	0.6	11.9
Other UN(CY)	0.7	0.7	10.6

D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	56.3	71.3	531.1
Germany	19.6	36.4	215.9
Japan	31.2	25.7	135.9
Italy	0.8	0.9	86.8
Other	4.7	8.4	92.6

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1970 (Calendar Year)..... —
1971 (Calendar Year)..... —
Cumulative thru 1971.....312

*Less than $50,000.

Chile

BASIC DATA

Population (*millions - mid-1971*)	9.5
Annual Growth Rate (*percent*)	1.9
Population in Urban Areas (*Percent - 1970*)	73
Labor Force in Agriculture (*Percent*)	24
Per Capita GNP (*dollars*)	854*
Life Expectancy (*years*)	61
People Per Doctor	1,730
Literacy Rate (*percent*)	84
Students as % of 5 - 19 Age Group (*Primary and Secondary*)	71

* - 1971 in 1970 prices and exchange rates.

CHILE

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.	1,480	-	-	100	3	-	1,377
Population	30	-	30 2/	-	-	-	-
Other	-	-	-	-	-	-	-
Total	1,510	-	30	100	3	-	1,377
1972							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	1,000	-	-	209	-	-	791
Population	22	-	22	-	-	-	-
Other	-	-	-	-	-	-	-
Total	1,022	-	22	209	-	-	791
1973							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	850	-	-	200	-	-	650
Population	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	850	-	-	200	-	-	650

/1 Excludes population grant programs.
/2 Funded from development loan funds.

Since taking office in November 1970 the coalition government headed by President Allende has made sweeping structural changes in the Chilean economy. It has obtained control of important foreign and domestically-owned enterprises, intensified agrarian reform, and transferred additional income to wage earners.

While in 1971 production was increased and the rate of inflation was reduced, the outlook for Chile's economy in 1972 does not appear bright. A substantial fiscal deficit is projected, adding to the considerable inflationary pressures which already exist. Agricultural production is expected to decline. In addition, the availability of idle productive capacity has been reduced, thus making it more difficult to achieve continued growth without new investment.

Expropriation

As part of its policy of expanding the public and mixed sectors of the economy, the Chilean Government has taken over all or a part of the interests of a number of privately owned enterprises, including U.S. companies. Agreements have been arrived at with several U.S. companies, while other cases are pending.

The major cases still pending involve the Anaconda, Kennecott, and Cerro copper companies and the International Telephone and Telegraph Company. It remains to be seen whether satisfactory settlements will be arrived at in these cases.

FY 1973 A.I.D. PROGRAM

As President Nixon reiterated in his Report to the Congress of February 9, 1972, we are prepared to have the kind of relationship with the Chilean Government that it is prepared to have with us. As a demonstration of this, we are continuing to provide financing for our people-to-people activities in Chile.

With respect to the A.I.D. program, we propose grant funding of $850,000 in FY 1973, of which $495,000 will cover U.S. staff and A.I.D. Mission support costs. The following activities will be continued:

1. Small scale self-help projects carried out by university student groups, cooperatives and other organizations;

2. Short term training in the U.S. for selected Chileans in urban administration, rural development, and similar fields;

3. Labor union visits and exchanges conducted by the American Institute for Free Labor Development (AIFLD).

CHILE

The FY 1973 proposal is essentially the same as the FY 1972 program, except for reduced staff costs. The Technical Assistance program for FY 1972 is expected to amount to $1,022,000..

Food for Peace

The Food for Peace program is the major continuing people-to-people activity in Chile. It provides U.S. surplus foodstuffs to approximately 1.6 million Chilean school children, volunteer workers, and other recipients each year. Distribution in Chile is carried out by the UN World Food Program and by four U.S. Voluntary Agencies; CARE, Catholic Relief Services, the Seventh-Day Adventist Welfare Service, and the World Relief Commission. The proposed FY 1973 program is valued at $4.9 million. This is slightly less than the FY 1972 program, which is expected to amount to about $5.7 million.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: CHILE

(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 Repayment	Principal Repayments	Interest Collected
		Authorized	Loan Agreement			Grace Period	Amortization					
L-020	San Vicente Port Construction Two-step	10/28/63	5/11/64	5 10	20 40	3½ 3/4	3½ 3/4	7,000	2,462	US$	-	63
L-033	Feasibility Studies	6/13/67	7/19/68	10	40	1	2½	2,500	72	US$	-	-
L-034	Education Sector	6/29/67	9/14/67	10	40	1	2½	10,000	9,428	US$	-	182
L-037	Agricultural Sector	10/18/67	10/23/67	10	40	1	2½	22,992	20,469	US$	-	492
L-040	Education Sector	6/29/68	10/03/68	10	40	2	2½	16,300	10,765	US$	-	231
L-041	Program Assistance	8/30/68	9/10/68	10	40	2	2½	19,983	19,607	US$	-	521
L-044	Human Resources Development	6/30/69	4/16/70	10	40	2	3	2,500	-	US$	-	-
	Total							81,275	62,803			1,489

COUNTRY: CHILE

TABLE V

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

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													
Small and Medium Industry Development		513-13-270-210	1966	1970	371	324	47	-	47	-	-	-	371
Education and Manpower Training													
Labor		513-15-410-032	1958	1973	2,447	2,354	93	125	138	80	200 125	--	2,697
Training for Development		513-15-690-172	1964	Cont.	1,154	1,005	149	84	107	126	75	Cont.	Cont.
Education Modernization		513-11-690-148	1964	1968	340	281	59	-	49	10	-	-	340
Program Development and Support													
Special Development Activities		513-11-998-187	1964	Cont.	360	283	77	136	180	33	650 155	Cont.	Cont.
Technical Support		513-15-999-000	1955	Cont.	10,140	10,078	62	655	697	20	495	Cont.	Cont.
Population													
Population/Family Planning		513-11-580-208	1967	1972	1,660	1,203	457	22	449	30	-	-	1,682
				Total (including population)				1,022	1,667	299	850		

*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	13	6	2
Participating agency	-	-	-
Contractor technicians	7	3	1
Total	20	9	3

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	47	32	30
Contract	49	55	31
Total	96	87	61

CHILE

(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	18.0	1.5	614.7	42.8	571.9
Loans	15.0	—	540.0	42.8	497.2
Grants	3.0	1.5	74.7	—	74.7
(Supporting Assistance)	—	—	—		
FOOD FOR PEACE - TOTAL	7.2	6.3	237.6	36.8	200.8
Title I - Total	—	—	120.7	36.8	83.9
REPAYABLE IN U.S. DOLLARS - LOANS	—	—	59.4	16.5	42.9
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	—	—	61.3	20.3	41.0
Loans	—	—	61.3	20.3	41.0
Grants	—	—	—	—	—
Title II - Total	7.2	6.3	116.9	—	116.9
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	4.5	0.6	14.6	—	14.6
VOLUNTARY RELIEF AGENCIES	2.7	5.7	102.3	—	102.3
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	1.1	—	56.0	9.8	46.2
PEACE CORPS	1.1	0.8	16.4	—	16.4
SOCIAL PROGRESS TRUST FUND	-*	-0.8	34.4	9.8	24.6
OTHER	—	—	5.2	—	5.2
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	26.3	7.8	908.3	89.4	818.9
Loans	15.0	-0.8	695.2	89.4	605.8
Grants	11.3	8.6	213.1	—	213.1
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	3.3	—	594.4	409.6	184.8
TOTAL ECONOMIC	29.6	7.8	1,502.7	499.0	1,003.7
Loans	18.3	-0.8	1,289.6	499.0	790.6
Grants	11.3	8.6	213.1	—	213.1
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	0.8	5.8	119.5	6.7	112.8
Credit Sales (FMS)	—	5.0	25.1	6.7	18.4
Grants	0.8	0.8	94.4	—	94.4
(Additional Grants from Excess Stocks)	—	—	(8.0)	—	(8.0)
OTHER MILITARY ASSISTANCE GRANTS	—	—	30.0	—	30.0
TOTAL MILITARY	0.8	5.8	149.5	6.7	142.8
TOTAL ECONOMIC AND MILITARY	30.4	13.6	1,652.2	505.7	1,146.5
Loans	18.3	4.2	1,314.7	505.7	809.0
Grants	12.1	9.4	337.5	—	337.5

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	76.4	15.7	581.6
IBRD - World Bank	19.3	—	232.5
Int'l Finance Corp.	10.9	—	21.2
Int'l Dev. Association	—	—	19.0
Inter-Am Dev. Bank	45.6	12.0	265.9
UNDP - Special Fund	—	2.9	27.9
UNDP - TA(CY)	0.4	0.5	10.8
Other UN(CY)	0.2	0.3	4.3

D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	23.8	31.6	289.5
Germany	12.4	14.3	163.0
Italy	3.3	1.9	35.8
Canada	0.2	3.2	24.8
Other	7.9	12.2	65.8

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1970 (Calendar Year)..... —
1971 (Calendar Year).....133
Cumulative thru 1971.....193

*Less than $50,000.

Colombia

BASIC DATA

Population (*millions - mid-1971*)	21.8
Annual Growth Rate (*percent*)	3.2
Population in Urban Areas (*Percent - 1970*)	60
Labor Force in Agriculture (*Percent*)	45
Per Capita GNP (*dollars*)	320*
Life Expectancy (*years*)	60
People Per Doctor	2,190
Literacy Rate (*percent*)	73
Students as % of 5 - 19 Age Group (*Primary and Secondary*)	45

* - 1971 in 1970 prices and exchange rates.

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COLOMBIA

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	80,600	31,600	- 1/	20,000	29,000	-	-
Tech. Assist.	2,973	420	-	1,078	139	-	1,336
Population	417	-	417 2/	-	-	-	-
Other	-	-	-	-	-	-	-
Total	83,990	32,020	417	21,078	29,139	-	1,336
1972							
Devel. Loans	88,000	28,000	-	20,000	40,000	-	-
Tech. Assist.	2,850	387	-	978	-	-	1,485
Population	680	-	680	-	-	-	-
Other	-	-	-	-	-	-	-
Total	91,530	28,387	680	20,978	40,000	-	1,485
1973							
Devel. Loans	75,000	18,000	5,000	10,000	42,000	-	-
Tech. Assist.	3,000	-	-	920	-	-	2,080
Population	600	-	600	-	-	-	-
Other	-	-	-	-	-	-	-
Total	78,600	18,000	5,600	10,920	42,000		2,080

/1 Excludes population grant programs.
/2 Funded from development loan funds.

Following a period of financial instability which ended in late 1966, successive administrations of the Government of Colombia have pursued policies which have brought about substantial growth. The rate of real growth of the GNP averaged 5.7% during the period 1966-1971; in 1969 and 1970 the rate averaged 6.5%. Adverse weather conditions which affected agricultural production and transport were largely responsible for a slower growth rate of 5.6% in 1971. Government fiscal progress is indicated by increases in revenues averaging 11 percent annually in real terms since 1967, much higher than the GNP growth rate. Government efforts during 1971 helped to increase Colombia's minor exports (commodities other than coffee and petroleum) by 19%, up from a disappointing increase of only 4% in 1970.

The violence which terrorized the rural areas during the 1950's and early 1960's has decreased sharply. This has aided Colombian efforts to achieve economic progress. However, heightened popular expectations and serious social problems have accompanied this growth. Thus Colombia is confronted with rising demands for jobs, services, and reforms. Some 40% of the population live in cities of 100,000 or more, and the rate of open unemployment in the cities is estimated at 10 to 15%. The unemployment problem is aggravated by continuing heavy farm to city migration. Education facilities are inadequate, although the Government devotes about 15% of the national budget to education and has undertaken educational reforms. A significant proportion of the rural population still lives at a subsistence level.

Current government programs are designed to respond to these problems. The Government intends to increase the flow of benefits from economic growth to the rural poor and urban unemployed. It has initiated programs to partially redirect migration from the countryside to intermediate cities (with populations of 30,000 to 300,000) rather than to the four largest cities by promoting industrial growth in these intermediate cities (particularly of small and medium-sized labor-intensive industries), improving infrastructure (social services, roads, vocational institutions, sewerage facilities) and improving local planning and administrative capacity. The Government is also trying to slow rural urban migration by providing more employment and more equitable income distribution in the rural areas. Credit, agricultural inputs, extension services and land distribution are being increased for low-income farmers, who are most likely to migrate. Educational facilities are also being improved in both rural and urban areas through teacher training, school consolidation and school construction.

FY 1973 A.I.D. PROGRAM

A.I.D. assistance is designed to support Colombian efforts to 1) achieve fundamental reforms of agriculture, education, and health services and public administration, and 2) accelerate economic growth, distributing its benefits more equitably and increasing employment in both rural and urban

areas. A.I.D. assistance is also helping Colombia to expand and diversify exports, increase public revenues and expand investment in needed human physical infrastructure.

In FY 1971, A.I.D. loans of $80.6 million were authorized for Colombia: agriculture, education and urban/regional sector loans, and a project loan for a cadastral survey. In FY 1972, A.I.D. proposes a loan program of $88 million in the urban/regional, agriculture, and education sectors, and also in the housing finance/capital markets sector. The latter will help Colombia increase private savings available for investment in labor-intensive industry, housing and construction.

The proposed FY 1973 program for Colombia includes five sector loans totaling $75 million: urban/regional development ($34 million), agriculture ($18 million), education ($10 million), housing finance/capital markets ($8 million), and health ($5 million). With the exception of the health project, this program will continue previous A.I.D.-supported sectoral programs. A.I.D. will also continue a technical assistance grant program of $3.6 million (including population assistance) in FY 1973, and P.L. 480 Titles I and II agricultural commodity programs valued at approximately $13 million and $9 million, respectively.

Assistance to Colombia is provided in the context of a Consultative Group, founded in 1963 and chaired by the World Bank. Loans from Consultative Group members, other than the United States increased from $197 million in 1970 to $284 million in 1971. Of total Consultative Group lending in these two years, A.I.D. provided 25 percent and 21 percent respectively, the World Bank provided 38 percent and 40 percent, and the Inter-American Development Bank (IDB) 17 percent and 22 percent. Thus, A.I.D. last year moved down to third place as a capital donor in Colombia. As much as $400 million of financing from the members of the Colombian Consultative Group may be negotiated in CY 1972. A.I.D. sector loans are likely to represent less than 20% of the amount negotiated.

The UN last year developed with the Colombian Government a country program for pre-investment and technical assistance. The Colombian Government also developed a 5-year national technical assistance plan.

Industrial and Urban Development

A.I.D. urban/regional sector assistance which began in 1971 is helping finance the industrialization and public services required to stimulate more rapid economic development of intermediate cities, as well as the improvement of housing and basic infrastructure services, such as water, sewerage, and paving, in low-income areas in major cities. It is hoped that progress achieved in medium-sized cities will enable them to attract and employ a larger proportion of rural-urban migrants than at present, thus eventually relieving part of the extreme demographic pressure on the large metropolitan areas and reducing regional disparities. Urban and industrial financing agencies are being assisted, as well as the National Housing Agency. In addition, training for departmental and municipal level officials is being provided and urban studies centers, regional development institutes and foundations are being created.

This sector has received substantial loan assistance from other donors. In 1971 alone, Colombia received complementary financing of $91 million for water supply and sewerage, and $76 million for industry. In addition, grant assistance has been provided by a wide range of donors.

A $34 million sector loan for urban/regional development will continue support in FY 1973 for Colombia Government programs designed to stimulate the integrated development of intermediate-sized urban centers and their surrounding regions. This would be the third loan to this sector, ~~as a second loan is planned for late FY~~ 1972. A.I.D. technical assistance in this sector, if required, would be provided under the Block Technical Assistance Grant discussed below.

The Colombian Government has requested assistance for the urban sector from other donors for CY 1972, including an additional loan for water supply and sewerage, for medium-sized cities, valued at $11.7 million. Colombia has also

requested assistance of $172 million from other donors for industrial development in 1972, partly reflecting its desire to increase non-traditional exports. While assistance from other donors is generally for large-scale industry, A.I.D.'s urban/regional loan stimulates small and medium-sized enterprises.

A second housing finance/capital markets sector loan in the amount of $8 million will continue support, scheduled to begin late in FY 1972, for Colombian programs to expand savings and reduce high levels of urban unemployment by directing resources into labor intensive investments. Key to assistance in this sector will be the establishment of a national savings and loan system to provide improved financing for the Colombian housing industry. This loan may also help finance a plan which would mobilize savings by raising the interest paid to savers. Lending institutions would adjust their sub-lending policies to reflect the increased cost of money.

Agricultural and Rural Development

Since 1968, A.I.D.-financed agriculture sector development programs have helped ~~Colombia increase agricultural~~ output. The supervised agriculture credit program has reached 49,000 families since the program began with an additional 18,000 scheduled to enter the program during FY 1972. In addition, Government efforts, supported in part by A.I.D. financing, have resulted in the issuance of titles on both public and acquired land to some 18,000 rural families annually. In 1971, 18,000 new farm titles were granted and 10,000 families were settled. In addition, 30,000 acres of land were improved, and 250 miles of roads were built. Exports of nine important crops on the minor export list increased by 20% in 1971.

A.I.D. agriculture sector loans have been accompanied by A.I.D. grant technical assistance and participant training in agricultural planning and education. The 1971 A.I.D. cadastral loan is assisting the Colombian Government with a survey to enable it to increase the tax base in rural areas and improve implementation of land reform. A 1969 A.I.D. project loan is assisting Colombia with slaughterhouse improvement. Counterpart funds generated from P.L. 480 Title I agricultural commodity sales is allocated to agriculture sector programs. Food-for-work programs under P.L. 480 Title II have involved land development, reforestation, and rural infrastructure improvement projects.

The Colombian agricultural sector received approximately $142 million in loan assistance from other donors in the period 1967 to 1971. The World Bank is now assisting various land reform and colonization projects, and the IDB has a complementary project in agricultural research and extension. Grant assistance has been provided by a wide range of donors, including Canada, the United Kingdom, France, Germany, the UN and the OAS.

~~The proposed FY 1973 $18 million agriculture sector loan will continue~~ support to Colombian efforts to increase agricultural output and improve the distribution of income among the rural population. Particular emphasis ~~will again be~~ placed on measures to increase the productivity of small farmers and encourage their more active participation in the economic life of the country through programs of credit, extension services, land titling and farm-to-market road construction. Labor-intensive export crops ~~will~~ be emphasized where possible.

The Colombian Government has requested complementary assistance from other donors in 1972 for heavy agricultural equipment imports ($12-15 million), marketing centers ($17 million) and irrigation ($5 million). The marketing loan requested from the IDB would supplement the proposed marketing portion of A.I.D.'s 1972 agriculture sector loan which should help establish a supervised credit program for private sector food marketing firms.

Education and Manpower Training

A.I.D. sector loan financing and technical assistance, in conjunction with World Bank assistance, has been instrumental in enabling the Colombian Government to begin development of a system of comprehensive secondary schools offering both academic and technical training programs. These schools have significantly improved educational opportunities for some

60,000 Colombian students and have become a key factor in a program of overall reform for the Colombian education system. A.I.D. education sector loan financing has also supported considerably expanded educational opportunities in rural areas through the construction of facilities and training of teachers to staff them. Title II donated food has been used for school lunch programs in these new schools. A.I.D. technical assistance has been important for education sector planning and analysis.

The education sector received $46.2 million of loan assistance from the World Bank and the IDB in the period 1964-1970, including $14.1 million from the World Bank for construction of comprehensive secondary schools. In addition, grant assistance has been provided from a wide range of donors, including the United Kingdom, France, Switzerland, Germany, Israel, UNDP, UNESCO, ILO, and the OAS.

A $10 million education sector loan in FY 1973 will continue A.I.D. support for Colombian programs to increase opportunities for education ~~at all levels~~ and to improve ~~the~~ quality ~~of such education through the development and application of innovations in educational technology and management.~~ Innovations are designed to improve the cost-benefit ratio for Colombia's educational investment in order to give more children a more practical education faster. The loan will help provide increased primary educational opportunities, particularly in rural areas; expanded opportunities in secondary education; and increased opportunities for post secondary education. It will also help promote university integration. Technical assistance in education technology and management will be provided under the Block Technical Assistance Grant, ~~discussed below~~.

Population and Health

The current Colombia development plan proposes to increase health coverage--especially in rural areas--of mothers and children, including more nutrition programs and family planning. It also proposes increased investment in hospital construction and equipment after study of a proposed regionalization of health services and of a unified health delivery system.

The Government of Colombia is seeking $30 million to finance hospital construction, rehabilitation and equipment in CY 1972. ~~Germany may~~ finance $18 million of this request. A A.I.D. sector loan to help finance urgently needed improvements in Colombia's public health services is proposed for FY 1973. The ~~$6~~ million loan would assist the Government in financing the expansion and upgrading of health facilities, equipment and training. P.L. 480 Title II foods contribute to health sector goals by aiding nutrition programs, especially in Government maternal/child health centers.

A.I.D. will continue grant assistance ($600,000) in FY 1973 for demographic research and training in population and related fields. The Government recognizes the close relationship between national planning and demographic research. International organizations, such as the Pan-American Health Organization and the International Planned Parenthood Federation, assist Colombia in the population field.

Program Grant

A ~~new~~ technical assistance activity proposed for FY 1973 represents a significant departure from the methods which A.I.D. has traditionally used in providing technical assistance to developing countries. The new activity will, under a direct grant arrangement, make available resources ~~($500,000)~~ which the Government of Colombia will use to procure high priority technical services and training to assist it in planning, implementing and evaluating national and sector level development programs. Financing under the grant would be restricted to technical assistance and training required for improved national development planning and for the planning and implementation of development programs in sectors receiving substantial A.I.D. loan financing. Under this arrangement, the Colombian Government would assume primary responsibility for programming and contracting for required technical services and training and for contract supervision and administration, functions now performed largely by A.I.D. personnel. The Colombian Government's performance in planning and implementing

COLOMBIA

A.I.D. loan-financed sector development programs has demonstrated its capacity to assume direct responsibility for its own foreign technical assistance.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: COLOMBIA

(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 Repayment	Principal Repayments	Interest Collected
		Authorized	Loan Agreement			Grace Period	Amortization					
L-051	Agricultural Sector	6/27/68	7/15/68	10	40	2	2½	14,736	14,924	US$	-	628
L-052	Program Loan	6/27/68	7/15/68	10	40	2	2½	57,884	56,420	US$	-	2,476
L-053	Agricultural Sector	4/25/69	5/19/69	10	40	2	3	14,972	14,094	US$	-	391
L-054	Education Sector	4/25/69	5/19/69	10	40	2	3	9,987	8,146	US$	-	243
L-055	Program Loan	4/25/69	5/19/69	10	40	3	3	59,926	56,024	US$	-	1,421
L-056	Slaughterhouse Two-step	6/30/69	6/11/70	5 10	15 40	9½ 2	9½ 3	2,100	39	US$	-	-
L-057	Private Investment Fund Two-step	6/30/69	12/22/69	5 10	15 40	5½ 2	5½ 3	10,000	3,004	US$	-	17
L-058	Mineral Resources Survey	6/04/70	4/28/71	10	40	2	3	1,700	4	US$	-	-
L-059	Education Sector	5/28/70	6/11/70	10	40	2	3	14,997	11,592	US$	-	160
L-060	Agricultural Sector	5/28/70	6/11/70	10	40	2	3	14,998	11,072	US$	-	134
L-061	Program Loan	5/28/70	6/11/70	10	40	2	3	39,980	28,279	US$	-	309
L-062	Cadastral Loan	3/16/71	11/04/71	10	40	2	3	3,600	-	US$	-	-
L-063	Urban Regional Sector	6/15/71	8/19/71	10	40	2	3	29,000	-	US$	-	-
L-064	Agricultural Sector	6/17/71	8/19/71	10	40	2	3	28,000	6,789	US$	-	-
L-065	Educational Sector	6/17/71	8/19/71	10	40	2	3	20,000	-	US$	-	-
	Total							322,068	210,199		-	5,779

TABLE V

COUNTRY: COLOMBIA

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

Project Title	*	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1971 Obligations	Through FY 1971 Expenditures	Through FY 1971 Unliquidated Obligations 6/30/71	Estimated FY 1972 Obligations	Estimated FY 1972 Expenditures	Estimated FY 1972 Unliquidated Obligations 6/30/72	Proposed Program FY 1973	Future Year Obligation	Estimated Total Cost
AGRICULTURAL AND RURAL DEVELOPMENT													
National Agricultural Planning		514-11-190-097	1967	1972	1,574	1,488	86	387	432	41	-	-	1,961
Agricultural Education		514-11-110-120	1966	1970	2,852	2,563	289	-	279	10	-	-	2,852
EDUCATION AND MANPOWER TRAINING											920		
1) Labor Affairs		514-15-410-015	1953	1973	2,347	2,082	265	340	395	210	330	-	3,017
2) Public Safety	*	514-11-710-066	1963	1975	4,998	4,880	118	340	330	128	360	840	6,538
4) Tax Administration		514-11-750-100	1963	1974	1,720	1,707	13	154	151	16	200	220	2,294
9 Assistance to Legislative Development	*	514-11-790-166	1973	1974	-	-	-	-	-	-	30	70	100
6 Secondary Education		514-11-650-119	1968	1972	1,646	1,621	25	32	57	-	-	-	1,678
7 Education Technology and Management		514-15-680-152	1971	1972	118	115	3	47	10	40	-	-	165
8 Legal Education Reform		514-15-660-153	1970	1972	330	158	172	65	99	138	-	-	395
3 National Education Planning		514-15-680-083	1964	1970	890	863	27	-	27	-	-	-	890
5 Higher Education		514-15-660-101	1962	1970	2,044	1,994	50	-	50	-	-	-	2,044
INDUSTRIAL AND URBAN DEVELOPMENT													
1) Urban Development		514-52-830-058	1962	1971	1,769	1,627	142	-	120	22	-	-	1,769
3) Export Development		514-13-290-143	1965	1969	242	214	28	-	13	15	-	-	242
PROGRAM DEVELOPMENT AND SUPPORT											2,080		
2) Special Development Activities		514-15-998-092	1964	cont.	426	414	12	50	54	8	50	cont.	cont.
5) Block Technical Assistance Grant	*	514-11-995-170	1973	1979	-	-	-	-	-	-	500	6,000	6,500
4) Training for Improved Planning & Implementation		514-15-995-148	1967	1970	348	342	6	-	6	-	-	-	348
Technical Support		514-15-999-000	1943	cont.	7,912	7,566	346	1,435	1,568	213	1,530	cont.	cont.
POPULATION AND HEALTH											600		
Demographic Research	*	514-11-580-150	1968	1975	1,068	462	606	680	959	327	600	1,185	3,533
							Technical Assistance Subtotal --				(3,000)		
					Total (including population)			3,530	4,550	1,168	3,600		

*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	34	29	27
Participating agency	5	7	6
Contractor technicians	9	6	10
Total	48	42	43

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year: Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	172	107	114
Contract	9	7	-
Total	181	114	114

Country: COLOMBIA

PROJECT SHEET

TABLE VI

PROJECT TITLE Public Safety	SECTOR EDUCATION AND MANPOWER TRAINING		FUNDS TA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 514-11-710-066	p. H-9, FY 1972 SA P.D.B.	FY: 1963	FY: 1975

Project Target and Course of Action: To assist the National Police to improve their technical capacity in the fields of management, planning, training, investigations (including criminalistics), communications, and patrol (urban and rural). Technical advisory assistance, both long-range and short-term, limited commodity inputs and training will be provided. The long range goal is to help develop the National Police into a modern and efficient civil law enforcement body.

Progress to Date: Since 1963 some 436 Colombian police officials have graduated from the International Police Academy. The National Police have instituted a reorganization at all levels with A.I.D. Public Safety advisors providing technical advice. A study involving the development of a records and reporting system has been completed. The National Police plan to initiate this system in FY 1973. The initial phase of a computerized personnel system was begun during FY 1972. With advice from Public Safety staff, the Colombian National Police have made further progress toward the completion of a central criminalistics laboratory and a national radio communications network.

FY 1973 Program: Continued assistance will be provided to the National Police for the development of modern administrative and managerial systems through a multi-step computerized program having as its goal a unified National Police Information and Evaluation System. Technical assistance will be provided in management, development of training programs, investigations, urban and rural patrol, and for the completion of the communications program.

U.S. Technicians: Five direct-hire technicians (60 man-months) in the fields of investigations, training, management and administration, operational (patrol) activities and communications. Three short-term advisors.

Participants: 35 participants for the International Police Academy: 23 in General Courses, 6 for the Senior Officers Course and 6 for Technical Courses.

Commodities: Some communications equipment; investigative aids equipment, such as fingerprint file cabinets; and limited other commodities which should improve management as well as operational procedures in both urban and rural areas.

Other Costs: Miscellaneous local contractor services, printing, supplies and translations.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	4,998	4,880	118
Estimated FY 72	340	330	
Estimated through 6/30/72	5,338	5,210	128
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	360	840	6,538

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	144	-	144	165	-	165
Participants	88	-	88	90	-	90
Commodities	65	-	65	67	-	67
Other Costs	43	-	43	38	-	38
Total Obligations	340	-	340	360	-	360

PRINCIPAL CONTRACTORS/AGENCIES

Country: COLOMBIA

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR	FUNDS
Assistance to Legislative Development	EDUCATION AND MANPOWER TRAINING	TA
PROJECT NUMBER 514-11-790-166	PRIOR REFERENCE / INITIAL OBLIGATION FY: 1973	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: The purpose of this project will be to help the Colombian Congress establish an effective staff support organization for its legislative proceedings. Improved staff support will include modern systems of bill tracking, classification, record keeping and enlarged legislative reference facilities.

Improvements in staff support will accelerate and improve legislative proceedings by providing legislators and committees with better and more timely information for their decisions. Improved staff support will also allow legislators more time for consideration of individual pieces of legislation. In addition to providing for standardization and minimization of conflicting legislation through non-partisan staff support services, greater coordination within the legislative bodies and, in turn, with the executive branch will be sought. Improvements in these aspects of legislative performance are critical for adequate congressional response to developmental needs.

This activity is in the early stages of discussion with Colombian legislative leaders. Maturation of project design will be slow. At the present time, an A.I.D. interregional project with the State University of New York at Albany for legislative development activities in Ghana, Ethiopia, Brazil and Costa Rica is being taken as a model.

The project will stress technical work processes which can help the legislature better perform its constitutional functions. As much attention will be devoted to staff members as to elected legislators, in order to expose both groups to the benefits of systematic support services, including reference services, and a well-trained, non-partisan staff.

Over a two-year implementation span, there will occur an exchange of U.S. and Colombian personnel through attendance at U.S. workshops and observation visits by Colombian legislators and staff, a seminar in Bogota, and visits by U.S. experts. A monograph on Colombian Congressional technical work processes will be prepared, and training in legislative process administration will be provided for one Colombian.

FY 1973 Program: Three U.S. contract advisors for 2 months to review legislative procedures and consult with legislators and legislative staffs; 4 contract advisors for 2 weeks each to conduct consultations and seminars.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71			
Estimated FY 72			
Estimated through 6/30/72			
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	30	70	100

Cost Components	OBLIGATIONS: Estimated FY 1972 Direct AID	Estimated FY 1972 Contract/Other Agency	Estimated FY 1972 Total	Proposed FY 1973 Direct AID	Proposed FY 1973 Contract/Other Agency	Proposed FY 1973 Total
U.S. Technicians				-	22	22
Participants				-	-	-
Commodities				-	-	-
Other Costs				-	8	8
Total Obligations				-	30	30

PRINCIPAL CONTRACTORS/AGENCIES

To be selected.

Country: COLOMBIA

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR	FUNDS
Block Technical Assistance Grant	PROGRAM DEVELOPMENT AND SUPPORT	TA
PROJECT NUMBER 514-11-995-170	PRIOR REFERENCE / INITIAL OBLIGATION FY: 1973	SCHEDULED FINAL OBLIGATION FY: 1979

Project Target and Course of Action: To (1) assist the Government of Colombia to obtain high priority technical assistance and training required to effectively plan, implement and manage large-scale national and sector development programs; and (2) increase the government's capacity to carry out these functions. Knowledge and experience gained in contracting procedures should enable the government to efficiently procure needed technical assistance and training after the phase-out of A.I.D. technical cooperation activities.

The government plays the major role in the formulation and implementation of sector plans upon which A.I.D. bases its sector loans. However, it often requires special expertise that is not available in Colombia. In the past, A.I.D. has assisted by providing the services of direct hire and contract technical personnel. Given the capacity to assume responsibility for major development activities which the government has demonstrated in planning and implementing A.I.D.-financed sector development programs and its desire to take a more active role in planning and implementing technical assistance activities, A.I.D. proposes a direct grant to the government to procure the high priority technical assistance and training it requires. Prior to and during the initial phases of this new arrangement, A.I.D. will advise and assist the government to develop improved program management, contracting and evaluation procedures.

Technical services and training to be financed by the grant will be focused on areas related to national planning or to the planning and implementation of programs in sectors receiving substantial A.I.D. loan assistance. All contracts and training agreements will be subject to prior A.I.D. approval.

FY 1973 Program: In FY 1973 the following activities are planned. The Government of Colombia will contract to continue activities initiated under A.I.D.'s Education Technology and Management project. It will obtain the services of development economists and advisors in budget and finance to assist in the formulation of government development plans. The grant will fund advisors to assist in planning, implementing and evaluating sector development programs, including high priority export development planning. The government will also finance long-term academic training in development related disciplines and short-term training in development planning and program management for government officials.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71			
Estimated FY 72			
Estimated through 6/30/72			
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	500	6,500	6,500

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians						
Participants						
Commodities						
Other Costs					500	500
Total Obligations					500	500

PRINCIPAL CONTRACTORS/AGENCIES

To be selected.

Country: COLOMBIA

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Demographic Research	POPULATION AND HEALTH		Population
PROJECT NUMBER 514-11-580-150	PRIOR REFERENCE p. 31, FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1968	SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: To assist the National Statistics Department (DANE) in developing its capability to obtain reliable data on the demographic, health, educational and economic characteristics of the Colombian population by various techniques, including a continuous, nationwide household survey and a dual registration system for recording vital events, using modern data collection and processing techniques; and to assist Colombia in preparing a cadre of qualified specialists to implement its various population programs.

Progress to Date: The U.S. Bureau of Census has assisted DANE in developing a regular household survey, in improving utilization of its computer facilities, and in preparing for the next population census by providing specialized participant training. A U.S. firm has completed a special study of migration patterns. DANE, with University of North Carolina (UNC) help, has set up a Population Laboratory in Bogota and two research offices in Bucaramanga and Cartagena to develop inexpensive means of determining population growth rates in selected areas. The testing of two methods to achieve this objective has begun. 96 participants from various Colombian institutions have received training in demography and population and 12 have received census related training. All have returned and are engaged in various program activities. 52 participants are now in training in the U.S. A.I.D.'s contribution is part of an international effort that includes assistance from: Pan American Health Organization, International Planned Parenthood Federation, Population Council, Pathfinder Fund and Ford Foundation.

FY 1973 Program: During FY 1973, DANE will complete the field testing of two methods for sampling population change. The Population Laboratory will be able to analyze the effectiveness of these methods from data received, assist in development of the Population Census, and experiment with additional new methods of demographic measurements. A.I.D. will continue a substantial training program in demography, family planning and related disciplines for Colombians from a wide range of institutions.

U.S. Technicians: 1 direct hire advisor for developing and monitoring A.I.D.'s program; and 1 long-term and 2 short-term contract advisors to assist DANE's Population Laboratory, plus UNC on-campus support.

Participants: 9 DANE employees for short-term training in statistics/demography, 8 professors for long term training in demography/family planning, leadership training in same for 10 union leaders and 6 government officials; training in public health, population and nursing for 9 health program officials.

Commodities: Books and films in population field.

Other Costs: Costs for local employees' salaries, operating expenses, international travel and transportation, translation services, and publications.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	1,068	462	606
Estimated FY 72	680	959	
Estimated through 6/30/72	1,748	1,421	327
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	600	1,185	3,533

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	58	65	123	40	102	142
Participants	333	-	333	265	-	265
Commodities	12	3	15	10	-	10
Other Costs	19	190	209	15	168	183
Total Obligations	422	258	680	330	270	600

PRINCIPAL CONTRACTORS/AGENCIES

University of North Carolina (UNC)

COLOMBIA

(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	75.8	84.0	761.5	48.4	713.1
Loans	71.7	80.6	701.9	48.4	653.5
Grants	4.1	3.4	59.5	-	59.5
(Supporting Assistance)	(-)	(-)	(31.5)		
FOOD FOR PEACE - TOTAL	56.6	12.1	233.8	19.4	214.4
Title I - Total	15.5	2.8	87.6	19.4	68.2
REPAYABLE IN U.S. DOLLARS - LOANS	15.5	2.8	39.6	4.7	34.9
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	48.0	14.7	33.3
Loans	-	-	48.0	14.7	33.3
Grants	-	-	-	-	-
Title II - Total	41.1	9.3	146.2	-	146.2
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	32.1	0.5	37.2	-	37.2
VOLUNTARY RELIEF AGENCIES	9.0	8.8	109.0	-	109.0
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	1.5	1.6	83.8	15.4	68.4
PEACE CORPS	1.8	1.6	32.1	-	32.1
SOCIAL PROGRESS TRUST FUND	-0.3	-	49.0	14.6	34.4
OTHER	-	*	2.7	0.8	1.9
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	133.9	97.7	1,079.1	83.2	995.9
Loans	86.9	83.4	839.4	83.2	756.2
Grants	47.0	14.3	239.6	-	239.6
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	13.3	6.5	267.1	248.5	18.6
TOTAL ECONOMIC	147.2	104.2	1,346.2	331.7	1,014.5
Loans	100.2	89.9	1,106.5	331.7	774.8
Grants	47.0	14.3	239.6	-	239.6
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	2.9	5.9	99.0	-	99.0
Credit Sales (FMS)	-	5.0	5.0	-	5.0
Grants	2.9	0.9	94.0	-	94.0
(Additional Grants from Excess Stocks)	(0.4)	(0.3)	(6.0)	(-)	(6.0)
OTHER MILITARY ASSISTANCE GRANTS	3.5	-	19.8	-	19.8
TOTAL MILITARY	6.4	5.9	118.8	-	118.8
TOTAL ECONOMIC AND MILITARY	153.6	110.1	1,465.0	331.7	1,133.3
Loans	100.2	94.9	1,111.5	331.7	779.8
Grants	53.4	15.2	353.4	-	353.4

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	184.8	220.8	1,316.5
IBRD - World Bank	127.6	153.1	871.9
Int'l Finance Corp.	2.9	*	18.5
Int'l Dev. Association	-	-	19.5
Inter-Am Dev. Bank	50.6	65.2	366.3
UNDP - Special Fund	2.3	1.1	22.0
UNDP - TA(CY)	0.4	0.4	8.1
Other UN(CY)	1.0	1.0	10.2

D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	13.7	19.0	56.2
Germany	11.5	7.8	30.6
Netherlands	-	1.4	5.6
Italy	0.4	0.2	4.8
Japan	0.1	3.7	4.2
Other	1.7	5.8	11.1

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1970 (Calendar Year)	-
1971 (Calendar Year)	-
Cumulative thru 1971	2

*Less than $50,000.

Dominican Republic

BASIC DATA

Population (*millions - mid-1971*)	4.2
Annual Growth Rate (*percent*)	3.0
Population in Urban Areas (*Percent - 1970*)	40
Labor Force in Agriculture (*Percent*)	61
Per Capita GNP (*dollars*)	356*
Life Expectancy (*years*)	58
People Per Doctor	1,930
Literacy Rate (*percent*)	65
Students as % of 5 - 19 Age Group (*Primary and Secondary*)	55

* - 1971 in 1970 prices and exchange rates.

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	10,900	-	-	10,900	-	-	-
Tech. Assist.	2,572	749	107	836	46	-	834
Population	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	13,472	749	107	11,736	46	-	834
1972							
Devel. Loans	5,000	-	-	-	5,000	-	-
Tech. Assist.	1,815	551	-	619	-	-	645
Population	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	6,815	551	-	619	5,000	-	645
1973							
Devel. Loans	10,000	10,000	-	-	-	-	-
Tech. Assist.	1,600	601	-	300	-	-	699
Population	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	11,600	10,601	-	300	-	-	699

Despite increases in agricultural production and exports in recent years, recovery from the economic dislocations bred of the Trujillo era and the chaotic situation which followed the revolution of April 1965 has been slow. High levels of unemployment and underemployment are aggravated by large numbers of new entrants into the labor force competing for limited job opportunities. Inadequate housing, educational opportunities, and health services still confront many Dominicans. Government institutions continue, in general, to lack adequate skills and organization for the development task.

These problems persist despite relatively high investment and growth levels. Total 1971 investment was about 20% of GNP, including a $200 million Falconbridge ferronickel facility which has begun test production and a $30 million Shell oil refinery. GNP has expanded at an annual rate of 6% over the past three years.

Agriculture remains the mainstay of the Dominican economy, with sugar and its derivatives representing 60% of total exports. Increased production of food staples has been realized, though expansion of less-traditional products (beef, fruit and vegetables) has been hampered by poor technology. Several Dominican crops face external quota barriers.

FY 1973 A.I.D. PROGRAM

The A.I.D. program in the Dominican Republic concentrates on assisting the government to: (1) improve its capability to formulate and implement effective development plans; (2) increase agricultural productivity; (3) spread the benefits of growth; and (4) alleviate balance of payments problems. The proposed program of $11.6 million includes an agricultural inputs loan of $10 million and technical assistance of $1.6 million, primarily in agriculture. In addition, P.L. 480 Title I agricultural commodity sales of $5 to $8 million are anticipated and Title II food donation shipments will total $6.7 million at market value.

Total U.S. Government assistance is declining in relation to that of other donors, which is on the increase. The Inter-American Development Bank authorized a $7.4 million loan for rural electrification in early 1972 and has other loans, including an agriculture sector investment program, under consideration. The World Bank is following up 1971 loans in secondary education and livestock with several sector surveys likely to lead to other loans in agriculture, infrastructure, tourism and possibly other sectors. The UNDP has budgeted $7.5 million for 1972-76.

Agriculture and Rural Development

A.I.D. is reducing the number of agricultural technicians as the Dominican Republic continues to make progress in

production, training of personnel, and improving agricultural pricing, cooperative and credit institutions. In recent years, the Dominican Republic has become self-sufficient in rice, the poultry industry has expanded and offers competitively priced broilers on the local markets, and traditional crops (plantains, beans, tubers) are more abundant and less expensive. A.I.D. is planning a $10 million loan to provide credit for small farmers for agricultural inputs such as fertilizers and small agricultural machinery which are essential to agricultural modernization and increased production. This loan activity will form an integral part of a larger, IDB-led, agriculture sector program.

Education and Manpower Training

A.I.D.'s assistance to this sector consists primarily of implementation of previously authorized loans for a student loan program and for teacher training and curriculum and materials improvement, both designed to augment the training of Dominicans in human resource skills critical to economic and social development. Over 1,700 Dominicans have pursued higher education as a result of the student loan fund. At the end of FY 1972, four grant-financed Internal Revenue Service advisors will complete their work to help increase tax revenues through improved administration. Income tax collections rose by 72.6% during the six years of project assistance, returns filed by 53%, and indirect tax collections by 52.3%. Technical advisory services and commodity assistance to help the National Police upgrade its administrative and operational capabilities is being phased out. The support of the American Institute for Free Labor Development worker education and union leadership activities will continue.

Population and Health

The current program supporting the establishment of a public health network of hospitals, health centers and rural clinics will continue.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: DOMINICAN REPUBLIC (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 Repay-ments	Interest Collected
		Auth-orized	Loan Agree-ment			Grace Period	Amorti-zation					
L-014	Community Development	3/08/67	4/26/67	10	40	1	2½	8,700	7,595	US$	-	172
L-016	Feasibility Studies	6/13/67	1/10/68	10	40	1	2½	1,548	1,003	US$	-	6
L-018	Private Development Finance Co.	6/21/67	5/28/68	5	20	2½	2½	5,000	4,248	US$	-	43
	Two-step			10	40	1	2½					
L-020	Cooperative Development	6/25/68	3/28/69	10	40	2	2½	2,650	1,051	US$	-	12
L-021	Maternal and Infant Care	6/25/68	4/15/69	10	40	2	2½	7,100	249	US$	-	3
L-023	Private Investment Fund (PIF)	6/27/69	11/25/69	10	40	2	3	8,000	546	US$	-	5
L-024	Foundation for Educational Credit	6/26/70	2/12/71	10	40	2	3	1,750	569	US$	-	4
L-025	Education Sector	6/24/71	-	10	40	2	3	10,900	-	US$	-	-
	Total							45,648	15,261			245

TABLE V

COUNTRY: DOMINICAN REPUBLIC

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

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 Development Support	*	517-55-190-059	1965	1975	9,619	9,184	435	551	700	286	601/601	1,150	11,921
Education and Manpower Training													
Public Safety		517-11-710-021	1962	1973	3,497	3,413	84	234	283	35	300/50	-	3,781
Labor Development		517-15-490-029	1963	1974	1,907	1,707	200	219	225	194	250	250	2,626
Tax Administration		517-11-750-088	1965	1972	1,327	1,318	9	166	173	2	-	-	1,493
Program Development and Support													
Special Development Activity		517-15-998-050	1965	Cont.	449	448	1	10	7	4	699/20	Cont.	Cont.
Technical Support		517-11-990-000	1962	Cont.	6,984	6,693	291	635	779	147	679	Cont.	Cont.
				Total (including population)				1,815	2,167	668	1,600		

*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	32	30	25
Participating agency	7	3	3
Contractor technicians	11	10	6
Total	50	43	34

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	49	56	55
Contract	65	45	43
Total	114	101	98

Country: DOMINICAN REPUBLIC

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR	FUNDS
Agriculture Development Support	AGRICULTURE AND RURAL DEVELOPMENT	TA
PROJECT NUMBER 517-55-190-059	PRIOR REFERENCE P. 10 FY 1972 LA P.D.B. / INITIAL OBLIGATION FY: 1965	SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: To increase production of selected basic crops so that the Dominican Republic can: (a) become self-sufficient in selected staple crops; (b) increase exports of non-traditional commodities such as vegetables and fruits; and (c) increase production and domestic consumption of protein-rich foodstuffs and livestock. A.I.D. technicians are working with Dominican institutions to: (a) improve economic planning, statistical and marketing services; (b) strengthen price stabilization, cooperative and agrarian reform agencies; (c) improve credit and marketing services and facilities; (d) train technical manpower; and (e) increase production of selected crops.

Progress to Date: The Price Stabilization Institute, established in 1969, is now functioning in programs for rice, corn, beans and sorghum; grain storage facilities are now operational; the Institute for Cooperative Development has redirected its orientation to concentrate its resources on key cooperatives; and the Dominican Agrarian Institute is continuing to accelerate redistribution activities and broaden the scope of the services made available to land recipients. The first National Plan for Agricultural Development was completed in January, 1972. To date, 113 B.S. degree level participants have returned to the Dominican Republic and are helping to ease the acute shortage of trained personnel in the agricultural sector. During 1971 agricultural production increased by about 5 percent. Total agricultural exports reached a record in 1971, up 14.6 percent from the 1970 level. Rice production reached 212,000 metric tons, meeting domestic requirements.

Other Donors: The United Nations Development Program and the World Bank group have several active projects in agriculture and livestock. The Inter-American Development Bank is considering an agricultural sector investment program.

FY 1973 Program:

U.S. Technicians: 1 Chief Advisor, 1 Program Assistant, and 1 Secretary; 3 U.S. Department of Agriculture advisors, plus short-term consultants; 4 Texas A&M agricultural advisors in economics, engineering, livestock and tropical horticulture.

Participants: 30 short-term participants for specialized training, and 13 full time B.S. and 22 M.S. degree level students at Texas A&M.

Commodities: Demonstration materials. Local travel and support costs.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	9,619	9,184	435
Estimated FY 72	551	700	
Estimated through 6/30/72	10,170	9,884	286
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	601	1,150	11,921

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	77	274	351	69	268	337
Participants	20	173	193	50	200	250
Commodities	-	-	-	5	-	5
Other Costs	2	5	7	4	5	9
Total Obligations	99	452	551	128	473	601

PRINCIPAL CONTRACTORS/AGENCIES

Texas A&M University
U.S. Department of Agriculture (USDA)
Educational Credit Foundation

DOMINICAN REPUBLIC

(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	5.2	13.5	316.7	14.4	302.3
Loans	1.8	10.9	175.1	14.4	160.7
Grants	3.4	2.6	141.5	-	141.5
(Supporting Assistance)	(-)	(-)	(209.2)		
FOOD FOR PEACE - TOTAL	14.8	14.3	105.4	5.2	100.2
Title I - Total	8.6	7.2	47.8	5.2	42.6
REPAYABLE IN U.S. DOLLARS - LOANS	8.6	7.2	47.8	5.2	42.6
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	-	-	-
Loans	-	-	-	-	-
Grants	-	-	-	-	-
Title II - Total	6.2	7.1	57.6	-	57.6
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	0.6	-	6.9	-	6.9
VOLUNTARY RELIEF AGENCIES	5.6	7.1	50.7	-	50.7
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.5	0.5	17.4	2.0	15.4
PEACE CORPS	0.6	0.5	8.4	-	8.4
SOCIAL PROGRESS TRUST FUND	-0.1	-*	8.4	2.0	6.4
OTHER	-	-	0.6	-	0.6
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	20.5	28.3	439.5	21.6	417.9
Loans	10.3	18.1	231.3	21.6	209.7
Grants	10.2	10.2	208.1	-	208.1
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	-	-	31.6	15.5	16.1
TOTAL ECONOMIC	20.5	28.3	471.1	37.1	434.0
Loans	10.3	18.1	262.9	37.1	225.8
Grants	10.2	10.2	208.1	-	208.1
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	2.0	1.3	26.8	-	26.8
Credit Sales (FMS)	-	-	-	-	-
Grants	2.0	1.3	26.8	-	26.8
(Additional Grants from Excess Stocks)	(0.1)	(*)	(1.1)	(-)	(1.1)
OTHER MILITARY ASSISTANCE GRANTS	-	0.1	1.5	-	1.5
TOTAL MILITARY	2.0	1.4	28.3	-	28.3
TOTAL ECONOMIC AND MILITARY	22.5	29.7	499.4	37.1	462.3
Loans	10.3	18.1	262.9	37.1	225.8
Grants	12.2	11.6	236.4	-	236.4

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	25.5	18.5	100.7
IBRD	25.0	-	25.0
Int'l Dev. Association	-	9.0	9.0
Inter-Am Dev. Bank	-	7.6	54.0
UNDP - Special Fund	-	1.4	7.1
UNDP - TA(CY)	0.3	0.4	2.8
Other UN(CY)	0.2	0.1	2.8

D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	0.2	0.2	1.8
Germany	0.2	0.2	1.4
Austria	-	-	0.2
Other	0.1	*	0.2

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1970 (Calendar Year)..... -
1971 (Calendar Year)..... -
Cumulative thru 1971..... -

*Less than $50,000.

Ecuador

BASIC DATA

Population (*millions - mid-1971*)	6.3
Annual Growth Rate (*percent*)	3.4
Population in Urban Areas (*Percent - 1970*)	39
Labor Force in Agriculture (*Percent*)	53
Per Capita GNP (*dollars*)	267*
Life Expectancy (*years*)	52
People Per Doctor	2,800
Literacy Rate (*percent*)	68
Students as % of 5 - 19 Age Group (*Primary and Secondary*)	52

* - 1971 in 1970 prices and exchange rates.

ECUADOR

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	10,750	-	750 1/	-	-	10,000	-
Tech. Assist.	3,325	338	-	476	634	-	1,867
Population	1,281	-	1,281 2/	-	-	-	-
Other	-	-	-	-	-	-	-
Total	15,356	338	2,031	476	634	10,000	1,867
1972							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	3,250	281	-	698	290	-	1,981
Population	1,346	-	1,346	-	-	-	-
Other	-	-	-	-	-	-	-
Total	4,596	281	1,346	698	290	-	1,981
1973							
Devel. Loans	10,000	-	-	3,000	7,000	-	-
Tech. Assist.	3,450	231	085	928	276	-	1,930
Population	1,093	-	1,093	-	-	-	-
Other	-	-	-	-	-	-	-
Total	14,543	231	1,178	3,928	7,276	-	1,930

/1 Excludes population grant programs.
/2 Funded from development loan funds.

Ecuador, one of the poorer countries in Latin America, produces an inadequate quantity of goods and services and distributes them inefficiently, from both a social and economic point of view. Over half of the 6,300,000 people in Ecuador, living on an annual income of less than $80, are virtually outside the modern economy and the country's development. Industrial and agricultural output are limited by the small size of the domestic market and by high costs which inhibit penetration of foreign markets. The major short-run symptoms are under-utilized land and labor; the longer run indications are inadequate rates of increase of the total stock of productive land, labor and capital which are required to produce the goods and services needed by a rapidly growing population.

Oil reserves have been discovered in the eastern region of Ecuador, and Texaco and Gulf Oil plan to begin exports in mid-1972. As petroleum revenues begin to flow, the chronic government budget deficits should be reduced, the balance of payments should improve, and Ecuador should be in a better position to finance more of its own development requirements.

However, the country's ability to mobilize effectively these financial resources will continue to be severely limited by personnel, administrative and institutional weaknesses. Greatly strengthened private and public sector planning and implementing capabilities are required if these new resources are to be channeled into broadly based development.

FY 1973 A.I.D.

The A.I.D. proposed technical assistance program for FY 1973 is $4.5 million, with a proposed loan level of $10 million. Proceeds from P.L. 480 Title I sales will add some $2 to $3 million equivalent in local currency annually in FY 1972 and FY 1973 to cover local costs of projects in the agriculture and education sectors.

Multilateral and bilateral programs are closely coordinated. The UN Resident Representative plays a major liaison and coordinating role. The World Bank (IBRD) and the Inter-American Development Bank (IDB) are active in agriculture - where they provide over half of total external assistance, and in industrial and urban development. The IDB is also providing loan funds for sewer and potable water projects. The UNDP is a major contributor of external assistance in education and manpower, and A.I.D. is the primary donor in population activities. Other donors include Germany, Spain, Switzerland, Belgium, and Israel.

Agricultural and Rural Development

Obstacles to agricultural development are the land tenure system, which keeps overall productivity low; inadequate use of available technology; an inefficient marketing system; and lack of production credit for small farmers. The FY 1970 A.I.D. Land Sale Guaranty loan alleviates the land tenure problem by setting up a mechanism to enable cooperatives to purchase their own land. An A.I.D. Agricultural

Diversification loan will provide credit to small farmers to increase production.

The government plans to carry out an agricultural census in FY 1973. The resulting data will provide the base for a sector study to chart future assistance programs. A.I.D. grant and P.L. 480 Title I funds will assist in financing the census and the sector study.

In addition, complementing the loans of the IBRD and the IDB, A.I.D. will provide technical assistance to increase productivity and diversify output of small farms in areas where banana cultivation is unprofitable. We will also support government efforts to improve technology and provide inputs to small farmers in other parts of the country.

Industrial and Urban Development

Ecuadorean cities are growing rapidly because of migration and natural increase. To partially divert rural migration from the two large cities, Quito and Guayaquil, A.I.D. is concentrating on labor intensive small industry development near the smaller cities where social infrastructure is not so heavily burdened. A.I.D.'s urban planning and development program will concentrate on assistance to these secondary poles of development. Quito and Guayaquil will nevertheless continue to grow rapidly and a core housing loan of $3 million is proposed to demonstrate the feasibility of a low-cost approach to urban mass housing. It is expected that this will attract future public and private resources, including saving and loan funds, into this neglected but large market. An export promotion loan of $4 million is proposed to create a mechanism and provide seed capital for promoting nontraditional exports.

Education and Manpower Training

A.I.D. will continue to assist the government in improving primary education and developing innovative nonformal teaching techniques and financial devices. A.I.D. assistance has been instrumental in financing the construction of 800 primary school classrooms and the production of new textbooks in reading, science and mathematics for grades 1 to 3. A.I.D.'s proposed education credit loan of $3 million will provide seed capital for a student credit institute that will permit a broader spectrum of students to afford higher education and specialized training.

Population and Health

Only by reducing the 3.4% population growth rate, one of the highest in the world, can Ecuador hope to accelerate the improvement in the standard of living of its people. The A.I.D. program will continue efforts to alert Ecuadorean leaders to the seriousness of this problem, to provide planning and policy assistance and to make available birth control services at minimum costs with A.I.D. assistance. A P.L. 480 Title II food program of $2 to $3 million annually, in addition to feeding 650,000 children and adults, provides incentive grants for nutrition education and improvement in indigenous low-cost foods.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: ECUADOR (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 Repay-ments	Interest Collected
		Auth-orized	Loan Agree-ment			Grace Period	Amorti-zation					
L-022	Consortium Highway Loan	4/22/64	5/26/64	10	40	3/4	2	13,300	11,204	US$	-	227
L-027	Primary Education Improvement	6/29/65	2/11/66	10	40	1	2½	5,300	3,209	US$	-	43
L-029	Malaria Eradication	6/30/66	5/30/67	10	40	1	2½	2,000	1,987	US$	-	36
L-029A	Malaria Eradication (increase)	6/23/71	9/24/71	10	40	2	3	750	88	US$	-	-
L-030	Feasibility Studies	6/30/69	4/24/70	10	40	2	3	2,000	-	US$	-	-
L-031	Second Cooperative Bank	6/30/69	1/20/70	10	25	2	3	1,200	-	US$	-	-
L-032	Land Sale Guaranty	10/16/69	11/23/70	10	40	2	3	3,600	500	US$	-	-
L-033	Agricultural Dev. and Diversification	6/26/70	-	10	40	2	3	7,200	-	US$	-	-
L-034	Small Enterprise Assistance	6/29/70	-	10	40	2	3	5,100	-	US$	-	-
L-035	Rural Electrification Assistance	6/29/70	-	10	40	2	3	3,550	-	US$	-	-
L-036	Program Loan	11/05/70	-	10	40	2	3	10,000	-	US$	-	-
	Total							54,000	16,988			306

TABLE V

COUNTRY: ECUADOR

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

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											231		
Agricultural Production		518-11-190-051	1962	1975	3,138	2,950	188	281	360	109	231	372	4,022
HEALTH											85		
Family Food and Nutrition	*	518-15-560-112	1973	1975	-	-	-	-	-	-	85	155	240
EDUCATION AND MANPOWER TRAINING											928		
Public Safety		518-11-710-037	1959	1974	3,619	3,565	54	170	197	27	200	170	4,159
Human Resources Development	*	518-11-690-075	1967	1975	1,708	1,438	270	528	451	347	728	952	3,916
INDUSTRIAL AND URBAN DEVELOPMENT											276		
Industrial Development		518-15-290-024	1956	1975	2,501	2,317	184	290	328	146	176	281	3,248
Improvement of Development Finance and Administration	*	518-11-920-111	1973	1975	-	-	-	-	-	-	100	200	300
PROGRAM DEVELOPMENT AND SUPPORT											1,930		
Social and Civic Development	*	518-15-995-096	1965	1974	4,376	3,456	920	1,001	1,437	484	889	380	6,646
Special Development Activities		518-15-998-077	1962	Cont.	274	256	18	50	50	18	50	Cont.	Cont.
Technical Support		518-11-999-000	1953	Cont.	7,642	7,468	174	930	916	188	991	Cont.	Cont.
POPULATION											1,093		
Population	*	518-15-570-094	1968	Cont.	2,686	1,126	1,560	1,346	1,581	1,325	1,093	Cont.	Cont.
							Technical Assistance Subtotal				(3,450)		
				Total (including population)				4,596	5,320	2,644	4,543		

*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	28	34	30
Participating agency	-	-	-
Contractor technicians	23	21	18
Total	51	55	48

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	91	55	82
Contract	-	-	6
Total	91	55	88

Country: ECUADOR

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Family Food and Nutrition	POPULATION AND HEALTH		T.A.
PROJECT NUMBER 518-15-560-112	PRIOR REFERENCE	INITIAL OBLIGATION FY: 1973	SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: Improve the nutritional status of pre-school Ecuadorean children and pregnant or lactating women. The project will initially involve a series of pilot projects based on the recommendations of a systems analysis of food problems in Ecuador.

Progress to Date: Personnel from the Ministries of Health, Production, Education, and U.S. voluntary agencies have been working since September 1971 to re-orient the school feeding program, using the public schools as Maternal and Child Health feeding and education centers as well as for student lunch purposes. Pilot projects will begin shortly in the Sierra and in the Coast. A.I.D. has assisted two ongoing nutrition education projects through the incentive Grant to Catholic Relief Services and by providing nutrition manuals, together with training, to primary school teachers.

Other Donors: A.I.D. is coordinating its efforts with nutrition programs of the Pan American Health Organization, UNICEF, and the World Food Program.

FY 1973 Program: The following pilot projects will be initiated and carefully evaluated: (1) an analysis of fresh fish marketing and consumption; (2) higher consumption of nutritious, indigenous grains and legumes by altering production, processing and marketing policies; (3) fortification and enrichment of cereal products for urban consumption; (4) national nutrition education campaign, based on experiments using mass media, public schools and community groups; (5) feasibility of using the existing public school PL 480 Title II infra-structure, nationwide, to provide a greater proportion of PL 480 foods to pre-school children, their mothers, along with nutrition education and other maternal child care services.

U.S. Technicians: 1 personal services contract nutrition advisor to provide general guidance to the project ($25,000).

Participants: 2 Ministry of Health personnel for short courses in nutrition planning in the United States ($5,000).

Commodities: Laboratory equipment ($15,000).

Other Costs: Two local contracts, educational programs, in-country travel and per diem ($40,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71			
Estimated FY 72			
Estimated through 6/30/72			
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	85	155	240

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians				-	25	25
Participants				5	-	5
Commodities				15	-	15
Other Costs				3	37	40
Total Obligations				23	62	85

PRINCIPAL CONTRACTORS/AGENCIES

1 U.S. Personal Services Contract

Country: ECUADOR

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Human Resources Development	EDUCATION AND MANPOWER TRAINING		T.A.
PROJECT NUMBER 518-11-690-075	PRIOR REFERENCE: P. 45 FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: Accelerate the development of Ecuador's human resource base by (1) upgrading the capability of the primary school system by producing modern textbooks and training teachers in their use; (2) developing and testing improved methods of non-formal education to increase educational and technical training opportunities for Ecuadoreans presently outside technical and management training opportunities for mid-level public and private management personnel.

Progress to Date: Primary Education. Textbooks and teachers'guides for mathematics, reading, and science have been prepared for grades 1 through 3. The Textbook Department of the Ministry of Education has been legalized, internal regulations approved, and textbook writers evaluated and, where necessary, replaced by the Minister. Ten writers are currently receiving training at the University of New Mexico preparatory to writing the grades 4 through 6 textbooks. Non-formal. 24 community leaders have received training in basic non-formal literacy centers in 7 communities. The University of Massachusetts has contracted to prepare materials for testing and extending the techniques employed to date.

Other Donors: The World Bank is constructing 28 secondary schools and the Inter-American Development Bank is providing assistance to the Engineering division of the Guayaquil Polytechnic School.

FY 1973 Program: The fourth grade textbooks and teacher guides will be written, printed, and distributed. The teacher training program will be fully implemented with 5,000 teachers receiving in-service training in use of the textbooks. New non-formal education techniques will be developed and a system installed for producing, testing and distributing the teaching materials. Teachers and community leaders will be trained in their use. United States and third country training will commence for 20 Ecuadorean mid-level administrators.

U.S. Technicians: 2 direct-hire to provide general project guidance ($66,000); 4 University of New Mexico textbook and teacher training advisors plus 7 TDY illustrators and printing advisors ($163,000); 2 University of Massachusetts contract advisors in non-formal techniques plus 4 TDY Community Education Specialists ($150,000).

Participants: 2 to University of Massachusetts for non-formal education techniques ($12,000); 20 to U.S. and third country mid-level training in engineering, education, financial administration, business management ($56,000).

Commodities: Audio-visual equipment, training aides, and office equipment ($17,000).

Other Costs: 5 local direct-hire, in-country training (U.N.M. teacher training program, U. of Massachusetts non-formal education seminars), campus overhead costs, local travel and per diem. ($264,000)

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	1,708	1,438	270
Estimated FY 72	528	451	
Estimated through 6/30/72	2,236	1,889	347
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	728	952	3,916

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	33	184	217	66	313	379
Participants	-	-	-	68	--	68
Commodities	-	12	12	9	8	17
Other Costs	237	62	299	171	93	264
Total Obligations	270	258	528	314	414	728

PRINCIPAL CONTRACTORS/AGENCIES

University of New Mexico; University of Massachusetts

Country: ECUADOR

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Improvement of Development Finance and Administration	INDUSTRIAL AND URBAN DEVELOPMENT		T.A.
PROJECT NUMBER 518-11-920-111	PRIOR REFERENCE	INITIAL OBLIGATION FY: 1973	SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: Support the restructuring of development financing in Ecuador by assuring the most effective organization of the Central Bank Trust Fund and its operating relationship with other Ecuadorean financial institutions.

A serious obstacle to Ecuadorean development has been the lack of an institutional capability to mobilize internal and external development resources and to channel them to the vast number of small and medium size agricultural and industrial entrepreneurs. Through the Trust Fund's ability to channel development credits to specific types of subborrowers using a number of different Ecuadorean banking institutions, an institution has been created that can provide increased resources for the development of agricultural and industrial sectors.
Progress to Date: The Trust Fund was established in the Central Bank late in 1970. Major reforms have been made in Ecuadorean laws to permit private banking institutions to participate in development financing through the Trust Fund mechanism. In its first year of operation it attracted $18 million in Development Loans from the World Bank and $3.6 million from A.I.D.
Other Donors: The United Nations is in the process of providing a Small Industry Development Advisor for the Trust Fund's industrial development department and the Inter-American Development Bank is considering a grant project to improve the Trust Fund's project development capability.
FY 1973 Program:
Participants: 3 Trust Fund personnel for training in Trust Fund Operations in either the Colombian or Mexican Central Bank. ($22,000).
Other Costs: 2 contract Banking and Finance Administration Advisors to assist the Trust Fund refine its internal operating procedures; two seminars between the Trust Fund and executives from the banking community to facilitate cooperation between the public and private financial institutions; eight on-the-job training scholarships for university students in their final year of studies so as to begin training a core of executives to fill future Trust Fund positions ($78,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71			
Estimated FY 72			
Estimated through 6/30/72			
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	100	200	300

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians				-	-	-
Participants				22	-	22
Commodities				-	-	-
Other Costs				28	50	78
Total Obligations				50	50	100

PRINCIPAL CONTRACTORS/AGENCIES

Grantee Personal Services Contracts (Third Country National)

Country: ECUADOR

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Social and Civic Development	PROGRAM DEVELOPMENT AND SUPPORT		T.A.
PROJECT NUMBER 518-15-995-096	PRIOR REFERENCE P. 73, FY 72 LA P.D.B.	INITIAL OBLIGATION FY: 1965	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: (1) encourage broader participation in the development process and (2) provide increasingly equitable distribution of income. This Title IX project seeks to develop: (1) sound agriculture cooperatives; (2) strong credit union movement integrated into a financially sound national federation; (3) achievement-oriented, problem solving leadership; (4) development-oriented youth organization; (5) increased urban employment; (6) self-sufficient labor unions; and (7) self-sustaining agricultural marketing organizations.

Progress to Date: 55 rice cooperatives have been formed with 2,800 members holding 31,000 hectares of land. 256 credit unions have been formed with 56,000 members, $5.1 million in savings, $30.3 million in loans, and $10.5 million capital. The national federation will be self-sufficient, and A.I.D. assistance terminated, on June 30, 1972. 1,467 Ecuadoreans received leadership training in FY 1971 - teachers and agriculture and family planning technicians. Four Youth Volunteer regional offices have been established and are carrying out projects in literacy training, community organization, and cooperative development in more than 75 communities. The Ecuadorean Development Foundation has provided seed capital to small businesses resulting in 250 new jobs. Since 1964, 12,000 union members have received training and collective bargaining contracts increased by 15 percent in 1971.

FY 1973 Program:

U.S. Technicians: 2 direct hire for overall project guidance ($58,000); 2 contractors to assist the National Rice Federation to provide services and technical advice to rice cooperatives in establishing rice milling and marketing operations ($96,000); 3 contractors to train union leaders in organization, bargaining, and dues collection ($98,000); 1 contract organization development specialist to advise the Leadership Training Institute; 6 TDY urban specialists to advise the municipality of Quito in city planning and urban geography and economics ($66,000).

Participants: 5 leader trainers to U.S. for training in organizational development ($16,000); and 6 unionists to American Institute for Free Labor Development's Front Royal course ($20,000).

Commodities: 3 vehicles, office equipment, audio visual equipment, and training materials ($76,000).

Other Costs: Rent/utilities, local travel and per diem, local training and subsistence for 41 youth volunteers, 4 local direct hire ($298,000); and 46 local contract employees and related travel and per diem (Cooperative League of the USA, $77,000; American Institute for Free Labor Development, $84,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	4,376	3,456	920
Estimated FY 72	1,001	1,437	
Estimated through 6/30/72	5,377	4,893	484
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	889	380	6,646

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	80	224	304	58	260	318
Participants	8	-	8	16	20	36
Commodities	78	-	78	73	3	76
Other Costs	388	223	611	298	161	459
Total Obligations	554	447	1,001	445	444	889

PRINCIPAL CONTRACTORS/AGENCIES

Cooperative League of the USA (CLUSA)

American Institute for Free Labor Development (AIFLD)

Personal Services Contract

Country: ECUADOR

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Population	POPULATION AND HEALTH		Population
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 518-15-570-094	P. 35 FY 1972 LA P.D.B.	FY: 1968	FY: Continued

Project Target and Course of Action: Reduce population growth rate from 3.4 percent to 2.0 percent per year by 1980. Project is implemented by Ministries of Health, Social Welfare, Defense and the National Planning Board.
Progress to Date: Health. 44 urban centers and 20 rural posts are providing family planning services to 38,000 persons annually. 125 doctors, 45 health educators, 110 nurses, 58 social workers, 180 midwives, and 450 auxiliary nurses have been trained. The Evaluation Unit has completed a survey of acceptance of family planning by various socio-economic groups. The Audio Visual Unit is distributing family planning educational materials nation-wide. 34 family planning sex education courses were held in 1971 for 2,568 parents of primary-secondary school children. Three major medical schools have included population dynamics in their curricula; 6,000 collaborators of the Malaria-Service are disseminating family planning information in rural areas, and a Population Institute is being created which will receive funds from the Population Council, Planned Parenthood Federation, and United Nations. Social Welfare. 26 courses in family planning have been held in 10 rural areas for 1,080 attendees. 8 courses have been conducted to prepare 265 community leaders to promote family planning acceptance in their locales. Defense. 12 clinics and 2 cytology laboratories are functioning in military health facilities providing services to 6,500 women. This program will be taken over by the UN in December 1972. Planning Board. The University of North Carolina is establishing a Population Laboratory to measure demographic changes.
FY 1973 Program: 20 rural posts (reaching 25,000 receptors) will open. The Social Welfare program will expand to 20 rural areas, training 1,000 participants. The Population Institute will begin functioning.
U.S. Technicians: 2 direct hire to provide project guidance; 1 contractor (program evaluation) to advise the Evaluation Unit; 1 contractor (demographer) to advise the Planning Board on the Population Laboratory; 6 TDY contractors (evaluation, motivation, organization and administration) to provide guidance to the Ministry of Health.
Participants: 5 to U.S. universities (Research, Demography, Health Administration, Sex Education, and Evaluation); 22 to Puerto Rico for family planning studies.
Commodities: Obstretics/Gynecology equipment, audio visual materials, office equipment, infertility and cytology laboratory equipment.
Other Costs: Salaries of 200 personnel in Ministries of Health and Social Welfare and Planning Board; local training; rent/utilities; local travel and per diem; and local purchases of construction materials.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	2,686	1,126	1,560
Estimated FY 72	1,346	1,581	
Estimated through 6/30/72	4,032	2,707	1,325
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	1,093	Cont.	Cont.

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	30	93	123	44	107	151
Participants	40	-	40	40	-	40
Commodities	198	-	198	128	-	128
Other Costs	969	16	985	749	25	774
Total Obligations	1,237	109	1,346	961	132	1,093

PRINCIPAL CONTRACTORS/AGENCIES

Colombia University
University of North Carolina

ECUADOR

(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	23.2	15.3	169.9	20.3	149.6
Loans	19.4	10.8	111.8	20.3	91.5
Grants	3.8	4.5	58.0	-	58.0
(Supporting Assistance)	(-)	(-)	(21.9)		
FOOD FOR PEACE - TOTAL	1.6	6.6	47.6	9.8	37.8
Title I - Total	-	4.8	22.8	9.8	13.0
REPAYABLE IN U.S. DOLLARS - LOANS	-	4.8	14.4	2.2	12.2
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	8.4	7.6	0.8
Loans	-	-	8.4	7.6	0.8
Grants	-	-	-	-	-
Title II - Total	1.6	1.8	24.8	-	24.8
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	0.2	0.2	2.3	-	2.3
VOLUNTARY RELIEF AGENCIES	1.4	1.6	22.5	-	22.5
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	1.0	0.8	47.1	6.9	40.2
PEACE CORPS	1.0	0.8	16.0	-	16.0
SOCIAL PROGRESS TRUST FUND	-*	-*	27.4	6.4	21.0
OTHER	-	-	3.7	0.5	3.2
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	25.8	22.7	264.6	37.0	227.6
Loans	19.4	15.6	162.5	37.0	125.5
Grants	6.4	7.1	102.0	-	102.0
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	3.0	2.0	46.2	36.9	9.3
TOTAL ECONOMIC	28.8	24.7	310.8	73.9	236.9
Loans	22.4	17.6	208.7	73.9	134.8
Grants	6.4	7.1	102.0	-	102.0
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	1.9	0.4	43.8	0.1	43.7
Credit Sales (FMS)	-	-	0.7	0.1	0.6
Grants	1.9	0.4	43.1	-	43.1
(Additional Grants from Excess Stocks)	(0.3)	(0.1)	(3.5)	(-)	(3.5)
OTHER MILITARY ASSISTANCE GRANTS	-	-	16.8	-	16.8
TOTAL MILITARY	1.9	0.4	60.6	0.1	60.5
TOTAL ECONOMIC AND MILITARY	30.7	25.1	371.4	74.0	297.4
Loans	22.4	17.6	209.4	74.0	135.4
Grants	8.3	7.5	161.9	-	161.9

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	12.9	50.9	203.3
IBRD - World Bank	-	8.0	71.3
Int'l Finance Corp.	-	-	2.2
Int'l Dev. Association	1.5	10.0	24.6
Inter-Am Dev. Bank	9.7	29.7	78.2
UNDP - Special Fund	0.7	2.2	12.0
UNDP - TA(CY)	0.5	0.4	9.2
Other UN(CY)	0.5	0.6	5.8

D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

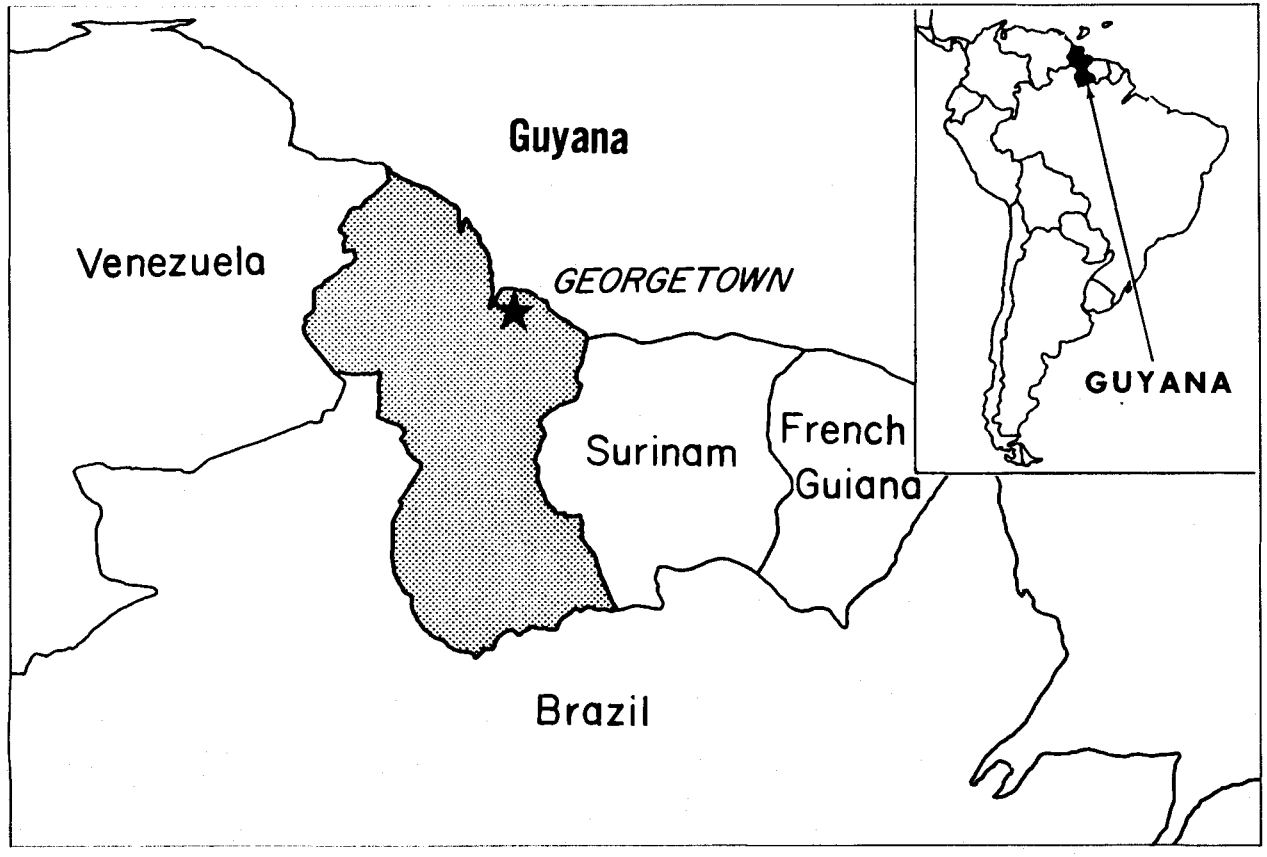
DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	7.9	6.4	23.2
Germany	6.8	4.2	14.3
Austria	-	-	1.7
Other	1.0	2.2	7.2

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1970 (Calendar Year)	-
1971 (Calendar Year)	5
Cumulative thru 1971	15

*Less than $50,000.

Guyana



BASIC DATA

Population (*millions - mid-1971*)	0.8
Annual Growth Rate (*percent*)	3.0
Population in Urban Areas (*Percent - 1970*)	30
Labor Force in Agriculture (*Percent*)	30
Per Capita GNP (*dollars*)	330*
Life Expectancy (*years*)	61
People Per Doctor	4,420
Literacy Rate (*percent*)	80
Students as % of 5 - 19 Age Group (*Primary and Secondary*)	71

* - 1970 in 1970 prices and exchange rates.

GUYANA

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	-	-	-	-	-	-	-
Tech. Assist.	1,250	457	-	344	-	-	449
Population	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	1,250	457	-	344	-	-	449
1972							
Devel. Loans	11,300	-	2,400	-	8,900	-	-
Tech. Assist.	1,200	342	-	523	-	-	335
Population	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	12,500	342	2,400	523	8,900	-	335
1973							
Devel. Loans	9,000	-	6,000	-	3,000	-	-
Tech. Assist.	1,100	319	-	388	-	-	393
Population	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	10,100	319	6,000	388	3,000	-	393

The Government of Guyana is engaged in restructuring and redirecting its economic development efforts. These efforts emphasize greater national self-reliance and government control of the economy, infrastructural development, development of the country's interior, and import substitution. Particlar emphasis is placed on domestic food production.

The economy is likely to continue to depend on the exploitation of natural resources (primarily bauxite) and on sugar and rice production for export. However, rice production currently falls short of its potential as a major earner of foreign exchange. Insufficient administrative and technical personnel as well as inadequate basic infrastructure also limit development.

FY 1973 A.I.D. Program

A.I.D. assistance proposed for FY 1973 consists of $1.1 million in Technical Assistance; $9 million in Development Loans; P.L. 480 Title I sales of $1.6 million for tobacco, wheat and oil; and about $200,000 of Title II funds for maternal and child care, school lunch programs, and economic and community self-help projects.

Partly as a result of U.S. encouragement, World Bank assistance is expected to increase and, as currently projected, will soon exceed anticipated U.S. bilateral inputs. The Bank's emphasis will continue to be on sea defense (dikes and walls), drainage, irrigation and power. The United Kingdom's portion will remain fairly constant at about $7 million yearly. Other significant donors include Canada and Brazil, which have contributed particularly to construction of interior roads. A.I.D.'s assistance will continue to complement that of these other donors.

Agricultural and Rural Development

A priority for A.I.D. assistance in FY 1973 is diversifying agricultural crop production and increasing agricultural income especially for the small farmers, who represent a major portion of the population and heretofore have not participated in the process of national economic growth. In addition to promoting the cultivation of non-traditional agricultural export crops, most of which have also been heavy import items, A.I.D. will continue to provide research advisors, commodities, and equipment to help develop an agricultural base in the savannah region adjacent to the major metropolitan centers. This region, if properly developed, could support a larger population and permit greater agricultural production. The strategy also calls for determining whether beef cattle can be economically raised in these savannah areas. To date, the commercial production of peanuts, cowpeas and soybeans has been established as a result of the work of the University of Florida financed by A.I.D.

A.I.D. has been virtually the sole foreign donor in agricultural diversification, but the World Bank has recently become involved in livestock development, particularly in the savannah areas. Rice is a major crop and earner of foreign exchange for Guyana, contributing directly to the livelihood of an estimated 45,000 farm families located largely along the more densely populated coastal areas. Production has suffered in recent years, due principally to the haphazard expansion of cultivation. The resulting poor quality rice produced was less acceptable in Guyana's traditional Caribbean markets. Reversing this trend continues to be a government priority as it has major national economic implications and directly involves a significant portion of the population. A.I.D. assistance in modernizing the rice industry is funded from prior year development loan funds. Construction of the A.I.D.-financed rice milling and storage facilities is well underway; two of the six projected centers are expected to be ready for inauguration in May. Grant funds in the past have been used to introduce high-yielding varieties, teach appropriate methods of husbandry, and provide managerial and organizational assistance in rice marketing.

Education and Manpower Training

The heavy demands on limited available managerial and technical skills imposed by the proposed restructuring of the economy mean that great effort will be required to achieve results within a reasonable time-frame. In order to assist the government in its urgent need to build a reasonable level of administrative, managerial, planning and technical competence to meet the nation's development aspirations and desire for greater national self-reliance, A.I.D. is providing training in public administration and in development planning through its General Training project Assistance and training in tax administration is provided through a participating agreement with the Internal Revenue Service.

A.I.D. also plans to continue technical assistance for labor union development during FY 1973 through a contract with the American Institute of Free Labor Development.

Population and Health

A.I.D. is the sole external donor for development of potable water. A planned FY 1972 loan to expand the potable water supply in urban areas along the coast and rivers of the country will be followed by a $6 million loan in FY 1973 for further expansion to meet the requirements of the majority of the people who are concentrated in these urban areas.

Industrial and Urban Development

A.I.D. loans have been made for road construction to facilitate the movement of goods and people, primarily along the densely populated coastal and river areas. Capital assistance for FY 1973 will include a $3 million loan for improvement of the approaches to the coastal urban center of New Amsterdam.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: GUYANA

(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 Repayment	Principal Repayments	Interest Collected
		Authorized	Loan Agreement			Grace Period	Amortization					
L-002	Private Investment Fund	1/05/66	5/21/66	10	40	1	2½	2,000	1,465	US$	-	31
L-003	Feasibility Studies	10/19/66	11/03/66	10	40	1	2½	1,600	1,438	US$	-	30
L-004	Corentyne & West Demerara Roads	6/23/67	10/07/67	10	40	1	2½	7,500	6,731	US$	-	111
L-007	Water Supply Improvement	6/28/68	8/24/68	10	40	2	2½	2,600	1,646	US$	-	23
L-008	Rice Modernization Project	11/30/68	3/11/69	10	40	2	3	12,900	4,319	US$	-	17
L-009	Feasibility & Pre-Feasibility Studies	6/30/69	8/16/69	10	40	2	3	2,500	-	US$	-	-
L-010	Improvement Streets & Approaches	9/30/71	11/09/71	10	40	2	3	8,900	-	US$	-	-
	Total							38,000	15,599			212

TABLE V

COUNTRY: GUYANA

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

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											319		
Diversification and Development of Agriculture		504-11-120-039	1967	1974	1,457	885	572	342	610	304	319	483	2,601
EDUCATION AND MANPOWER TRAINING											388		
Labor Education & Social Projects		504-11-490-024	1965	1974	967	875	92	129	159	62	133	60	1,289
General Training		504-11-690-030	1965	Cont.	453	397	56	230	226	60	154	Cont.	Cont.
Public Safety		504-11-710-037	1966	1972	1,172	1,057	115	71	186	-	-	-	1,243
Tax Administration		504-11-750-053	1971	1973	83	39	44	93	93	44	101	-	277
PROGRAM DEVELOPMENT AND SUPPORT											393		
Special Development Activities		504-15-998-031	1965	Cont.	189	162	27	50	50	27	50	Cont.	Cont.
Technical Support		504-11-999-000	1965	Cont.	2,284	2,270	14	285	289	10	343	Cont.	Cont.
Total (including population)								1,200	1,613	507	1,100		

*Detailed project narrative—See Table VI.

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year (6/30)		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
A.I.D. employed	8	6	6
Participating agency	1	1	1
Contractor technicians	1	1	1
Total	10	8	8

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	43	46	52
Contract	15	18	4
Total	58	64	56

GUYANA

(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	1.3	1.2	58.0	0.6	57.4
Loans	--	--	40.1	0.6	39.5
Grants	1.3	1.2	17.8	--	17.8
(Supporting Assistance)	(--)	(--)	(9.6		
FOOD FOR PEACE - TOTAL	*	0.7	4.4	*	4.4
Title I - Total	--	0.3	0.6	*	0.6
REPAYABLE IN U.S. DOLLARS - LOANS	--	0.3	0.6	*	0.6
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	--	--	--	--	--
Loans	--	--	--	--	--
Grants	--	--	--	--	--
Title II - Total	*	0.4	3.8	--	3.8
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	--	0.4	2.1	--	2.1
VOLUNTARY RELIEF AGENCIES	*	--	1.7	--	1.7
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.3	0.1	1.3	--	1.3
PEACE CORPS	0.3	0.1	1.3	--	1.3
SOCIAL PROGRESS TRUST FUND	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	1.6	2.0	63.7	0.6	63.1
Loans	--	0.3	40.7	0.6	40.1
Grants	1.6	1.7	22.9	--	22.9
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	--	--	--	--	--
TOTAL ECONOMIC	1.6	2.0	63.7	0.6	63.1
Loans	--	0.3	40.7	0.6	40.1
Grants	1.6	1.7	22.9	--	22.9
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	--	--	--	--	--
Credit Sales (FMS)	--	--	--	--	--
Grants	--	--	--	--	--
(Additional Grants from Excess Stocks)	(--)	(--)	(--)	(--)	(--)
OTHER MILITARY ASSISTANCE GRANTS	--	--	--	--	--
TOTAL MILITARY	--	--	--	--	--
TOTAL ECONOMIC AND MILITARY	1.6	2.0	63.7	0.6	63.1
Loans	--	0.3	40.7	0.6	40.1
Grants	1.6	1.7	22.9	--	22.9

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	0.3	7.9	26.8
IBRD - World Bank	--	5.4	14.2
Int'l Dev. Association	--	2.2	5.1
UNDP - Special Fund	0.1	--	4.9
UNDP - TA(CY)	0.2	0.3	2.0
Other UN(CY)	*	*	0.6

D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

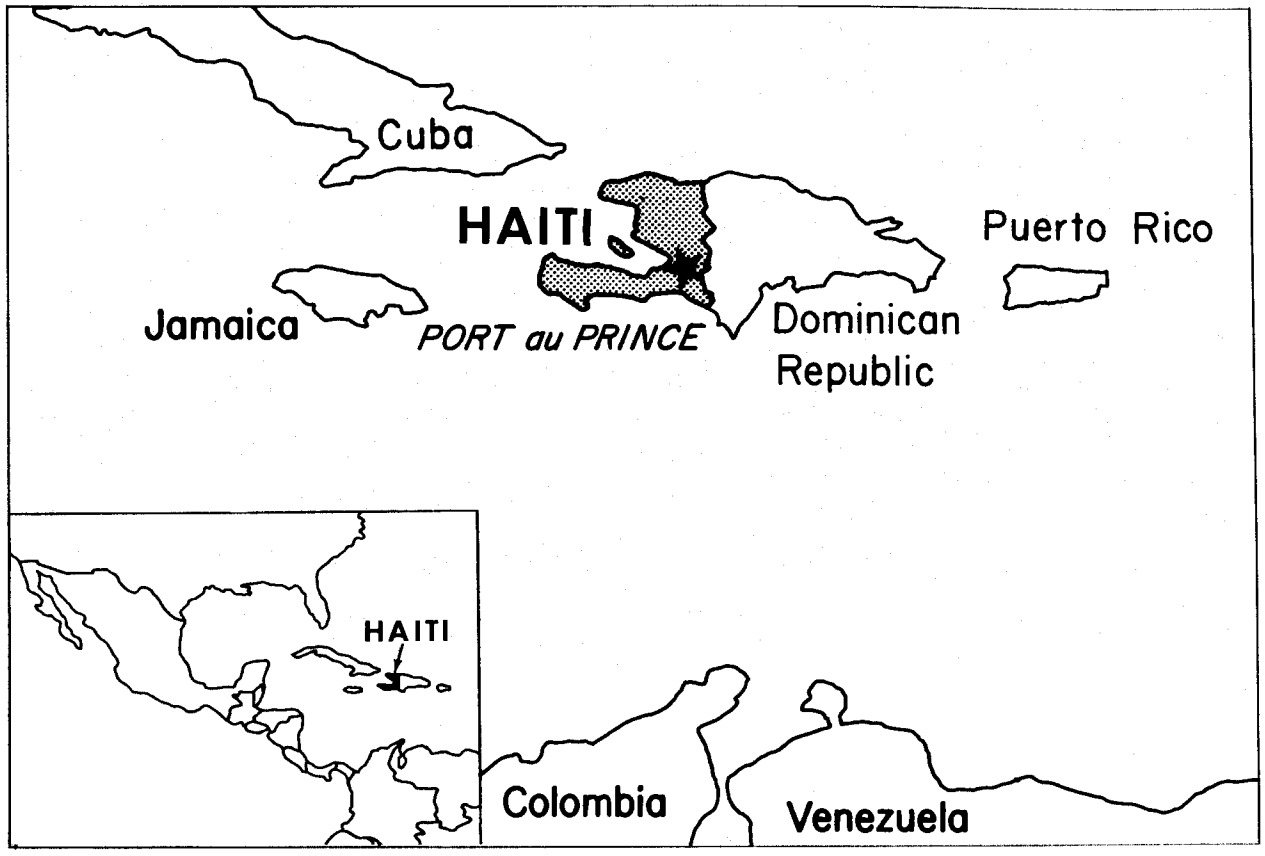
DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	8.3	12.1	80.0
United Kingdom	5.9	7.4	67.4
Canada	2.2	4.4	12.0
Other	0.1	0.3	0.6

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1970 (Calendar Year).....---
1971 (Calendar Year).....---
Cumulative thru 1971.....---

*Less than $50,000.

Haiti



BASIC DATA

Population (*millions - mid-1971*)	5.0
Annual Growth Rate (*percent*)	2.0
Population in Urban Areas (*Percent - 1970*)	17
Labor Force in Agriculture (*Percent*)	83
Per Capita GNP (*dollars*)	90*
Life Expectancy (*years*)	48
People Per Doctor	13,420
Literacy Rate (*percent*)	10
Students as % of 5 - 19 Age Group (*Primary and Secondary*)	20

* - 1970 in 1970 prices and exchange rates.

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HAITI

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	--	--	--	--	--	--	--
Tech. Assist.	--	--	--	--	--	--	--
Population	--	--	--	--	--	--	--
Other 1/	2,782	--	1,837	--	490	--	455
Total	2,782	--	1,837	--	490	--	455
1972							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	2,960	845	1,800	-	-	-	315
Population	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	2,960	845	1,800	-	-	-	315
1973							
Devel. Loans	3,000	3,000	-	-	-	-	-
Tech. Assist.	3,000	1,170	1,710	-	-	-	120
Population	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	6,000	4,170	1,710	-	-	-	120

1/ Supporting Assistance

According to most indicators, Haiti is the poorest country in the hemisphere. It has a population density in excess of 450 persons per square mile, limited arable land and natural resources, a basically rural population and a low literacy rate. The per capita GNP of its 5 million people is estimated at about $90.

Haiti's economy was generally stagnant during the 1960's, but the economy is beginning to grow again. Gross domestic product rose about 5.7% in real terms between 1969 and 1971. Production of most traditional agricultural products increased in 1971. The present government has actively encouraged private investment, including foreign investment, and has extended appropriate investment incentives. The result has been an expansion of light manufacturing industries, primarily in the Port-au-Prince area. The mining, construction and utilities sectors also recorded gains in 1971.

FY 1973 A.I.D. PROGRAM

Until recently, A.I.D. assistance has been limited to humanitarian activities -- malaria eradication, rural community development and Food for Peace. As the development climate has gradually improved and the opportunities for effective collaborative efforts have increased, A.I.D. has undertaken a few pilot projects related mainly to agricultural development. This trend toward economic development activities is expected to accelerate in FY 1973. The overall level of grant assistance is proposed at $3 million, the same as FY 1972. A modest loan program will be undertaken if sound priority proposals beyond the capacity or interest of the multilateral agencies emerge.

External assistance to Haiti has been limited for several years. It is estimated to have amounted to only $3.8 million in 1970, exclusive of U.S. aid. UN agencies accounted for $2.1 million of this amount, primarily for agriculture and health activities. The balance consisted of disbursements on IDB loans for potable water and education. The current outlook is for increased aid from these sources, and the World Bank may resume assistance. Emphasis is expected to be given to infrastructure, agriculture and tourism. This is consistent with Haiti's needs and absorptive capacity as indicated by the Inter-American Committee on the Alliance for Progress (CIAP).

Agriculture and Rural Development

A.I.D. supported pilot projects are aimed at identifying opportunities for improving the basically rural economy and promoting rural welfare. Pilot agricultural activities in vegetable, fish and swine production are being initiated in FY 1972. We are also considering a small feeder roads loan. A.I.D. will also continue in FY 1973 to support rural community development in northwest Haiti. The emphasis of this activity is expected to shift from community health to agriculture and infrastructure activities, with the aim of improving both the rural economy and rural welfare.

HAITI

Population and Health

The malaria eradication program will continue to require U.S. and multilateral support. The government is currently giving active consideration to an integrated program of rural health services and has initiated discussions of this subject with A.I.D.

TABLE V

COUNTRY: HAITI

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

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													
Rural Community Development	*	521-15-810-061	1966	1976	1,014	623	391	845	720	516	1,170 620	1,075	3,554
Agricultural Development Support	*	521-15-190-069	1973	1975	-	-	-	-	-	-	550	1,200	1,750
Health and Population													
Malaria Eradication	*	521-11-511-033	1961	1976	15,301	14,824	477	1,800	1,450	827	1,710 1,710	2,425	21,236
Program Development and Support													
Special Development Activities Fund		521-15-998-062	1968	Cont.	270	267	3	315	88	230	120 50	Cont.	Cont.
Technical Support		521-11-990-000	1973	Cont.	-	-	-	-	-	-	70	Cont.	Cont.
Total (including population)								2,960	2,258	1,573	3,000		

*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	-	-	2
Participating agency	3	3	3
Contractor technicians	1	2	3
Total	4	5	8

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	-	2	6
Contract	-	-	-
Total	-	2	6

Country: HAITI

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Rural Community Development	AGRICULTURE AND RURAL DEVELOPMENT		TA
PROJECT NUMBER 521-15-810-061	PRIOR REFERENCE P. A-7 FY 1972 Econ.Suppt.Ass;t.	INITIAL OBLIGATION FY: 1966	SCHEDULED FINAL OBLIGATION FY: 1976

Project Purpose: To institutionalize community action efforts in rural communities of northern Haiti.

Progress to Date: Northwestern Haiti, where this project has been in operation for the past five years, is one of the most impoverished regions of a generally poor country. The project, administered through a contract with CARE Inc., has compensated for a dearth of public services by installing in the area five service centers from which fixed and mobile medical terms provide public health, dental and family planning services, and technical agents such as agronomists and engineers to help community councils to plan and carry out projects such as the building of schools, the construction of roads, the installation of water systems and the improvement of crops.

As of the end of 1971, over 170 community councils had been established or strengthened in the Haitian-American Community Help Organization (HACHO) area, with total active membership in excess of 9,000 persons. Some 28,737 patients received medical aid from HACHO health technicians during the last nine months of 1971. Other quantitative indicators of project progress include the construction of 1,001 latrines and 24 social centers, the digging of 165,267 meters of contour canals and the planting of 19,251 seedlings to initiate a reforestation program. PL-480 food-for-work commodities are made available to the community teams working on the activities included in this project. The government pays the base salaries of most of the doctors, agronomists and engineers assigned to this project.

FY 1973 Program: One year funding for the HACHO headquarters in Port-au-Prince, the administrative office in Gonaives, and the five area centers in the northwest.
U.S. Technicians: Two CARE administrators/community development advisors.
Commodities: Medical supplies, replacement vehicles, office supplies, and equipment and materials for community action projects.
Other Costs: Local personnel, local supplies and materials, and operational costs.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	1,014	623	391
Estimated FY 72	845	720	
Estimated through 6/30/72	1,859	1,343	516
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	620	1,075	3,554

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians		30	30		31	31
Participants		-	-		-	-
Commodities		156	156		105	105
Other Costs		659	659		484	484
Total Obligations		845	845		620	620

PRINCIPAL CONTRACTORS/AGENCIES

CARE, Inc.

Country: HAITI

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Agricultural Development Support	AGRICULTURAL AND RURAL DEVELOPMENT		TA
PROJECT NUMBER 521-15-190-069	PRIOR REFERENCE	INITIAL OBLIGATION FY: 1973	SCHEDULED FINAL OBLIGATION FY: 1975

Project Purpose: To lay the foundation for effective agricultural and rural development in Haiti. More specifically, this project is designed to identify, by means of discrete pilot projects, agriculture sector development parameters and opportunities, with the twin objectives of exapnding the basically rural economy and promoting rural welfare.

Progress to Date: This is a new proposed project for FY 1973. It both recognizes and tests indications that the development climate in Haiti has improved and that opportunities for effective collaborative efforts have increased.

Approximately 85% of the people of Haiti reside in the country-side and are dependent on the rural economy. Inadequate attention in the past to soil erosion, salinization of the soil, introduction of improved plant varieties, water resource utilization and modern agricultural practices has resulted in generally stagnant levels of production and in widespread malnutrition. Yet Haiti is considered to have sufficient agricultural potential both to feed its population and for export expansion. The Government has now assigned a high priority to development of its agricultural potential. Support of three agricultural pilot projects was extended by A.I.D. in FY 1972 under the Special Development Activities Fund. These three projects, being implemented by the Ministry of Agriculture and farmers cooperatives, are in vegetable production, inland fisheries and pork production.

Other Donors:
UNDP and FAO are supporting a pilot integrated agricultural development project on the Southern Peninsula. An OAS/Israeli technical team is assisting fruit and vegetable cooperatives in the Cul de Sac Plain. Germany is providing $2 million for water resources development in the Plain of Gonaives.

FY 1973 Program:
U.S. Technicians: One agricultural generalist to advise government on rural development plans and to monitor assistance inputs; twenty-four months advisory services in crop and livestock production and water resources utilization.

Participants: Six months of training in agricultural planning and project preparation and in specialized fields for four Haitians.
Commodities: Livestock foundation stock, machinery, seeds, and vehicles.
Other Costs: Revolving credit funds, local construction costs and local supplies.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	--	--	--
Estimated FY 72	--	--	
Estimated through 6/30/72	--	--	--
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	550	1,200	1,750

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians				30	52	82
Participants				20	-	20
Commodities				300	-	300
Other Costs				148	-	148
Total Obligations				498	52	550

PRINCIPAL CONTRACTORS/AGENCIES

Personal Services Contracts

Country: HAITI

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Malaria Eradication	HEALTH AND POPULATION		TA
PROJECT NUMBER 521-11-511-033	PRIOR REFERENCE P. A-7 FY 1972 Econ.Suppt.Ass't	INITIAL OBLIGATION FY: 1961	SCHEDULED FINAL OBLIGATION FY: 1976

Project Purpose: To develop the necessary health infrastructure for the immediate suppression and eventual eradication of malaria in Haiti. About 70% of the area of Haiti, containing over 3.5 million people, is malarious. Eradication of this disease would contribute to a more healthful and productive life for this population.

Progress to Date: This project has achieved varied successes in the suppression of malaria. Over 800,000 dwellings are sprayed twice annually by project personnel. A system of about 6,000 voluntary collaborators has been set up to identify malarious cases. Fifty percent of all malaria cases are now found in only three districts. The campaign is still considered to be in the attack phase, but in 1970 an international review committee concluded that eradication of malaria is feasible, and recommended a strategy for achieving it. An international technical team which evaluated the implementation of that strategy in January 1972 recommended some modifications in the plan of operations, specifically that: (1) greater flexibility be exercised in program execution, taking into account local climatic, epidemiologic and entomologic variations by district; (2) trials in space spraying be made; (3) those districts in which malaria has been substantially eradicated be moved to the consolidation phase and be safeguarded against reintroduction of the disease; and (4) that the Government should plan the formation of a basic infrastructure which, at the appropriate time, would permit integration of the eradication service within the general health system.

Other Donors: PAHO contributes technical advisory services to this project, as well as equipment. UNICEF privides vehicles and insecticide. UNICEF has notified the Government that its support of the project will terminate on June 20, 1973, but has indicated its willingness to contribute at approximately the same level to a more generalized health program.

FY 1973 Program: Twelve months funding for continued implementation of the project in accordance with the revised strategy recommended by the technical review team in January 1972. Should the Government initiate an integrated rural health program in 1973, modest support of that endeavor will also be considered.

U.S. Technicians: Three United States Public Health Service technical/administrative advisors plus six man months of consultant services.

Participants: Short term observation training.

Other Costs: Local operating costs, including local personnel, administrative and transportation costs.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	15,301	14,824	477
Estimated FY 72	1,800	1,450	
Estimated through 6/30/72	17,101	16,274	827
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	1,710	2,425	21,236

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	-	95	95	-	103	103
Participants	-	-	-	-	1	1
Commodities	-	34	34	-	-	-
Other Costs	1,671	-	1,671	1,606	-	1,606
Total Obligations	1,671	129	1,800	1,606	104	1,710

PRINCIPAL CONTRACTORS/AGENCIES

United States Public Health Service

HAITI

(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	1.6	2.8	70.0	1.9	68.1
Loans	*	--	5.7	1.9	3.8
Grants	1.6	2.8	64.3	--	64.3
(Supporting Assistance)	(1.6)	(2.8)	(47.7)		
FOOD FOR PEACE - TOTAL	2.1	1.5	21.1	--	21.1
Title I - Total	--	--	--	--	--
REPAYABLE IN U.S. DOLLARS - LOANS	--	--	--	--	--
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	--	--	--	--	--
Loans	--	--	--	--	--
Grants	--	--	--	--	--
Title II - Total	2.1	1.5	21.1	--	21.1
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	1.2	--	4.7	--	4.7
VOLUNTARY RELIEF AGENCIES	0.9	1.5	16.4	--	16.4
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	--	--	3.0	0.1	2.9
PEACE CORPS	--	--	--	--	--
SOCIAL PROGRESS TRUST FUND	--	--	--	--	--
OTHER	--	--	3.0	0.1	2.9
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	3.7	4.3	94.1	2.0	92.1
Loans	*	--	6.0	2.0	4.0
Grants	3.7	4.3	88.1	--	88.1
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	0.1	--	28.1	9.7	18.4
TOTAL ECONOMIC	3.8	4.3	122.2	11.7	110.5
Loans	0.1	--	34.1	11.7	22.4
Grants	3.7	4.3	88.1	--	88.1
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	--	--	3.2	--	3.2
Credit Sales (FMS)	--	--	--	--	--
Grants	--	--	3.2	--	3.2
(Additional Grants from Excess Stocks)	(--)	(--)	(0.1)	(--)	(0.1)
OTHER MILITARY ASSISTANCE GRANTS	--	--	1.1	--	1.1
TOTAL MILITARY	--	--	4.3	--	4.3
TOTAL ECONOMIC AND MILITARY	3.8	4.3	126.5	11.7	114.8
Loans	0.1	--	34.1	11.7	22.4
Grants	3.7	4.3	92.4	--	92.4

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	5.5	2.8	28.2
IBRD - World Bank	--	--	2.6
Int'l Dev. Association	--	--	0.4
Inter-Am Dev. Bank	5.1	--	11.6
UNDP - Special Fund	--	2.1	5.3
UNDP - TA(CY)	0.1	0.3	4.2
Other UN(CY)	0.3	0.4	4.1

D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	0.3	1.8	3.7
Germany	0.2	0.2	1.7
Canada	--	1.6	1.6
Other	0.1	*	0.4

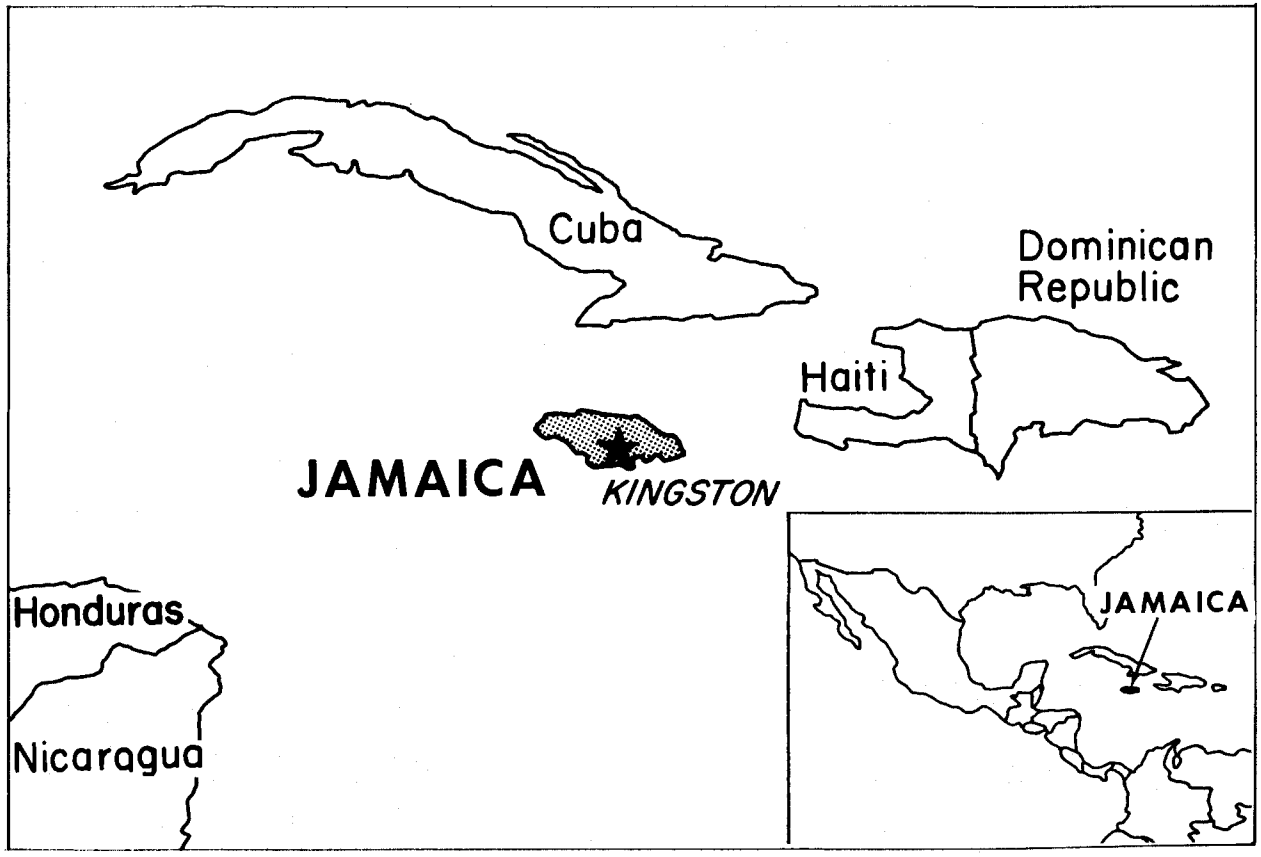
ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1970 (Calendar Year)..... --
1971 (Calendar Year)..... --
Cumulative thru 1971..... --

*Less than $50,000.

BEST AVAILABLE

Jamaica



BASIC DATA

Population (*millions - mid-1971*)	2.0
Annual Growth Rate (*percent*)	1.9
Population in Urban Areas (*Percent - 1970*)	38
Labor Force in Agriculture (*Percent*)	36
Per Capita GNP (*dollars*)	592*
Life Expectancy (*years*)	65
People Per Doctor	1,490
Literacy Rate (*percent*)	82
Students as % of 5 - 19 Age Group (*Primary and Secondary*)	57

* - 1970 in 1970 prices and exchange rates.

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JAMAICA

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	20,000	10,000	- 1/	-	10,000	-	-
Tech. Assist.	357	-	-	136	-	-	221
Population	580	-	580 2/	-	-	-	-
Other	-	-	-	-	-	-	-
Total	20,937	10,000	580	136	10,000	-	221
1972							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	426	-	-	202	-	-	224
Population	792	-	792	-	-	-	-
Other	-	-	-	-	-	-	-
Total	1,218	-	792	202	-	-	224
1973							
Devel. Loans	10,000	5,000	-	-	5,000	-	-
Tech. Assist.	400	-	-	182	-	-	218
Population	449	-	449	-	-	-	-
Other	-	-	-	-	-	-	-
Total	10,849	5,000	449	182	5,000	-	218

/1 Excludes population grant programs.
/2 Funded from development loan funds.

Despite a good measure of economic growth based largely on the U.S. and Canadian bauxite/alumina industry, tourism and small manufacturing, Jamaica suffers from serious social strains caused by population pressures, a high unemployment rate, poor income distribution, low agricultural incomes leading to urban migration, and inadequate housing.

FY 1973 A.I.D. PROGRAM

The A.I.D. program in Jamaica underwent a major expansion in 1971 following the recommendations of the development commission headed by Ambassador Bernbaum. As a result of a meeting between President Nixon and Prime Minister Shearer in 1970, this commission was sent to explore a U.S. role in social and economic development. The commission recommended the concentration of new loan activity in employment-generating projects.

In FY 1971 loans totaling $20 million--the first since FY 1965--were authorized; an additional $10 million in loans are proposed for FY 1973. Ongoing technical assistance projects are budgeted at $1.2 million in FY 1972 and $849,000 in FY 1973. PL 480 Title II agricultural commodity input will continue at about $5.0 million in FY 1973.

The A.I.D. program ranks second to that of the World Bank (IBRD) in loans extended and after the UNDP in the provision of technical assistance. The Inter-American Development Bank (IDB) has a substantial and growing loan portfolio in Jamaica and the UN Family Planning Association is increasing its contribution to family planning programs. The United Kingdom and Canada are also major contributors.

Agricultural and Rural Development

Despite the growth in tourism and industry, the majority of Jamaicans still live in rural areas and agriculture provides employment for about one-third of the labor force. There is no other source of employment for the majority of these individuals. Agriculture has been relatively stagnant for several years but the government is attempting to revitalize this sector by an expanded program of agricultural credit, training, and public works. The World Bank is providing $3.7 million for rural credit to medium-sized farmers and the Inter-American Development Bank is providing $9.2 million in rural credit to small farmers. A.I.D. authorized a $10 million rural feeder roads loan in FY 1971 and plans to authorize a $5 million loan for afforestation in FY 1973. These loans are designed to revitalize the rural economy and improve the lot of the small farmer, in the hope of reducing the population migration to the cities.

Population and Health

Family planning is programmed at $449,000 in FY 1973. A grant of $792,000 in FY 1972 provided funds for the University of the West Indies to help create a center for research and training in population.

The World Bank is pioneering a loan for $2 million for health facilities related to maternity hospitals for post-

partum care. The Canadians are also providing $1.7 million for hospital equipment.

P.L. 480 Title II commodity shipments will include $2 million of government-to-government grants for school feeding and maternal/child welfare programs; the balance of this food is distributed by the Catholic Relief Services.

Education and Manpower Training

A.I.D. will help the Jamaicans expand funds available for development projects with a program aimed at increasing the efficiency of the Income Tax Office. From April 1970 to February 1971 taxes collected increased by 42% over the amount collected during a similar period the previous year. This increase has been attributed primarily to the tax reform.

A.I.D. and the Jamaican Government are considering a new project in management training for top- and middle-level government officials to strengthen planning and execution of development programs. A Public Safety program of $85,000 is planned to help strengthen the Jamaican Constabulary Force.

The World Bank is providing a $13.5 million loan for secondary education facilities as an add-on to a previous loan of $9.5 million. The IDB is providing $4.7 million for university level scholarship funds and Canada is providing a grant of $375,000 for equipment for technical high schools.

Industrial Transport and Urban Development

A.I.D. guaranties in three projects totaling $15 million cover the construction of 2,362 houses. In FY 1971 A.I.D. authorized a loan of $10 million toward the creation of a mortgage bank which will help mobilize local savings and assist the Jamaican effort to provide necessary additional housing. A.I.D. also plans further support of the Jamaican effort to strengthen its financial institutions in FY 1973 through a $5 million loan for capital market development. This loan will assist the mobilization of local resources for investment in productive activities.

Canada has provided $1.3 million to the Jamaican Development Bank for relending for small loans. The Export-Import Bank has made $40 million in loans available for industrial development and $23 million for a new power plant.

OPIC guaranties cover U.S. investments in Jamaica totaling approximately $530 million, mostly in the bauxite industry.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: JAMAICA

(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 Repayment	Principal Repayments	Interest Collected
		Authorized	Loan Agreement			Grace Period	Amortization					
H-004	Feasibility Studies	6/30/64	11/18/64	5	25	3 1/2	3 1/2	1,300	1,182	US$	32	98
L-005	Dairy Development	6/29/65	9/20/65	3	25	1	3 1/2	2,680	2,447	US$	381	151
L-006	Rural Feeder Roads	6/21/71	8/16/71	5	30	2	3	10,000	-	US$	-	-
L-007	Jamaica Mortgage Bank	6/21/71	10/21/71	5	30	2	3	10,000	-	US$	-	-
	TOTAL							23,980	3,629		413	249

TABLE V

COUNTRY: JAMAICA

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

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			
EDUCATION AND MANPOWER TRAINING										182		
Public Safety	532-11-710-031	1963	1973	559	539	20	95	90	25	85	-	739
Reorganization of Tax Administration	532-11-750-033	1971	1974	61	60	1	107	108	-	97	90	355
PROGRAM DEVELOPMENT AND SUPPORT										218		
Special Development Activities	532-11-998-029	1966	Cont.	185	180	5	50	55	-	50	Cont.	Cont.
Technical Support	532-11-999-000	1966	Cont.	1,402	1,401	1	174	174	1	168	Cont.	Cont.
POPULATION AND HEALTH										449		
Family Planning	532-11-580-030	1968	1973	1,609	953	656	792	700	748	449	-	2850
						Technical Assistance Subtotal				(400)		
			Total (including population)				1,218	1,127	774	849		

*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	4	5	5
Participating agency	1	1	1
Contractor technicians	2	1	1
Total	7	7	7

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	23	46	48
Contract	-	-	-
Total	23	46	48

JAMAICA

(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	0.8	20.9	40.5	1.5	39.0
Loans	--	20.0	30.5	1.5	29.0
Grants	0.8	0.9	10.1	--	10.1
(Supporting Assistance)	(--)	(--)	(--)		
FOOD FOR PEACE - TOTAL	0.4	1.1	25.0	--	25.0
Title I - Total	--	--	--	--	--
REPAYABLE IN U.S. DOLLARS - LOANS	--	--	--	--	--
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	--	--	--	--	--
Loans	--	--	--	--	--
Grants	--	--	--	--	--
Title II - Total	0.4	1.1	25.0	--	25.0
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	--	0.7	8.2	--	8.2
VOLUNTARY RELIEF AGENCIES	0.4	0.4	16.8	--	16.8
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.9	1.1	5.9	--	5.9
PEACE CORPS	0.9	1.1	5.9	--	5.9
SOCIAL PROGRESS TRUST FUND	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	2.1	23.1	71.4	1.5	69.9
Loans	--	20.0	30.5	1.5	29.0
Grants	2.1	3.1	41.0	--	41.0
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	7.0	4.4	36.7	4.8	31.9
TOTAL ECONOMIC	9.1	27.5	108.1	6.3	101.8
Loans	7.0	24.4	67.2	6.3	60.9
Grants	2.1	3.1	41.0	--	41.0
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	--	--	1.1	--	1.1
Credit Sales (FMS)	--	--	--	--	--
Grants	--	--	1.1	--	1.1
(Additional Grants from Excess Stocks)	(--)	(--)	(*)	(--)	(*)
OTHER MILITARY ASSISTANCE GRANTS	--	--	--	--	--
TOTAL MILITARY	--	--	1.1	--	1.1
TOTAL ECONOMIC AND MILITARY	9.1	27.5	109.2	6.3	102.9
Loans	7.0	24.4	67.2	6.3	60.9
Grants	2.1	3.1	42.1	--	42.1

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	3.4	35.7	90.1
IBRD - World Bank	2.0	17.2	60.0
Int'l Finance Corp.	--	--	3.1
Inter-Am Dev. Bank	--	16.9	16.9
UNDP - Special Fund	1.2	1.3	6.9
UNDP - TA(CY)	0.2	0.2	2.3
Other UN(CY)	*	0.1	0.9

D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

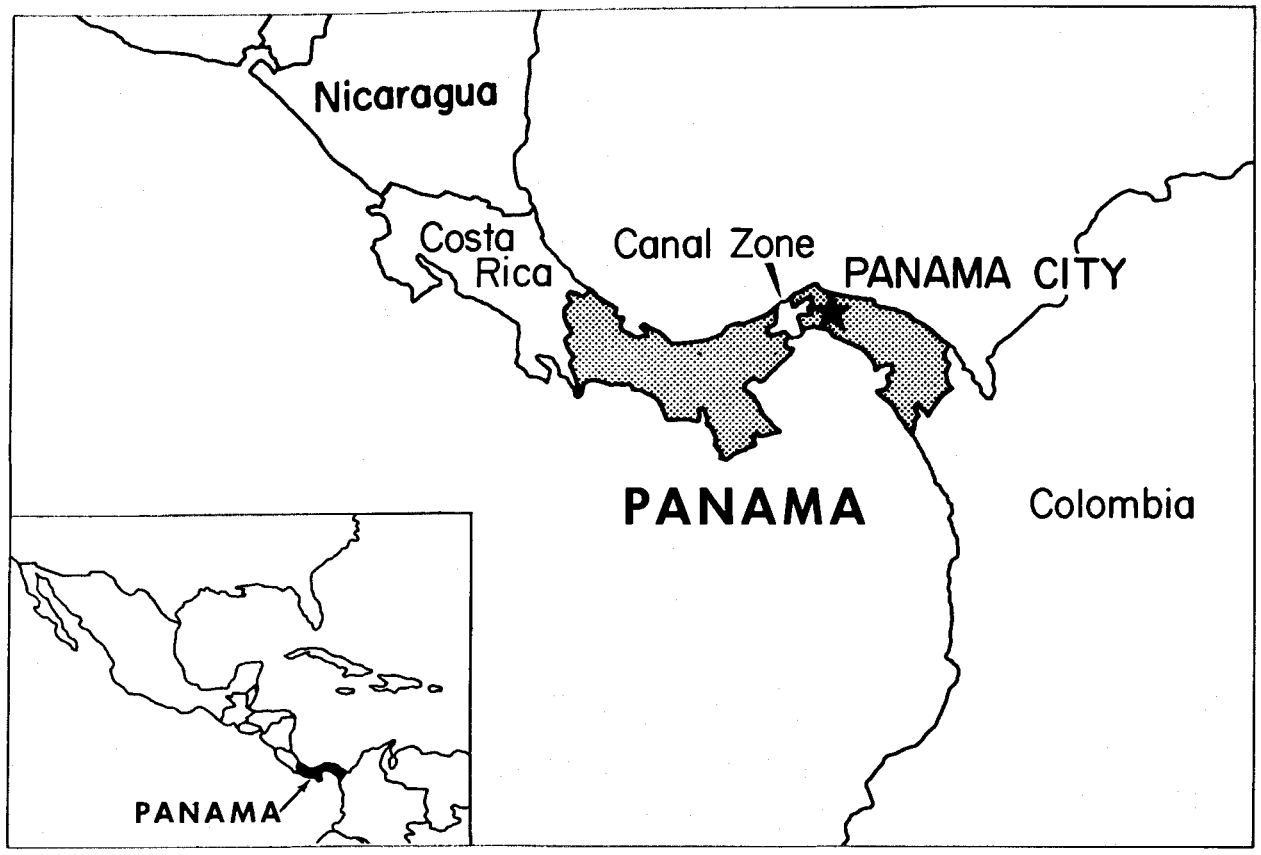
DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	10.9	14.9	78.2
United Kingdom	7.7	4.4	58.4
Canada	2.7	10.1	18.3
Other	0.6	0.5	1.6

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1970 (Calendar Year).....--
1971 (Calendar Year).....--
Cumulative thru 1971.....--

*Less than $50,000.

Panama



BASIC DATA

Population (*millions - mid-1971*)	1.5
Annual Growth Rate (*percent*)	3.0
Population in Urban Areas (*Percent - 1970*)	48
Labor Force in Agriculture (*Percent*)	37
Per Capita GNP (*dollars*)	739*
Life Expectancy (*years*)	66
People Per Doctor	1,670
Literacy Rate (*percent*)	79
Students as % of 5 - 19 Age Group (*Primary and Secondary*)	62

* - 1971 in 1970 prices and exchange rates.

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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	7,000	1,900	5,100 1/	-	-	-	-
Tech. Assist.	3,450	621	4	880	740	-	1,205
Population	670	-	670 2/	-	-	-	-
Other	-	-	-	-	-	-	-
Total	11,120	2,521	5,774	880	740	-	1,205
1972							
Devel. Loans	12,100	-	-	-	12,100	-	-
Tech. Assist.	3,150	401	-	849	391	-	1,509
Population	575	-	575	-	-	-	-
Other	-	-	-	-	-	-	-
Total	15,825	401	575	849	12,491		1,509
1973							
Devel. Loans	19,000	10,000	3,000	-	6,000	-	-
Tech. Assist.	2,900	412	-	840	183	-	1,465
Population	395	-	395	-	-	-	-
Other	-	-	-	-	-	-	-
Total	22,295	10,412	3,395	840	6,183	-	1,465

/1 Excludes population grant programs.
/2 Funded from development loan funds.

Panama is currently involved in intensive Canal Treaty negotiations with the United States. At the same time the Government of Panama is committed to an accelerated economic and social development program.

Major development problems and obstacles facing the country include (1) the rapid increase in growth of population (3% annually), (2) persistence of open unemployment (currently estimated at 9.7% of the labor force), (3) regional disparities between the modern urban centers of Panama City and Colon and the backward rural economy, which is characterized by low productivity and substantial inequalities in income distribution, (4) inadequate institutional capabilities for executing needed development programs, (5) a relatively high external debt service burden (19% of current revenues) caused by the heavy short and medium-term borrowing from commercial banks which was used to expand Panama's public investment program, and (6) a low domestic contribution to public investment (15-20%).

In an effort to resolve development problems, the Government of Panama issued a preliminary long-term public investment plan in the spring of 1971 which contemplates a total five-year public investment outlay of $616 million, of which $346 million is to be financed externally. The major sectors addressed in this plan are transportation, housing, agriculture, education and health. The plan's objectives are to (1) sustain the recent 7% growth rate in GNP, (2) reduce regional economic and social disparities, (3) expand and modernize physical and social infrastructure, and (4) raise the level of domestic savings in order to finance an increasing share of development costs.

The economic outlook for 1972-74 is generally optimistic in the expectation of continued growth of the Colon Free Zone, an increase in tourism, and the further development of Panama as an international financial center. Public sector spending should continue to make a significant contribution to economic growth. This bright outlook could be adversely affected by (1) an inadequate private sector contribution to development goals, (2) political instability and/or uncertainty over canal treaty negotiations with harmful effects on the business climate, and (3) ineffective execution of development programs including inadequate fiscal policies.

FY 1973 A.I.D. PROGRAM

The basic thrust of U.S. economic assistance to Panama is to accelerate development with maximum possible distribution of income and social opportunities. A.I.D. plans to provide $3.7 million in technical assistance and family planning grants and $12.1 million in loans in FY 1972, and $3.3 million in grants and $19 million in loans in FY 1973.

A.I.D. assistance to Panama is complemented by sizable contributions from other international assistance agencies. During CY 1972, anticipated disbursements from the three major lending agencies will be approximately equal (A.I.D.- $19 million, Inter-American Development Bank - $17 million, the World Bank - $17 million). However, in CY 1973 and beyond, both IDB and IBRD loan disbursements are expected to surpass those of A.I.D. The UNDP has assumed a major role in providing technical assistance. Its present five-year program calls for funding levels of $3.2 million in FY 1972 and $2.4 million in FY 1973 in activities that complement technical assistance being provided by A.I.D.

Agriculture

The agricultural sector has lagged badly in the last ten years, with only a 4% growth rate compared with the 7% rate for the overall economy. The availability and use of agricultural credit increased during 1971 from $835,000 to $1.6 million and membership in agricultural cooperatives rose from 6,000 to 7,000 with a concurrent increase in volume of business from $4 million to $6.75 million.

A.I.D. is assisting in the preparation of a comprehensive sector analysis, to be completed in December, which will form the basis of a five-year Agriculture Development Plan. A $10 million sector loan in FY 1973 will help the Government of Panama to carry out an initial portion of this plan. In addition, A.I.D. is considering initiation of a P.L. 480 Title I agricultural commodity program in FY 1973. The IDB, also active in this sector, is considering loans for $23 million during FY 1972-73 for agricultural credit, rural irrigation, and feeder road construction.

Industrial and Urban Development

Past efforts to manufacture import substitutes are no longer believed to be the best path to economic expansion. The government has recently passed a series of laws to encourage investment in export and agribusiness industries and in hotels and related tourist facilities. An Industrial Investment Research and Promotion Center has been established within the Ministry of Commerce and Industry. In FY 1972 A.I.D. will assist the government to develop further its institutional capability to promote specific domestic and foreign private investment focused on export opportunities. In the tourism area, A.I.D. provided an FY 1972 loan of $4.1 million to assist in the construction of tourist facilities in Panama City to take advantage of Panama's unique geographical advantages. An additional FY 1973 loan of $5 million is planned to support a revolving fund which will provide small business credit for tourist development. The IDB is also considering a $5 million industrial credit loan.

Panama has a severe shortage of housing, particularly for low-income groups. In recent years, a group of specialized housing institutions have been offering programs to help meet the needs of all income groups. Management of these institutions is improving, mortgage delinquency rates are dropping and the availability of domestic funds for housing is increasing. Perhaps the most significant development is the recent establishment of a National Housing Commission, with a mandate to develop recommendations for an ambitious program designed to eliminate the housing deficit.

In conjunction with these efforts, A.I.D. is planning an FY 1972 loan of $8 million and housing guaranty authorizations amounting to $12.5 million in FY 1972 and $4.5 million in FY 1973. A complementary FY 1973 $8 million housing loan by the IDB is also projected.

Assistance will also be provided to strengthen the capacity of municipalities to serve local needs. Due to a long tradition of centralism, these bodies have been severely limited in responsibility and access to revenues. A loan of $1 million in FY 1973 is proposed to help finance a pilot revolving credit facility to respond to municipal development needs in the interior. A.I.D. efforts in this sector have been and will continue to be complemented by substantial UNDP technical assistance.

PANAMA

Population and Health

Annual population growth in Panama is 3%. In 1970, the Ministry of Health initiated a country-wide program to provide family planning services through its maternal and child health program and it has taken the lead in implementing population and family planning programs. A.I.D. will provide grant funding in the amount of $575,000 in FY 1972, and $395,000 in FY 1973 to assist Ministry of Health efforts. A.I.D. also plans a $3 million FY 1973 loan to expand family planning, nutrition and health programs in rural areas.

Education and Manpower Training

The Government of Panama is currently implementing the first phase of a comprehensive educational reform program. The basic goal is to expand educational opportunities to 80% of primary, and 40% of secondary school-age children. Emphasis will be given to improved educational quality and the cost/effectiveness of educational expenditures. In support of those efforts, A.I.D. provided an $8.5 million sector loan in FY 1971, and we will consider future additional funding. In higher education, the IDB is currently processing a $6.7 million loan to the University of Panama for FY 1973 commitment.

A.I.D. is also assisting Panama to modernize public administration and to improve planning and implementation capacity at the national and regional levels.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: PANAMA

(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 Repayment	Principal Repayments	Interest Collected
		Authorized	Loan Agreement			Grace Period	Amortization					
L-023	Malaria Eradication	5/29/67	2/29/68	10	25	1	2½	1,440	1,324	US$		9
L-026	Panama City Sanitary Sewerage Two-step	6/14/67	7/07/67	5 10	30 40	3½ 1	3½ 2½	6,600	3,389	US$	-	21
L-027	Cooperative Housing System	6/08/67	9/21/67	10	40	1	2½	3,500	2,912	US$	-	10
L-028	Panama City Water Two-step	6/18/68	5/06/69	5 10	30 40	3½ 2	3½ 2½	20,000	856	US$	-	-
L-029	Mobile Rural Health Program	6/25/68	4/29/70	10	40	2	2½	500	86	US$	-	-
L-031	Santa Maria University	4/25/69	5/23/69	5	30	2	3	1,300	242	US$	-	2
L-034	Small Farmer Improvement	6/27/69	11/25/69	10	40	2	3	3,500	2,108	US$	-	33
L-035	Development Administration	6/30/69	2/27/70	10	40	2	3	3,700	-	US$	-	-
L-036	Education Sector	6/25/70	1/19/71	10	40	2	3	8,500	102	US$	-	-
L-037	Federation of Credit Unions Two-step	4/30/71	6/26/71	7 10	25 40	2 2	3 3	1,900	500	US$	-	-
L-038	Tourism Two-step	10/18/71	11/12/71	7 10	20 40	2 2	3 3	4,100	-	US$	-	-
	Total							55,040	11,519			75

COUNTRY: PANAMA

TABLE V

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

Project Title	*	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1971 Obligations	Through FY 1971 Expenditures	Through FY 1971 Unliquidated Obligations 6/30/71	Estimated FY 1972 Obligations	Estimated FY 1972 Expenditures	Estimated FY 1972 Unliquidated Obligations 6/30/72	Proposed Program FY 1973	Future Year Obligation	Estimated Total Cost
AGRICULTURE AND RURAL DEVELOPMENT											412		
Agricultural Development		525-11-190-070	1962	1976	2,112	1,878	234	401	485	150	412	500	3,425
EDUCATION AND MANPOWER TRAINING											840		
Public Safety		525-11-710-044	1959	1974	1,675	1,609	66	216	206	76	169	105	2,165
Government Administration and Fiscal Reform		525-11-720-048	1955	1976	1,419	1,262	157	178	245	90	186	270	2,053
Manpower and Labor Development		525-15-460-118	1967	1975	1,237	1,044	193	260	234	219	260	400	2,157
Education Development and Implementation		525-11-690-127	1967	1973	976	842	134	110	215	29	100	-	1,186
Training for Development		525-15-995-164	1972	1976	-	-	-	85	20	65	125	540	750
INDUSTRIAL AND URBAN DEVELOPMENT											183		
Private Enterprise Development		525-15-910-069	1963	1973	1,532	1,083	449	285	427	307	78	-	1,895
Urban Development		525-15-899-119	1967	1974	1,127	1,035	92	106	183	15	105	70	1,408
PROGRAM DEVELOPMENT AND SUPPORT											1,465		
Special Development Activities		525-15-998-101	1964	Cont.	390	357	33	50	45	38	50	Cont.	Cont.
Technical Support		525-15-999-000	1957	Cont.	7,410	7,311	99	1,459	1,249	309	1,415	Cont.	Cont.
POPULATION AND HEALTH											395		
Health and Population		525-15-580-142	1967	1975	1,678	893	785	575	636	724	395	530	3,178
							Technical Assistance Subtotal				(2,900)		
					Total (including population)			3,725	3,945	2,022	3,295		

*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	42	36	30
Participating agency	4	4	3
Contractor technicians	3	8	10
Total	49	48	43

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year: Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	119	82	82
Contract	1	0	0
Total	120	82	82

PANAMA

(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	11.8	11.1	166.1	16.3	149.8
Loans	8.5	7.0	113.7	16.3	97.4
Grants	3.3	4.1	52.4	--	52.4
(Supporting Assistance)	(--)	(--)	(27.0)		
FOOD FOR PEACE - TOTAL	1.0	0.6	11.7	--	11.7
Title I - Total	--	--	--	--	--
REPAYABLE IN U.S. DOLLARS - LOANS	--	--	--	--	--
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	--	--	--	--	--
Loans	--	--	--	--	--
Grants	--	--	--	--	--
Title II - Total	1.0	0.6	11.7	--	11.7
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	--	--	--	--	--
VOLUNTARY RELIEF AGENCIES	1.0	0.6	11.7	--	11.7
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.7	0.5	55.1	3.8	51.3
PEACE CORPS	0.7	0.5	6.8	--	6.8
SOCIAL PROGRESS TRUST FUND	--	--	12.9	3.8	9.1
OTHER	--	--	35.4	--	35.4
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	13.5	12.2	232.9	20.1	212.8
Loans	8.5	7.0	126.6	20.1	106.5
Grants	5.0	5.2	106.3	--	106.3
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	2.5	2.7	35.0	27.1	7.9
TOTAL ECONOMIC	16.0	14.9	267.9	47.2	220.7
Loans	11.0	9.7	161.6	47.2	114.4
Grants	5.0	5.2	106.3	--	106.3
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	0.8	0.5	4.5	--	4.5
Credit Sales (FMS)	--	--	--	--	--
Grants	0.8	0.5	4.5	--	4.5
(Additional Grants from Excess Stocks)	(0.1)	(--)	(0.1)	(--)	(0.1)
OTHER MILITARY ASSISTANCE GRANTS	--	--	--	--	--
TOTAL MILITARY	0.8	0.5	4.5	--	4.5
TOTAL ECONOMIC AND MILITARY	16.8	15.4	272.4	47.2	225.2
Loans	11.0	9.7	161.6	47.2	114.4
Grants	5.8	5.7	110.8	--	110.8

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	53.0	23.5	129.6
IBRD - World Bank	42.0	--	60.0
Int'l Finance Corp.	--	1.5	1.5
Inter-Am Dev. Bank	9.8	19.1	53.1
UNDP - Special Fund	0.8	2.6	9.2
UNDP - TA(CY)	0.2	0.2	2.9
Other UN(CY)	0.2	0.1	2.9

D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	0.5	6.3	20.9
Italy	0.2	0.5	14.3
Japan	*	5.5	5.6
Other	0.3	0.3	1.0

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1970 (Calendar Year)	--
1971 (Calendar Year)	--
Cumulative thru 1971	--

*Less than $50,000.

Paraguay

BASIC DATA

Population (*millions - mid-1971*)	2.5
Annual Growth Rate (*percent*)	3.1
Population in Urban Areas (*Percent - 1970*)	36
Labor Force in Agriculture (*Percent*)	54
Per Capita GNP (*dollars*)	246*
Life Expectancy (*years*)	58
People Per Doctor	1,610
Literacy Rate (*percent*)	74
Students as % of 5 - 19 Age Group (*Primary and Secondary*)	53

* - 1971 in 1970 prices and exchange rates.

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	4,100	-	- 1/	4,100	-	-	-
Tech. Assist.	2,370	824	-	636	302	-	608
Population	471	-	471 2/	-	-	-	-
Other	-	-	-	-	-	-	-
Total	6,941	824	471	4,736	302	-	608
1972							
Devel. Loans	4,000	-	-	-	4,000	-	-
Tech. Assist.	2,275	959	-	551	191	-	574
Population	406	-	406	-	-	-	-
Other	-	-	-	-	-	-	-
Total	6,681	959	406	551	4,191	-	574
1973							
Devel. Loans	4,000	1,500	-	-	2,500	-	-
Tech. Assist.	2,600	932	-	795	229	-	644
Population	494	-	494	-	-	-	-
Other	-	-	-	-	-	-	-
Total	7,094	2,432	494	795	2,729	-	644

/1 Excludes population grant programs.
/2 Funded from development loan funds.

In recent years Paraguay's economy has grown at a rate only slightly faster than that of population increase. The real growth rate of 4.3% represented only a 1% increase on a per capita basis. The country's domestic market is small, and growth opportunities are closely linked to exports. High world prices currently favor Paraguay, but since about 85% of foreign exchange earnings result from price-volatile agricultural exports, the economy remains precariously exposed to world market conditions which it has little means of influencing.

More than 60% of the country's people are rural. Land is relatively abundant, and under-utilized labor is available. Yet productivity is low. Educational opportunity, especially at the elementary and secondary levels, is still limited. Problems of the educational system include overly centralized administration, outdated curricula, an inadequate supply of textbooks and a shortage of well-trained teachers. Finally, the fiscal situation, aggravated by slow growth of revenues and constant growth of expenditures, is of immediate concern because of the need to support ongoing programs and needed new investments.

FY 1973 A.I.D. Program

A.I.D.'s proposed program for FY 1973 supports the Government's Development Plan and the recommendations of the Inter-American Committee on the Alliance for Progress (CIAP). This international Committee has recommended that the Government: 1) continue programs to improve tax administration and review the entire revenue system; 2) intensify export promotion efforts; 3) provide more incentives and credit to the private sector, especially for export production; 4) apply improvements to the accounting and budget control system; and 5) substantially increase needed developmental investments.

Proposed A.I.D. assistance in FY 1973 represents roughly 15% of the total external official resources. The program provides for $2.6 million in Alliance Technical Assistance, $4 million in Alliance Development Loans, and $494,000 for Population Programs. P.L. 480 Title I sales will be $1.6 million and Title II commodities will be valued at $1.2 million.

The FY 1973 program will be directed at increasing agricultural production, improving tax administration and governmental economic decision-making capabilities, improving the quality of education while extending the reach of the system, and strengthening private sector capacity to make productive investments, particularly in exports. A.I.D. assistance in population programs will focus on improving administration and expanding the network of family planning clinics operated by the Ministry of Health.

Agriculture

Agricultural production improved in 1971 with gains of 11% in wheat and 42% in soybeans over 1970. Four new extension offices were opened during the year, and 15 extension agents were trained in the United States. An improvement in marketing services is underway, with a

revised cooperative law passed and 33 marketing cooperatives now functioning.

In FY 1973 Technical Assistance will be provided within the framework of the Ministry of Agriculture's recently formulated comprehensive sector strategy which identifies production, processing and marketing bottlenecks. A.I.D. assistance will be directed toward increasing production of both traditional and non-traditional products with an overall objective of increasing exports. Assistance in livestock production will emphasize animal nutrition and training of technical and research personnel. Assistance in research and improvement of extension services will be provided to identify and develop non-traditional agricultural products with export potential. Efforts to expand marketing and credit services to small farmers will complement a proposed $1.5 million loan for expansion and operation of the cooperative marketing system.

The World Bank (IBRD) and the Inter-American Development Bank (IDB) will continue implementation of loans for increasing livestock, crop production and improving marketing.

Education and Manpower Training

Only 17% of the children entering school succeed in completing an elementary education; a majority never go beyond third grade. A.I.D. Technical Assistance will support curricular and administrative reform. With A.I.D. assistance, the Ministry of Education has developed outlines for new curricula on each level, has established a plan for country-wide teacher training, and has submitted a plan for overall administrative reform of the Ministry. A.I.D. will continue assistance in developing and executing these plans.

A.I.D. will provide advisory and training assistance to assist the Paraguayan Government to improve its planning capacity. This project centers on tax administration and statistical development, and it will profit from recently improved coordination among the various Government statistical units.

In addition to an FY 1973 IBRD loan of $6 million for constructing and equipping secondary and vocational schools, technical assistance from the Organization of American States and the United Nations will be applied to other education programs including science teacher training.

Industrial and Urban Development

Since 1962, private sector investment has been sporadic, ranging from $40 million per year to the present level of $60 million. Industrial production has remained at 15% of GNP. Jobs generated by the non-farm, private sector have increased annually at 2.5% - less than the population growth rate.

The government Export Promotion Center's viability and effectiveness have been established and A.I.D. will shift its technical assistance to the development of a management training and consultative services capability in the private Development and Productivity Center. It will also assist five regional development centers to strengthen their capability to identify local investment opportunities, with emphasis on agro-industry, principally for export.

A $2.5 million A.I.D. loan is proposed for Paraguay's only private development bank, primarily in support of investments for export production and export services. The IDB and the IBRD are considering loans for tourist promotion.

Health and Population

Paraguay's need for health services is great, particularly in rural areas. Malnutrition is widespread among children of low-income rural families. The government has recently begun to recognize the economic problems posed by the current 3.1% annual population growth rate. Twelve family planning clinics are now operating in Ministry of Health facilities and the Institute for Study of Human Reproduction at the National University is conducting research and training activities. An A.I.D.-assisted census and household survey is now nearly complete. The resulting data will be available for use in 1973. A.I.D. assistance in family planning will continue in FY 1973 to expand and upgrade government family planning clinics and to train family planning personnel.

P.L. 480 Title II agricultural commodities valued at $1.2 million will be provided through the Catholic Relief Services to improve the nutritional intake of children by means of supplementary feeding programs.

The Pan American Health Organization and UNICEF will support development of an integrated regional health and nutritional services system employing paramedical personnel. The IDB is considering a $3.8 million loan for a potable water system.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: PARAGUAY (In Thousands of Dollars and Equivalent) TABLE IV

Loan No.	Title	Date: Authorized	Date: Loan Agreement	Grace Period (years)	Life of Loan (years)	Interest Rate (%): Grace Period	Interest Rate (%): Amortization	Amount Authorized	Amount Disbursed	Currency of Repayment	Principal Repayments	Interest Collected
L-012	Agricultural Credit	5/28/64	9/25/64	10	40	3/4	2	3,000	2,984	US$	-	80
L-012/A	(Increase)	6/21/68	10/04/68	10	40	2	2½	1,000	840	US$	-	17
L-012/B	(Increase)	6/20/69	9/19/69	5	25	4½	4½	5,000	1,806	US$	-	47
L-015	Brazil Road Rehabilitation	6/30/66	1/06/67	10	40	1	2½	4,680	171	US$	-	2
L-016	Airport Rehabilitation	6/30/66	4/10/67	10	40	1	2½	4,700	4,533	US$	-	86
L-018	Malaria Eradication	5/01/67	1/29/68	10	40	1	2½	1,900	1,496	US$	-	21
L-019	Private Development Bank	6/16/69	8/28/70	5	20	2	3	2,600	790	US$	-	-
L-020	Pedro Juan Caballero Electrification Project	7/10/69	9/22/69	5	25	5	5	425	265	US$	-	1
L-021	Educational Development Program	6/26/70	10/01/70	10	40	2	3	4,200	4	US$	-	-
L-022	Municipal Development	3/17/71	-	10	40	2	3	2,000	-	US$	-	-
L-023	Savings and Loan	5/28/71	-	10	40	2	3	2,000	-	US$	-	-
L-024	Savings and Loan - T/A	5/28/71	9/03/71	10	40	2	3	100	-	US$	-	-
	Total							31,605	12,889			254

TABLE V

COUNTRY: PARAGUAY

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

Project Title	*	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1971 Obligations	Through FY 1971 Expenditures	Through FY 1971 Unliquidated Obligations 6/30/71	Estimated FY 1972 Obligations	Estimated FY 1972 Expenditures	Estimated FY 1972 Unliquidated Obligations 6/30/72	Proposed Program FY 1973	Future Year Obligation	Estimated Total Cost
AGRICULTURE AND RURAL DEVELOPMENT											932		
Agr. Productivity & Institutional Development	*	526-15-110-050	1965	1976	2,592	2,000	592	959	1,114	437	932	1,206	5,689
EDUCATION AND MANPOWER TRAINING											795		
Government Management and Organization		526-15-790-018	1953	1975	2,639	2,554	85	193	261	17	220	410	3,462
Education Development		526-15-690-095	1959	1974	1,587	1,217	370	263	380	253	450	300	2,600
Labor Development		526-13-410-098	1972	1976	-	-	-	95	95	-	125	325	545
INDUSTRIAL, TRANSPORT, URBAN DEVELOPMENT											229		
Private Enterprise Development		526-15-950-051	1967	1973	1,033	776	257	191	338	110	229	-	1,453
PROGRAM DEVELOPMENT AND SUPPORT											644		
Special Development Activities		526-11-998-058	1964	Cont.	215	168	47	20	52	15	50	Cont.	Cont.
Technical Support		526-11-999-000	1956	Cont.	5,394	5,336	58	554	573	39	594	Cont.	Cont.
POPULATION AND HEALTH											494		
Population and Nutrition		526-11-580-085	1965	Cont.	941	300	641	406	691	356	494	Cont.	Cont.
							(Technical Assistance Subtotal				2,600)		
					Total (including population)			2,681	3,504	1,227	3,094		

*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	13	9	9
Participating agency	9	7	6
Contractor technicians	15 1/	16 2/	14 3/
Total	37	32	29

1/ Includes 2 short-term
2/ Includes 5 short-term
3/ Includes 4 short-term

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year: Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	50	51	111
Contract	-	-	-
Total	50	51	111

Country: PARAGUAY

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Agricultural Productivity and Institutional Development	AGRICULTURE AND RURAL DEVELOPMENT		TA
PROJECT NUMBER 526-15-110-050	PRIOR REFERENCE p. 18 FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1965	SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: To accelerate transition from subsistence to commercial agriculture and increase agricultural exports. Project seeks to: 1) assist the Ministry of Agriculture to formulate policies and execute programs in production and marketing; 2) help Paraguay increase production of beef by 15% from 1969 to 1976, wheat, rice and soybeans by 100% between 1969 and 1975, and the annual value of small farmer production by 33%

Need and Progress to Date: Paraguay's development is largely dependent on agriculture which employs 64% of the population and accounts for 80-90% of foreign exchange earnings. Production increases have only kept pace with increase in population. Small farmers account for 90% of all farmers and produce about 60% of agricultural production. Agricultural production made steady gains in 1971 over 1970; 10% increase in wheat, 40% in soybeans, and 20% in rice. Construction projects at two experiment stations were completed; 3 research projects were finished and 12 are in progress; 5 rural credit unions and 9 pre-coops were established.

Other Donors: OAS, training assistance, $60,000; UN, forestry improvement, $600,000; France, applied research, $190,000; Germany, 4-H programs and demonstration equipment, $250,000; England, plant breeding technology, $50,000; Japan and Israel, Horticulture, $50,000.

FY 1973 Program:

U.S. Technicians: One U.S. direct-hire rural development officer will coordinate program ($34,000). Three long-term and eight short-term USDA/PASA technicians will assist Ministry in production planning, marketing, budgeting ($185,000). A New Mexico State University team of three livestock advisors will support work in improving the agricultural sector by increasing beef production; six short-term contract consultants for special problems will work with Ministry in livestock production ($276,000). One long-term cooperatives advisor will assist the cooperative marketing system.

Participants: 44 from the Ministry, University and credit cooperatives to study crop and livestock development planning, statistics and credit in U.S. under USDA arrangements (241,000 for 32.5 man years.)

Commodities: Demonstration materials and supplies, grain storage and drying equipment, and office supplies, ($71,000).

Other Costs: Salaries of four local employees, local travel, and printing, 3rd country national cooperative advisor on CUNA contract to help Agriculture Credit Unions and 5 cooperative leadership training courses ($125,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	2,592	2,000	592
Estimated FY 72	959	1,114	
Estimated through 6/30/72	3,551	3,114	437
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	932	1,206	5,689

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract Other Agency	Total	Direct AID	Contract Other Agency	Total
U.S. Technicians	80	607	687	34	461	495
Participants	114	-	114	241	-	241
Commodities	40	5	45	61	10	71
Other Costs	64	49	113	70	55	125
Total Obligations	298	661	959	406	526	932

PRINCIPAL CONTRACTORS/AGENCIES

NEW MEXICO STATE UNIVERSITY
CREDIT UNION NATIONAL ASSOCIATION, INTERNATIONAL (CUNA)

PARAGUAY

(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	7.1	6.9	85.0	11.9	73.1
Loans	4.6	4.1	46.9	11.9	35.0
Grants	2.5	2.8	38.1	--	38.1
(Supporting Assistance)	(--)	(--)	(--)		
FOOD FOR PEACE - TOTAL	0.5	5.4	34.5	4.8	29.7
Title I - Total	--	4.3	22.6	4.8	17.8
REPAYABLE IN U.S. DOLLARS - LOANS	--	4.3	10.9	1.8	9.1
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	--	--	11.7	3.0	8.7
Loans	--	--	8.4	3.0	5.4
Grants	--	--	3.3	--	3.3
Title II - Total	0.5	1.1	11.9	--	11.9
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	0.1	--	0.9	--	0.9
VOLUNTARY RELIEF AGENCIES	0.4	1.1	11.0	--	11.0
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.5	0.4	12.6	1.2	11.4
PEACE CORPS	0.5	0.4	2.0	--	2.0
SOCIAL PROGRESS TRUST FUND	--	--*	7.8	1.2	6.6
OTHER	--	--	2.8	--	2.8
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	8.1	12.7	132.1	17.9	114.2
Loans	4.6	8.4	74.0	17.9	56.1
Grants	3.5	4.3	58.1	--	58.1
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	--	--	13.4	10.0	3.4
TOTAL ECONOMIC	8.1	12.7	145.5	27.9	117.6
Loans	4.6	8.4	87.4	27.9	59.5
Grants	3.5	4.3	58.1	--	58.1
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	0.7	1.0	10.7	--	10.7
Credit Sales (FMS)	--	--	0.2	--	0.2
Grants	0.7	1.0	10.5	--	10.5
(Additional Grants from Excess Stocks)	(*)	(0.9)	(1.6)	(--)	(1.6)
OTHER MILITARY ASSISTANCE GRANTS	0.3	--	3.0	--	3.0
TOTAL MILITARY	1.0	1.0	13.7	--	13.7
TOTAL ECONOMIC AND MILITARY	9.1	13.7	159.2	27.9	131.3
Loans	4.6	8.4	87.6	27.9	59.7
Grants	4.5	5.3	71.6	--	71.6

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	33.8	16.4	163.0
IBRD - World Bank	6.0	--	21.8
Int'l Dev. Association	--	--	21.4
Inter-Am Dev. Bank	26.4	14.8	104.4
UNDP - Special Fund	0.8	0.8	5.3
UNDP - TA(CY)	0.3	0.4	6.4
Other UN(CY)	0.3	0.4	3.7

D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

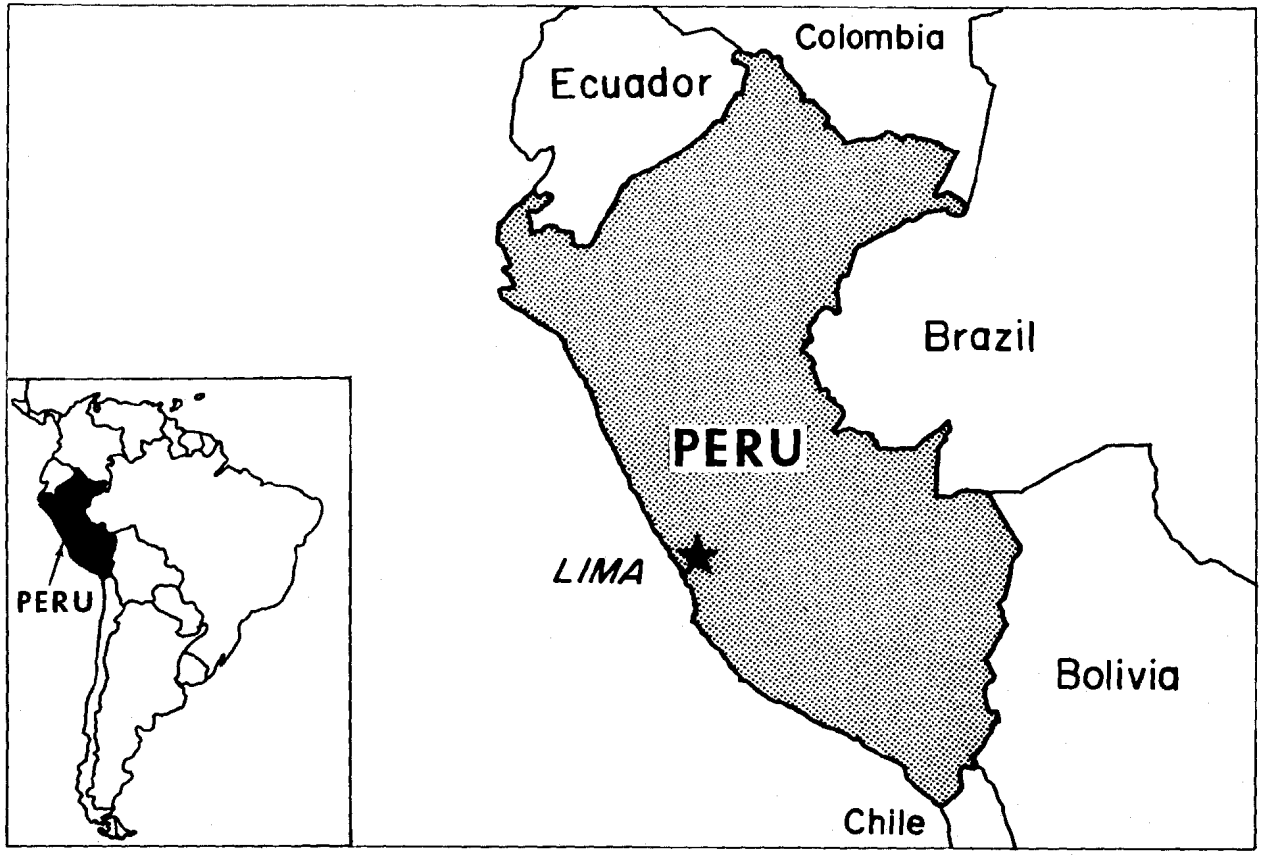
DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	4.6	3.0	21.9
Germany	2.1	1.7	10.0
Japan	1.8	0.2	6.0
Italy	0.4	0.1	4.0
Other	0.3	1.0	1.9

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1970 (Calendar Year)	--
1971 (Calendar Year)	--
Cumulative thru 1971	--

*Less than $50,000.

Peru



BASIC DATA

Population (*millions - mid-1971*)	14.0
Annual Growth Rate (*percent*)	3.1
Population in Urban Areas (*Percent - 1970*)	52
Labor Force in Agriculture (*Percent*)	45
Per Capita GNP (*dollars*)	446*
Life Expectancy (*years*)	54
People Per Doctor	1,950
Literacy Rate (*percent*)	61
Students as % of 5 - 19 Age Group (*Primary and Secondary*)	63

* - 1971 in 1970 prices and exchange rates.

PERU

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	3,000	-	- 1/	-	3,000	-	-
Tech. Assist.	3,538	1,297	-	879	528	-	834
Population	350	-	350 2/	-	-	-	-
Other	-	-	-	-	-	-	-
Total	6,888	1,297	350	879	3,528	-	834
1972							
Devel. Loans	20,000	3,000	-	-	17,000	-	-
Tech. Assist.	3,890	1,295	-	1,204	483	-	908
Population	172	-	172	-	-	-	-
Other	-	-	-	-	-	-	-
Total	24,062	4,295	172	1,204	17,483	-	908
1973							
Devel. Loans	10,000	-	-	-	10,000	-	-
Tech. Assist.	3,650	1,307	-	743	445	-	1,155
Population	97	-	97	-	-	-	-
Other	-	-	-	-	-	-	-
Total	13,747	1,307	97	743	10,445	-	1,155

/1 Excludes population grant programs.
/2 Funded from development loan funds.

When the current government took power in late 1968 it inherited a seriously unstable economic and social situation characterized by little real economic growth, highly inflationary short-term budgetary deficit financing, serious balance of payments problems, and a highly unequal distribution of income and access to economic and social opportunity. After a year of successful economic stabilization efforts, the Government initiated a policy of economic expansion, achieving nearly 6% real growth in 1971 and the beginning of a transformation of the economic and social structure designed to spread more equally the benefits flowing from the vast natural wealth of the country. A medium-term (1971-1975) National Development Plan provides a framework on a sectoral basis within which development problems are identified, quantitative goals set, and foreign and domestic resource requirements estimated.

As identified in this Plan, Peru's major development obstacles include: sluggish growth of food production; an education system unresponsive to development needs; a serious deficiency of trained manpower; badly skewed income distribution with little access to opportunity for the masses; lagging private sector investment; and insufficient foreign exchange earnings and capital flows to cover growing needs for imports.

Peru has built up considerable expertise at the highest levels in its priority development areas but it lacks depth at lower, operative levels, and needs to mobilize more effectively the technological reserve it possesses.

FY 1973 A.I.D. Program

The FY 1973 program in Peru consists of a grant program of $3.7 million and a $10 million post-earthquake reconstruction loan. P.L. 480 Title II Assistance of about $9.6 million will be directed to a new two-year school lunch program.

U.S. bilateral grant assistance is focused primarily on the agricultural sector, development of which is the government's highest priority. Assistance is also being provided to education and public administration, both high priority reform areas. Other, smaller projects being carried out in community development, cooperatives, and housing, are closely related to earthquake reconstruction efforts.

Technical assistance provided by all foreign donors totals $15 million annually. The UN is the largest donor, granting 36% of the total; the United States is second with 20%. The Inter-American Development Bank and the Organization of American States account for 3% and 5% respectively and the remainder is accounted for by other bilateral donors mostly Western European nations. More than half the foreign assisted projects are in the fields of agriculture and education.

Agriculture and Rural Development

Peru's agricultural sector has stagnated for a decade and in the face of a population growth rate of about 3.1%, per capita food production has actually declined some 20%. Yearly food imports, mainly of meats, edible oils, milk and milk products and wheat, have risen from $55 million in 1960 to $125 million in 1970.

A.I.D. assistance in past years has helped establish a major Peruvian agricultural university, has improved production of key crops (e.g., rice and potatoes) and has promoted implementation of an agrarian reform program. Following joint evaluation of U.S. technical assistance to agriculture, in mid-1971, modifications in the assistance program were planned, agreements reached with the Government on how to proceed, and requirements for key technicians identified. Sub-sectoral studies of the meat and oilseed production and marketing situation will begin in the Spring of 1972 and will form the basis of action programs to be carried out in FY 1973 and beyond. A total of $1.5 million, including a cooperative development project in agriculture, is earmarked for assistance to the agricultural sector.

Education and Manpower Training

In the past, A.I.D. has supported programs in education reform and public administration. Progress to date includes implementation by Peruvian authorities of a substantial and effective reform of government administration and creation of an influential national university council to coordinate educational efforts at the post-secondary level.

Population and Health

In FY 1973, $97,000 is proposed for population programs. Support for on-going population projects, formerly financed mainly by A.I.D., will be shifted to public and private international agencies. A Peruvian government agency caries out demographic studies, and private programs are being supported in the Lima area for family planning purposes.

A.I.D. funding in FY 1973 will be related largely to liaison and some training grants. While progress to date has been limited, an official study is being carried out to clarify the economic costs of continued high population growth rates.

Earthquake Rehabilitation

The United States has been providing Humanitarian assistance to Peru's program of relief, rehabilitation and reconstruction in the sizeable zone affected by the terrible May 1970 earthquake. A grant of $10.5 million was made in June, 1970 to help defray costs of urgent relief and rehabilitation, and a $3 million loan for communtiy reconstruction was authorized in FY 1971 along with $28 million in housing investment guarantees. Roofing has been given to thousands of families and agricultural credit has been provided on soft terms to hundreds of farmers. To assist Peru's final phase of the recovery effort, on the basis of carefully considered and prepared regional plans developed with UN technical assistance, A.I.D. is reviewing, for FY 1972 and FY 1973 authorization, a set of reconstruction loans of up to $30 million for housing construction, agricultural credit, and small business rehabilitation.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: PERU

(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 Repayment	Principal Repayments	Interest Collected
		Authorized	Loan Agreement			Grace Period	Amortization					
L-022	Lima Water and Sewerage Two-step	2/09/62	3/26/63	3 10	16 40	3 1/2 3/4	3 1/2 3/4	8,600	8,442	US$	-	276
L-27	Tulymayo-La Morada Highway	1/27/64	4/21/64	10	40	3/4	2	1,900	1,839	US$	-	68
L-028	Poma Cocha Tarapoto Highway	3/03/64	5/19/64	10	40	3/4	2	12,100	2,610	US$	-	85
L-045	Corporacion Popular Revolving Fund	5/31/66	9/20/66	10	40	1	2 1/2	589	436	US$	-	14
L-046	Mantaro Valley Electric Coop.	6/21/66	1/26/67	10	40	1	2 1/2	1,600	1,569	US$	-	46
L-047	Agricultural Credit	6/30/66	11/23/66	10	40	1	2 1/2	7,579	7,146	US$	-	237
L-048/A	Pre-Feasibility Studies - Natural Resources	3/02/67	6/28/67	10	40	1	2 1/2	1,800	1,230	US$	-	16
L-048/B	Feasibility Studies	3/02/67	2/05/68	10	40	1	2 1/2	1,400	176	US$	-	4
L-049	Food Marketing	4/26/67	7/22/68	10	40	1	2 1/2	5,500	-	US$	-	-
L-051	Private Investment Fund	6/19/67	4/25/68	10	40	1	2 1/2	7,500	534	US$	-	7
L-052	Community Development and Reconstruction	6/29/71	11/12/71	10	40	2	3	3,000	-	US$	-	-
	Total							51,568	23,982			753

TABLE V

COUNTRY: PERU

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

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													
Agricultural Institutional Development and Operations	*	527-11-110-060	1962	1976	13,153	11,980	1,173	1,295	1,141	1,327	1,337 1,337	4,500	20,285
Education and Manpower Training													
Government Finance and Administration	*	527-11-790-057	1962	1976	4,352	4,031	321	315	283	353	743 318	789	5,774
Manpower and Education	*	527-11-690-067	1962	1975	543	437	106	302	234	174	425	800	2,070
Labor Development		527-11-410-063	1962	1972	2,060	2,008	52	33	60	25	-	-	2,093
Economic Research and Planning		527-11-790-066	1962	1972	2,493	2,369	124	314	360	78	-	-	2,807
Industrial, Transport, Urban Development													
Community and Local Government Development		527-11-810-118	1963	1974	1,534	1,357	177	280	251	206	445 325	268	2,407
Housing and Urban Development		527-11-830-065	1962	1974	649	538	111	186	165	132	120	75	1,030
Transportation Development		527-11-300-064	1962	1972	1,231	1,177	54	17	40	31	-	-	1,248
Private Enterprise Development		527-11-900-058	1962	1971	4,458	4,268	190	-	190	-	-	-	4,458
Program Development and Support													
Special Projects Activities		527-11-990-061	1963	Cont.	760	724	36	25	40	21	1,125 25	Cont.	Cont.
Technical Support		527-11-999-000	1955	Cont.	7,198	7,119	79	883	842	120	1,100	Cont.	Cont.
Population													
Human Resources and Population Studies		527-11-570-132	1966	1975	1,120	881	239	172	250	161	97	200	1,589
							Technical Assistance Subtotal				(3,650)		
				Total (including population)				3,822	3,856	2,628	3,747		

*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	22	25	25
Participating agency	1	1	1
Contractor technicians	23	20	29
Total	46	46	55

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	70	80	110
Contract	45	50	20
Total	115	130	130

Country: PERU

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Agricultural Institutional Development and Operations	AGRICULTURAL AND RURAL DEVELOPMENT		TA
PROJECT NUMBER 527-11-110-060	PRIOR REFERENCE P. 19-20 FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1962	SCHEDULED FINAL OBLIGATION FY: 1976

Need and Course of Action:

Annual food production increases have averaged barely 1% during the 1960's while population has grown at an estimated 3.1% over the same period. The annual food import bill has increased from almost $55 million in 1960 to over $150 million in 1971. The agricultural sector produces only 15% of GDP while employing nearly 50% of the population. Rising incomes have contributed to an increasing demand for food; continued income growth and better income distribution will still further increase these pressures. Peru has sufficient available land and an adequate technological base to domestically produce a much larger portion of its food needs, and the Peruvian farmer has achieved substantial increases in specific crop areas (rice, potatoes) when the correct combination of incentive factors has been brought to bear.

A joint Peruvian/A.I.D. evaluation study of the agricultural sector in mid-CY 1971 related A.I.D. assistance projects to sector needs and performance. The report identified deficiencies in the agricultural production/marketing system particularly with regard to specific and acute foodstuff shortages, and it recommended applying the proper mix of resources, policy and technology to resolving these. The report further recommended that A.I.D. redesign its approach to assistance to Peruvian agriculture and combine its two separate, but related, projects into a single assistance package to support this approach.

The purpose of this project is to assist the Government of Peru to establish a capacity to systematically address the deficiencies of the country's agricultural system and to successfully solve the specific problems that are blocking the development of the agricultural sector. Building on expertise developed by prior U.S. technical assistance, a high level core group is to be formed to become a permanent part of the Ministry of Agriculture. On a continuing basis the core group will analyze a wide range of agricultural problems, generate materials for more rational policy decisions, and evaluate specific programs and projects. A.I.D. will provide advisory assistance to the core group through this project.

An agricultural sector analysis is expected to be developed by the core group, and U.S. technicians are already assisting the government in formulating an input/output table as a first step in this analysis. Assistance in agricultural research will continue, but will emphasize management of this resource by Peruvians and will be centered on specific priority problem areas. Past U.S. technical assistance has enabled Peru to develop a substantial technical research base in agriculture.

Peru's Agricultural Sector Plan has identified increased meat and edible oil production as the two highest priority problems. Therefore, these two agricultural sub-sectors will form the initial basis for establishing

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	13,153	11,980	1,173
Estimated FY 72	1,295	1,141	
Estimated through 6/30/72	14,448	13,121	1,327
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	1,337	4,500	20,285

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	80	680	760	85	894	979
Participants	45	145	190	135	--	135
Commodities	5	10	15	--	28	28
Other Costs	130	200	330	57	138	195
Total Obligations	240	1,055	1,295	277	1,060	1,337

PRINCIPAL CONTRACTORS/AGENCIES

North Carolina State University
Iowa State University
International Rice Research Institute
Other Institutions as required

PROJECT TITLE	PROJECT NUMBER
Agricultural Institutional Development and Operations	527-11-110-060

the new problem-solving approach. A.I.D. technicians will assist and advise Peruvian high-level experts in conducting studies to identify major gaps and bottlenecks impeding production and marketing of meat and edible oils within the total agricultural system. The studies will begin in early spring of 1972, and are expected to take about 4-6 months.

Other Donor Contributions: Capital assistance from other donors is principally directed at development of large and small irrigation systems. IDB provides $23.3 million; West Germany $5.45 million and Eastern European countries the equivalent of several million dollars in lines of credit. The IBRD Consultative Group for Peru which met at Paris in February 1972 identified development of Peru's agricultural sector as the highest priority. IBRD and IDB have expressed their agreement with A.I.D.'s restructured approach to assistance to Peruvian agriculture and have indicated great interest in the outcome of the meat and oilseed studies.

FY 1972 Activities: In FY 1972 A.I.D. will take initial steps to redirect its assistance in this sector. Responsibility for continuing four in-depth projects in potatoes, rice, beans and forages will be transferred by December 1972 from North Carolina State University (NCSU) to the Peruvians. The five NCSU technicians currently on-board are scheduled to terminate their activities by the end of CY 1972. At the urgent request of the Peruvians A.I.D. will fund the services of a rice breeding expert for a two-year period. The services of seven NCSU technicians for the redirected program will begin in FY 1972 (livestock-2, forages-1, livestock marketing facilities-1, oilseed production-1, oilseed marketing/processing-1 and a chief of party).

Iowa State University (ISU) technicians are to be redirected to the specifics of the restructured project.

Additionally, A.I.D. expects to contract two high level economists for the program. One will act as coordinator of the project, while the second will fill a vital need in the proposed Peruvian core group. Training of the last 20 contract participants will be funded in FY 1972.

The FY 1973 Program: The restructured approach will be continued and expanded.

U.S. Technicians: A total of 12 NCSU technicians will work on problem areas identified by the meat and oilseed studies. An ISU team of 6 technicians will be devoting full time efforts to developing project analysis and evaluation and assisting in developing an agricultural sector analysis. Two direct hire U.S. advisors are funded under this project.

Commodities: Some office equipment and training and demonstration equipment will be provided.

Other Costs: Local travel, TDY's and local contract services for the meat and oil seed studies are included in this category as well as salaries of local employees, overhead and printing and administrative expenses.

Country: PERU

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Government Finance and Administration	EDUCATION AND MANPOWER TRAINING		TA
PROJECT NUMBER 527-11-790-057	PRIOR REFERENCE p. 46, FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1962	SCHEDULED FINAL OBLIGATION FY: 1976

Setting of the Project:
The Government of Peru is particularly alive to the weaknesses and deficiencies of its public administration system and aware that its level of efficiency will have a significant influence on the degree to which development goals and objectives are attained. Accordingly, the government has initiated a widespread reform to improve its public administration.

A.I.D. is assisting this important reform area through a contract with the Institute of Public Administration (IPA). Both long- and short-term contract advisors provide technical expertise in key areas: design and implementation of the overall reform, budget and financial accounting and audit, and personnel classification. Significant progress has been made. Contract technicians have contributed to developing the reform's Plan of Action and to drafting a manual of Organization and Functions. IPA advisors have played a role in the preparation of such important documents as the law of State Participation in Business and the law regulating Government Enterprises. In financial administration, budget performance by major agencies has improved; the quarterly allotment system refined; new organization and functions of the General Budget Office developed; and basic training provided 150 auditors.

Other Donors
The only other major foreign donor to the Public Administration field is the UN which provides assistance in training at the Peruvian Public Administration School and to development of a government-wide accounting system.

The FY 1973 Program
I.P.A. will continue its assistance to the Peruvians in the areas of General Public Administration Reform, budgeting, Auditing, Personnel Administration. This assistance will require four long-term advisors and up to four short-term advisors for 3 months each. Advanced training for the Controller General Audit Personnel and Tax Intelligence Office Personnel will also be continued. A total of 50 man-months of participant training is planned. Under the I.P.A. contract three long-term participants (12 months each) will be funded in General Public Administration, Budgeting, and Audit. Direct A.I.D. financing will provide short-term training in the United States for three participants in tax intelligence (2 months total) and 12 in advance auditing (total of 12 months). Other costs will finance educational training aids and other support costs for in-country training.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	4,352	4,031	321
Estimated FY 72	315	283	32
Estimated through 6/30/72	4,667	4,667	353
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	318	789	5,774

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	10	197	207	-	265	265
Participants	22	-	22	15	18	33
Commodities	-	-	--	-	-	-
Other Costs	13	73	86	20	-	20
Total Obligations	45	270	315	35	283	318

PRINCIPAL CONTRACTORS/AGENCIES

Institute of Public Administration (IPA)

Country: PERU

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Manpower and Education	EDUCATION AND MANPOWER TRAINING		TA
PROJECT NUMBER 527-11-690-067	PRIOR REFERENCE p. 46 FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1962	SCHEDULED FINAL OBLIGATION FY: 1975

Purpose of the Project: Setting, Need and Progress: The purpose of the project is to assist the Government of Peru to develop a capacity in continuing analysis of the Education Sector. This project addresses three important areas: 1) manpower/education research and planning; 2) leadership development and training; 3) improvement of instructional effectiveness through use of modern materials, methods and technology.

The Government of Peru has identified transformation of the education sector as a pivotal element in its desire to effect basic social and economic structural changes in Peru. An Education Sector Development Plan for 1971-1975 has been approved and incorporated into the National Development Plan. An Education Reform Law has been issued.

During FY 1972 a U.S. advisor began developing a manpower/education project plan in collaboration with counterparts of the Government of Peru's Ministry of Education. In collaboration with the Peruvian Institute for Educational Development (IPFE) four short-term consultants in curriculum and media developments have provided services. IPFE also sponsored in-country training courses for approximately 300 secondary and normal school teachers to upgrade science and mathematics teaching skills; an evaluation of course content and effectiveness has been conducted.

Other Donors: The Government of Peru has estimated that about one-third of the funding needs ($100 million), to carry out the objectives in the Education Sector Plan for 1971-1975 will have to come from external financing. It has received $13 million in credits from Hungary to equip vocational schools, and loans from the Inter-American Development Bank totaling $7.8 million for university construction. The government is receiving technical assistance in education from some 18 donors. The largest gaps in foreign assistance appear precisely in the areas A.I.D. assistance is addressing.

The FY 1973 Program: Under an agreement with the U.S. Department of Labor for the services of a long-term Manpower/Education Specialist will be continued, supplemented by four man-months in manpower data and statistics and manpower planning. Participants will be trained in the United States. Two direct-hire technicians--Education Advisor and Training Officer, are charged to this project. Commodities include books and office equipment for the U.S. Department of Labor technicians.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	543	437	106
Estimated FY 72	302	234	
Estimated through 6/30/72	c/ 845	671	174
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	425	800	2,070

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	46	89	135	84	93	177
Participants	20	-	20	-	64	64
Commodities	10	-	10	62	-	62
Other Costs	137	-	137	122	-	122
Total Obligations	213	89	302	268	157	425

PRINCIPAL CONTRACTORS/AGENCIES

U.S. Department of Labor

PERU

(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	11.3	6.9	178.7	11.6	167.1
Loans	--	3.0	99.0	11.6	87.4
Grants	11.3	3.9	79.6	--	79.6
(Supporting Assistance)	(--)	(--)	(1.7)		
FOOD FOR PEACE - TOTAL	4.2	6.9	113.3	15.1	98.2
Title I - Total	--	--	29.4	15.1	14.3
REPAYABLE IN U.S. DOLLARS - LOANS	--	--	1.8	1.4	0.4
PAYABLE IN FOREIGN CURRENCY—Planned for Country Use	--	--	27.6	13.7	13.9
Loans	--	--	27.4	13.7	13.7
Grants	--	--	0.2	--	0.2
Title II - Total	4.2	6.9	83.9	--	83.9
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	2.8	2.8	46.3	--	46.3
VOLUNTARY RELIEF AGENCIES	1.4	4.1	37.6	--	37.6
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	1.3	1.4	76.8	18.0	58.8
PEACE CORPS	1.4	1.4	21.1	--	21.1
SOCIAL PROGRESS TRUST FUND	-0.1	-*	45.1	11.1	34.0
OTHER	--	--	10.6	6.9	3.7
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	16.8	15.2	368.8	44.7	324.1
Loans	-0.1	3.0	178.8	44.7	134.1
Grants	16.9	12.2	189.9	--	189.9
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	--	4.3	276.8	281.3	-4.5
TOTAL ECONOMIC	16.8	19.5	645.6	326.0	319.6
Loans	-0.1	7.3	455.6	326.0	129.6
Grants	16.9	12.2	189.9	--	189.9
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	0.6	0.6	108.3	22.4	85.9
Credit Sales (FMS)	--	--	19.5	22.4	-2.9
Grants	0.6	0.6	88.8	--	88.8
(Additional Grants from Excess Stocks)	(--)	(--)	(6.8)	(--)	(6.8)
OTHER MILITARY ASSISTANCE GRANTS	--	--	33.0	--	33.0
TOTAL MILITARY	0.6	0.6	141.3	22.4	118.9
TOTAL ECONOMIC AND MILITARY	17.4	20.1	786.9	348.4	438.5
Loans	-0.1	7.3	475.1	348.4	126.7
Grants	17.5	12.8	311.7	--	311.7

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	11.2	105.5	477.4
IBRD - World Bank	--	30.0	244.1
Int'l Finance Corp.	--	--	8.7
Inter-Am Dev. Bank	9.0	70.6	189.8
UNDP - Special Fund	1.6	4.0	22.2
UNDP - TA(CY)	0.4	0.5	7.4
Other UN(CY)	0.2	0.4	5.2

D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

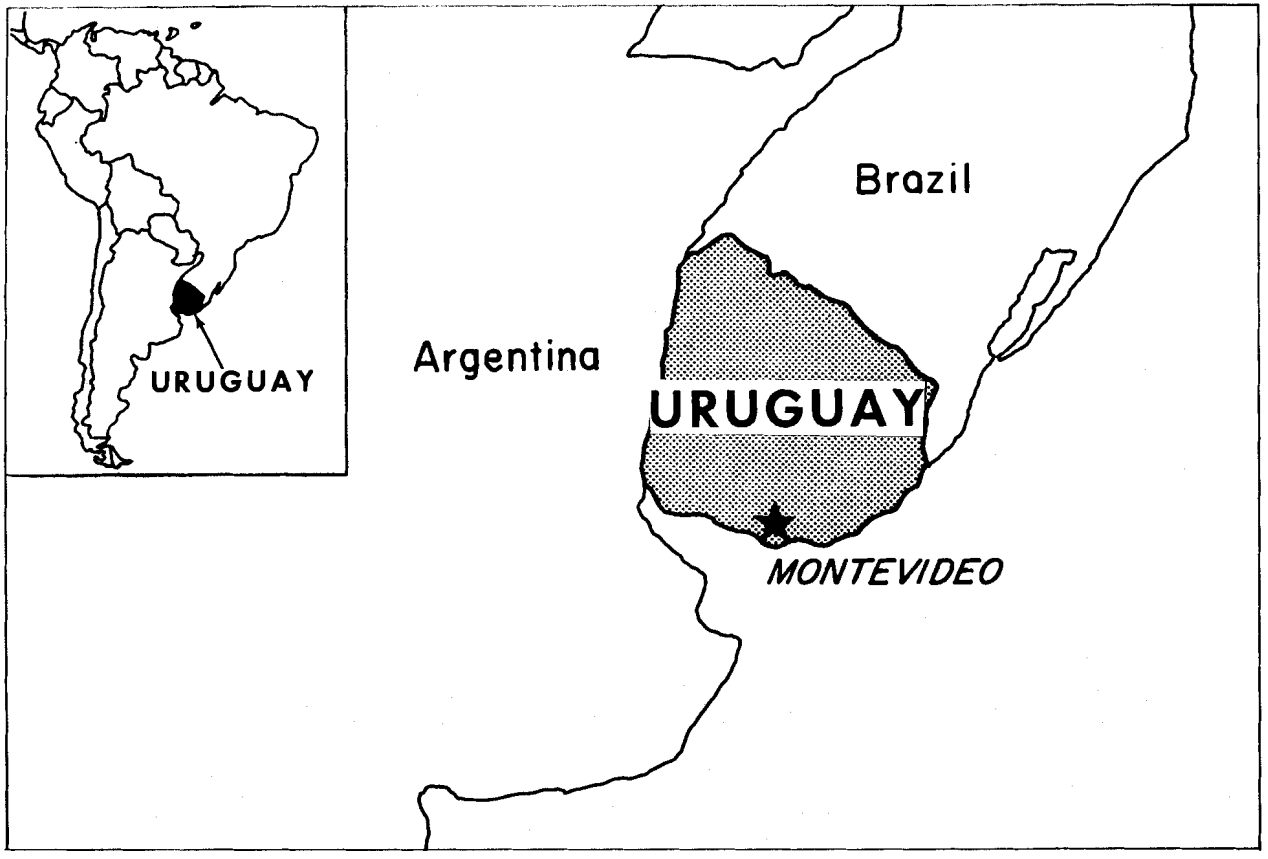
DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	42.4	54.8	175.9
Germany	29.1	25.5	117.8
Italy	3.2	9.9	15.9
Other	10.1	19.4	42.2

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1970 (Calendar Year)..... 53
1971 (Calendar Year)..... 70
Cumulative thru 1971.....129

*Less than $50,000.

Uruguay



BASIC DATA

Population (*millions - mid-1971*)	2.9
Annual Growth Rate (*percent*)	1.3
Population in Urban Areas (*Percent - 1970*)	78
Labor Force in Agriculture (*Percent*)	21
Per Capita GNP (*dollars*)	833*
Life Expectancy (*years*)	69
People Per Doctor	1,040
Literacy Rate (*percent*)	91
Students as % of 5 - 19 Age Group (*Primary and Secondary*)	78

*- 1971 in 1970 prices and exchange rates.

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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	3,000	-	- 1/	-	3,000	-	-
Tech. Assist.	1,742	252	-	1,003	134	-	353
Population	190	-	190 2/	-	-	-	-
Other	-	-	-	-	-	-	-
Total	4,932	252	190	1,003	3,134	-	353
1972							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	1,355	330	-	615	085	-	325
Population	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	1,355	330	-	615	085	-	325
1973							
Devel. Loans	23,000	15,000	-	-	8,000	-	-
Tech. Assist.	1,400	421	-	563	100	-	316
Population	100	-	100	-	-	-	-
Other	-	-	-	-	-	-	-
Total	24,500	15,421	100	563	8,100	-	316

/1 Excludes population grant programs.
/2 Funded from development loan funds.

Uruguay's relatively high per capita income and consumption-oriented economy are being undermined by a persistent, protracted economic decline. Lack of foreign exchange, caused by the failure to increase exports sufficiently over the last dacade, is the fundamental restraint on economic growth.

A new administration, headed by President Juan M. Bordaberry, took office on March 1, 1972. This administration inherited the manifold long-term economic problems which beset the country, as well as their short-term symptoms, which include an overvalued peso and large balance of payments and budget deficits. While the policies of the new administration are still being formulated, it appears that it will address immediate problems while seeking longer-range solutions to the country's more basic ills.

Agriculture has historically provided the bulk of Uruguayan exports. The expansion of traditional agricultural exports along with the addition of some new, nontraditional ones, holds out the best promise for renewed national economic vitality.

FY 1973 A.I.D. PROGRAM

The proposed A.I.D. program for FY 1973 consists of $1.5 million in grants and $23 million in loans in addition to $3.5 million or more of P.L. 480 food assistance.

The A.I.D. program, which will be carried out within a multilateral framework, will support Uruguay's stabilization and development programs. The Inter-American Committee on the Alliance for Progress (CIAP) plans to continue its efforts to develop a well-coordinated lending approach to Uruguay. The World Bank (IBRD) and Inter-American Development Bank (IDB) are expected to continue to provide the major portion of external financial assistance and to emphasize agriculture in their programs. To date the IDB has made 17 loans totalling $83.3 million and IBRD has made 9 loans for a total of $130.5 million, while A.I.D. has made 6 loans for $51 million. The UN Development Program and the Organization of American States (OAS) are expected to remain active in providing technical assistance to several sectors.

Agricultural and Rural Development A.I.D. assistance will continue its emphasis on increasing production and export of nontraditional agricultural products to decrease dependence on wool and beef and to help alleviate trade deficits. The Uruguay Ministry of Agriculture has recently reorganized all agriculture research activities for better coordination, and a five-year plan for agricultural research has been outlined. During FY 1973 selected A.I.D. technical assistance through a university contract will support further sector planning and preparation and implementation of a proposed $15 million loan for supervised agricultural credit. A.I.D emphasis on nontraditional products will complement IDB and IBRD loans for increased livestock production.

Education and Manpower Training. A.I.D. will assist the Uruguayan Planning and Budget Office and the Ministry of Agriculture's Planning and Policy Office to improve identification and analysis of key constraints to growth and to improve efficiency in planning and allocating resources. Training and advisory services will continue to the National Tax Office to increase revenue collections through improved administration, management and audit. During 1971 a computer system was updated and a new collection system was initiated; in part because of these improvements income and sales tax collections increased by 13%. A contract with the American Institute for Free Labor Development will provide training to labor leaders and assist the Democratic Uruguayan Labor Federation to expand the democratic labor movement by increasing membership and recruiting new unions to the Federation. Police departments in Montevideo and the interior will receive training under A.I.D.'s public safety program to increase their law enforcement capabilities.

Population and Health. The Pan American Health Organization will expand its role in bringing health and family planning services to rural areas by increasing its support to the maternal child health program begun by A.I.D. in FY 1971. A.I.D. will continue support for the joint program with funds for training and clinical equipment.

Industrial and Urban Development. All Uruguay's foreign commerce activities have been centralized under the recently reorganized Directorate General of Foreign Commerce (DGCE). The DGCE has prepared studies for and served as Uruguay's representative to several regional trade conferences in the past year. An A.I.D. export promotion project will provide further technical assistance to the Directorate to improve marketing standards and disseminate export information. Some assistance will also be given to the Ministry of Transport, Communications and Tourism to develop a national tourism plan and promote investment in tourist facilities. A new $5 million loan is planned for FY 1973 to promote industrial exports and tourism and continued disbursement of the second tranche of the FY 1970 $15 million capital goods loan will provide equipment necessary for industrial development. As further stimulation to the private sector, a $3 million A.I.D. loan is planned in FY 1973 to establish a Private Development Corporation.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: URUGUAY

(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 Repay-ments	Interest Collected
		Auth-orized	Loan Agree-ment			Grace Period	Amorti-zation					
L-020	Carrasco International Airport	2/16/67	2/02/68	10	40	1	2 1/2	775	739	US$	-	1
L-020/A	(increase)	5/19/70	6/23/70	10	40	2	3	400	35	US$	-	-
L-021	Agricultural Sector	2/22/68	3/27/68	10	40	2	2 1/2	14,497	14,111	US$	-	452
L-022	Capital Goods	7/15/69	10/17/69	10	40	2	3	15,000	3,573	US$	-	22
	TOTAL							30,672	18,458		-	475

TABLE V

COUNTRY: URUGUAY

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

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											421		
Agricultural Institutional Development		528-11-110-041	1965	1976	1,308	1,057	251	330	446	135	421	1,010	3,069
EDUCATION AND MANPOWER TRAINING											563		
Development Planning and Administration		528-11-720-001	1962	1974	926	689	237	158	230	165	163	90	1,337
Labor Development Services		528-13-410-010	1963	1974	1,612	1,440	172	210	245	137	190	180	2,192
Public Safety		528-11-710-013	1962	1974	1,822	1,697	125	247	320	52	210	200	2,479
INDUSTRIAL AND URBAN DEVELOPMENT											100		
Industrial Management and Marketing		528-15-270-011	1963	1973	499	238	261	85	145	201	100	-	684
PROGRAM DEVELOPMENT AND SUPPORT											316		
Special Development Activities		528-15-998-046	1965	Cont.	253	222	31	40	51	20	40	Cont.	Cont.
Technical Support		528-15-999-000	1962	Cont.	1,840	1,824	16	285	290	11	276	Cont.	Cont.
POPULATION AND HEALTH											100		
Maternal/Child Care		528-11-531-094	1971	1973	190	11	179	-	119	60	100	-	290
							Technical Assistance Subtotal				(1,400)		
				Total (including population)				1,355	1,846	781	1,500		

*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	9	8	7
Participating agency	2	2	2
Contractor technicians	6	9	9
Total	17	19	18

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	47	73	76
Contract	--	12	32
Total	47	85	108

URUGUAY

(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	16.9	4.9	67.4	6.0	61.4
Loans	15.4	3.0	53.3	6.0	47.3
Grants	1.5	1.9	14.1	--	14.1
(Supporting Assistance)	(--)	(--)	(--)		
FOOD FOR PEACE - TOTAL	2.4	0.4	51.1	4.7	46.4
Title I - Total	2.0	--	44.4	4.7	39.7
REPAYABLE IN U.S. DOLLARS - LOANS	2.0	--	20.6	1.7	18.9
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	--	--	23.8	3.0	20.8
Loans	--	--	23.8	3.0	20.8
Grants	--	--	--	--	
Title II - Total	0.4	0.4	6.7	--	6.7
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	--	--	0.8	--	0.8
VOLUNTARY RELIEF AGENCIES	0.4	0.4	5.9	--	5.9
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.1	-0.1	15.1	3.3	11.8
PEACE CORPS	0.1	0.1	2.2	--	2.2
SOCIAL PROGRESS TRUST FUND	--	-0.2	10.4	1.4	9.0
OTHER	--	--	2.5	1.9	0.6
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	19.4	5.2	133.6	14.0	119.6
Loans	17.4	2.8	109.7	14.0	95.7
Grants	2.0	2.4	23.9	--	23.9
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	*	1.1	9.3	5.0	4.3
TOTAL ECONOMIC	19.4	6.3	142.9	19.0	123.9
Loans	17.4	3.9	119.0	19.0	100.0
Grants	2.0	2.4	23.9	--	23.9
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	1.4	5.2	47.7	0.2	47.5
Credit Sales (FMS)	--	4.0	4.3	0.2	4.1
Grants	1.4	1.2	43.4	--	43.4
(Additional Grants from Excess Stocks)	(0.7)	(0.5)	(4.0)	(--)	(4.0)
OTHER MILITARY ASSISTANCE GRANTS	--	--	3.0	--	3.0
TOTAL MILITARY	1.4	5.2	50.7	0.2	50.5
TOTAL ECONOMIC AND MILITARY	20.8	11.5	193.6	19.2	174.4
Loans	17.4	7.9	123.3	19.2	104.1
Grants	3.4	3.6	70.3	--	70.3

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	13.9	44.6	227.7
IBRD - World Bank	6.3	22.0	130.5
Inter-Am Dev. Bank	6.0	21.7	87.3
UNDP - Special Fund	1.5	0.6	5.8
UNDP - TA(CY)	0.1	0.2	3.2
Other UN(CY)	*	0.1	0.9

D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

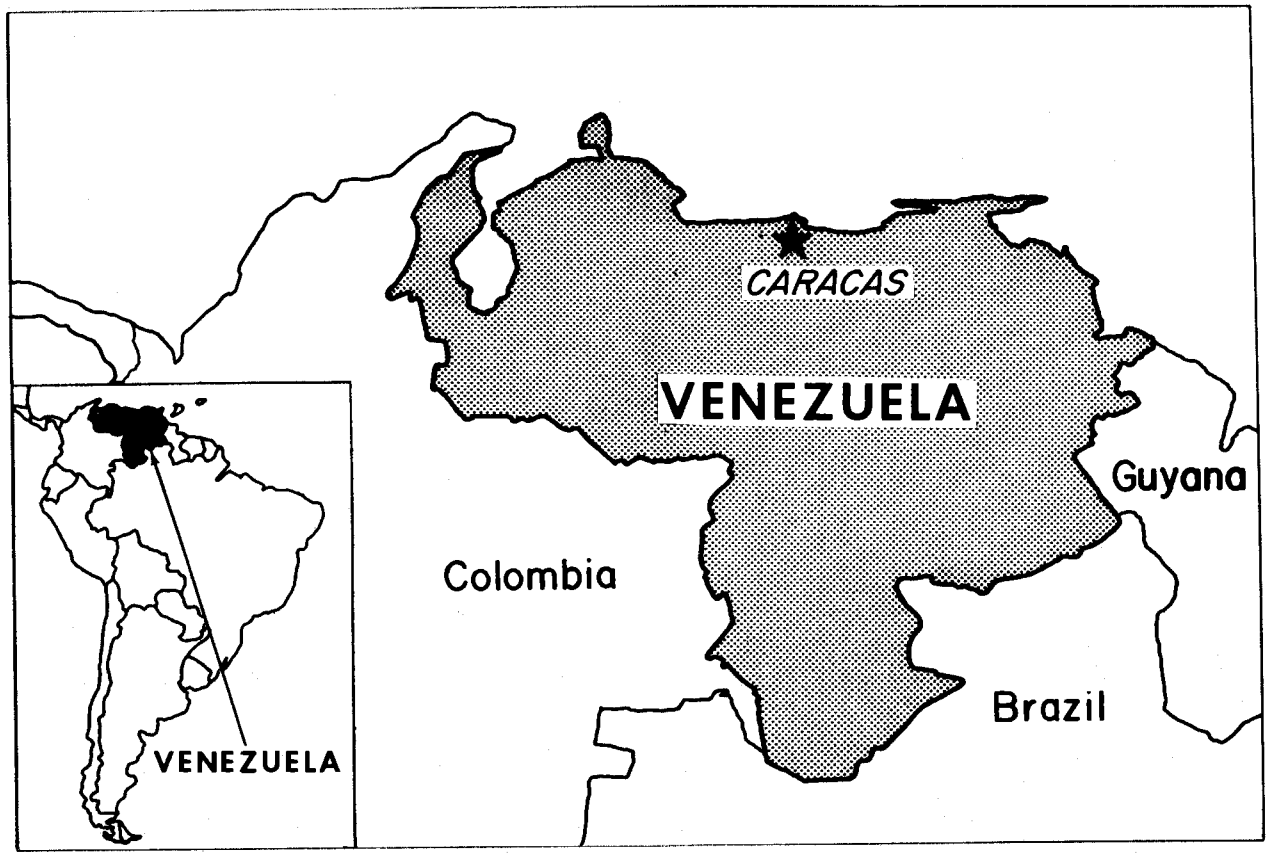
DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	3.0	2.4	12.7
Germany	1.2	1.1	5.6
Netherlands	1.7	1.2	3.8
Italy	0.1	0.1	3.0
Other	0.1	0.1	0.3

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1970 (Calendar Year)..... 15
1971 (Calendar Year)..... --
Cumulative thru 1971..... 45

*Less than $50,000.

Venezuela



BASIC DATA

Population (*millions - mid-1971*)	10.8
Annual Growth Rate (*percent*)	3.5
Population in Urban Areas (*Percent - 1970*)	76
Labor Force in Agriculture (*Percent*)	25
Per Capita GNP (*dollars*)	931*
Life Expectancy (*years*)	67
People Per Doctor	1,120
Literacy Rate (*percent*)	76
Students as % of 5 - 19 Age Group (*Primary and Secondary*)	59

* - 1971 in 1970 prices and exchange rates.

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VENEZUELA

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.	950	-	-	734	-	-	216
Population	25	-	25 2/	-	-	-	-
Other	-	-	-	-	-	-	-
Total	975	-	25	734	-	-	216
1972							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	850	-	-	765	-	-	85
Population	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	850	-	-	765	-	-	85
1973							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	500	-	-	250	-	-	250
Population	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	500	-	-	250	-	-	250

/1 Excludes population grant programs.
/2 Funded from development loan funds.

The small A.I.D. technical assistance program in Venezuela provides U.S. technical advisory services and training for limited areas of critical need. In FY 1972, the program concentrated on assistance for high impact programs in educational reform and development strategies and in strengthening Venezuelan internal security forces.

Public Safety. In FY 1973 A.I.D. will continue to assist Venezuela in police management and operations. Since 1962 the program has helped to establish a unified command center, modernize national police records, and train Venezuelan police officials.

Special Development. A.I.D. will establish in FY 1973 a Special Development Activity Authority to respond to Venezuelan initiatives. Through this Authority we will support small projects of immediate impact.

TABLE V

COUNTRY: VENEZUELA

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

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			
EDUCATION AND MANPOWER DEVELOPMENT											250		
National Manpower Training and Development		529-15-690-013	1962	1972	4,374	3,675	699	495	524	670	-	-	4,869
Public Safety		529-11-710-022	1963	1974	2,827	2,816	11	270	251	30	250	235	3,582
PROGRAM DEVELOPMENT AND SUPPORT											250		
Special Development Activities		529-15-998-035	1973	1974	-	-	-	-	-	-	50	50	100
Technical Support		529-15-999-000	1961	1974	2,295	2,291	4	85	29	60	200	125	2,705
POPULATION AND HEALTH													
Population and Demography Program		529-15-580-034	1967	1971	573	508	65	-	65	-	-	-	573
Total (including population)								850	869	760	500		

*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	6	5	4
Participating agency	-	-	-
Contractor technicians	6	7	1
Total	12	12	5

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	54	60	28
Contract	-	-	-
Total	54	60	28

VENEZUELA

(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	1.1	1.0	70.3	10.0	60.3
Loans	--	--	55.0	10.0	45.0
Grants	1.1	1.0	15.3	--	15.3
(Supporting Assistance)	(--)	(--)	(--)		
FOOD FOR PEACE - TOTAL	--	--	24.6	--	24.6
Title I - Total	--	--	--	--	--
REPAYABLE IN U.S. DOLLARS - LOANS	--	--	--	--	--
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	--	--	--	--	--
Loans	--	--	--	--	--
Grants	--	--	--	--	--
Title II - Total	--	--	24.6	--	24.6
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	--	--	--	--	24.6
VOLUNTARY RELIEF AGENCIES	--	--	24.6	--	
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	1.6	1.5	92.7	32.8	59.9
PEACE CORPS	1.6	1.5	18.3	--	18.3
SOCIAL PROGRESS TRUST FUND	--	--	72.9	32.8	40.1
OTHER	--	--	1.5	--	1.5
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	2.7	2.5	187.6	42.8	144.8
Loans	--	--	127.9	42.8	85.1
Grants	2.7	2.5	59.7	--	59.7
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	16.0	18.7	232.2	124.0	108.2
TOTAL ECONOMIC	18.7	21.2	419.8	166.8	253.0
Loans	16.0	18.7	360.1	166.8	193.3
Grants	2.7	2.5	59.7	--	59.7
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	0.8	8.4	102.8	65.2	37.6
Credit Sales (FMS)	--	7.4	92.6	65.2	27.4
Grants	0.8	1.0	10.2	--	10.2
(Additional Grants from Excess Stocks)	(--)	(--)	(0.3)	(--)	(0.3)
OTHER MILITARY ASSISTANCE GRANTS	--	--	12.8	--	12.8
TOTAL MILITARY	0.8	8.4	115.6	65.2	50.4
TOTAL ECONOMIC AND MILITARY	19.5	29.6	535.4	232.0	303.4
Loans	16.0	26.1	452.7	232.0	220.7
Grants	3.5	3.5	82.7	--	82.7

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	76.8	66.7	574.5
IBRD - World Bank	--	35.0	329.1
Int'l Finance Corp.	--	12.0	21.8
Inter-Am Dev. Bank	75.4	17.8	201.7
UNDP - Special Fund	1.1	1.5	14.5
UNDP - TA(CY)	0.3	0.4	5.3
Other UN(CY)	*	*	2.1

D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	7.0	5.4	53.2
Italy	0.3	0.2	36.3
Japan	5.3	3.7	9.0
Germany	1.3	1.6	6.7
Other	0.1	0.1	1.1

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1970 (Calendar Year)..... 10
1971 (Calendar Year)..... --
Cumulative thru 1971..... 10

*Less than $50,000.

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CENTRAL AMERICA REGIONAL

PROGRAM SUMMARY (in thousands of dollars)							
FISCAL YEAR	Total	Agricultural & Rural Development	Population & Health	Education & Manpower Training	Industry, Transportation & Urbon Dev.	Non-Project Loans	Program Development & Support
1971							
Devel. Loans	-	-	- 1/	-	-	-	-
Tech. Assist.	3,325	120	-	1,506	756	-	943
Population	209	-	209 2/	-	-	-	-
Other							
Total	3,534	120	209	1,506	756	-	943
1972							
Devel. Loans	9,900	-	-	3,900	6,000	-	-
Tech. Assist.	3,190	99	-	1,664	497	-	930
Population	-	-	-	-	-	-	-
Other							
Total	13,090	99	-	5,564	6,497	-	930
1973							
Devel. Loans	25,000	-	-	10,000	15,000	-	-
Tech. Assist.	2,700	100	-	1,190	480	-	930
Population	-	-	-	-	-	-	-
Other							
Total	27,700	100	-	11,190	15,480	-	930

/1 Excludes population grant programs.
/2 Funded from development loan funds.

Although it achieved dramatic growth in its early years (1961-1969) the Central American Common Market (CACM) encountered serious obstacles to further development in the form of the outbreak of armed conflict in 1969 between El Salvador and Honduras, and the temporary withdrawal of Honduras from the free trade system beginning January 1971. Despite these formidable setbacks, the CACM came through its most difficult year - 1971 - not only intact but functioning at a level of intraregional trade of $275 million - the second highest level on record. Moreover, the major institutions of the integration movement - i.e., the CACM Secretariat (SIECA) and the C.A. Bank (CABEI) - continued functioning. This achievement is a tribute not only to the inherent stability of the institution of economic integration in Central America, but to the skill and perseverance of the Central American government policy makers.

To confront the problems created by the initial withdrawal of Honduras from the trading system, Guatemala, Nicaragua, Costa Rica and El Salvador established an ad hoc mechanism called the "Normalizing Commission." The Commission, which is composed of representatives of each of the four participating countries set about to maintain orderly trade among the countries and resolve disputes which arose during the trade adjustment process. It has managed to prevent further disintegration of the trading system and the four countries are prepared to discuss reincorporation and restructuring of the Common Market with Honduras. However, it is generally recognized that before the structure of the CACM can be reformed to meet the challenges of the second decade of its growth and development, a solution of the political problems which remain between El Salvador and Honduras must be found. Central American diplomats are hard at work on the two main problems: a border settlement and the reestablishment of political and diplomatic relations between Honduras and El Salvador.

Thus CY 1972 will be a critical one for the survival of the CACM as originally conceived. Among the possible alternatives are: (a) four countries may decide to proceed with a common market without Honduras if necessary; (b) a four-country common market might be created with limited special participation by Honduras; (c) perhaps the most desirable from the standpoint of the economic interests of the Central American countries, the return to a full functioning CACM, with all five members having agreed to reforms designed to spur exports outside the region as well as provide for more effective industrial and agricultural development, under a common set of regional policies and incentives.

FY 1973 A.I.D. PROGRAM

In this situation, the United States has adopted a policy of continuing to assist those institutions in the regional movement that will play a key role in the restructuring of the CACM.

These include: CABEI and SIECA, ICAITI, the Regional Institute for Science and Technology; and, to a lesser extent, ODECA - the political organization of the Central American nations. A.I.D. has provided over $150 million in loans and $40 million in grants for CACM activities since the establishment of our Regional Office for Central America and Panama (ROCAP), ten years ago.

The past achievement of economic integration in Central America and the determined efforts of the member countries to preserve and strengthen this process justify confidence that the CACM and its institutions not only will survive the present difficulties, but will be key elements in the development equation in the area.

Initially A.I.D. provided nearly all external assistance to the CACM, but today the Inter-American Development Bank, the World Bank, the Organization of American States, and the UNDP contribute loans and technical assistance to CABEI, SIECA, and other CACM organizations. As assistance from these other donors has increased, A.I.D. emphasis has shifted from heavy support of infrastructure and strengthening of CACM institutions to programs that assist export promotion, education, manpower, and housing.

ROCAP plans a $2.7 million Technical Assistance program and loans of $25 million centered on the education and manpower training and industrial and urban development sectors. Technical assistance programs in the education and manpower training sector will utilize just under half of the proposed grant funds. An FY 1973 loan of $10 million to CABEI is proposed to assist it to establish a human resource development fund aimed at improving educational and manpower development activities. The fund will also reach the lower socio-economic groups in Central America by creating a new source of credit for small agricultural producers. Two loans are proposed for the industrial and urban development sector. One loan of $10 million to CABEI for tourism infrastructure development. The other,for $5 million, also to CABEI, is for the development of an intra-regional capital market for housing finance. Technical assistance activities proposed for the agriculture and rural development sector will include the development of regional agricultural planning. No new funds are being programmed in FY 1973 for the population and health sector because these activities will be assisted on an individual country basis.

Central American regional programs are closely coordinated with bilateral A.I.D. programs and with other donors, particularly the Inter-American Development Bank which provides assistance to both SIECA and CABEI. The IDB is currently considering loans in 1972 to CABEI for approximately $30 million in the agricultural sector and $4 million for pre-investment studies. IDB loans through CABEI in 1973 will concentrate on agriculture, transportation, and strengthening statistical capabilities throughout Central America. The World Bank plans to lend to Central American development banks for industrial development through CABEI. Timing and amounts have yet to be determined. Thus the funding activities of the major lending agencies through CABEI will be closely coordinated and complementary. A.I.D. maintains particularly close coordination with the IDB and UN in providing technical assistance to Central American regional institutions.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: CENTRAL AMERICA REGIONAL

(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 Repayment	Principal Repayments	Interest Collected
		Authorized	Loan Agreement			Grace Period	Amortization					
596-L-006	CABEI Economic Integration Fund	5/28/65	7/29/65	10	40	1	2 1/2	35,000	32,564	US$	-	555
L-007	CABEI Integration Fund	6/30/67	1/23/68	10	40	1	2 1/2	20,000	9,554	US$	-	49
L-008	CABEI Integration Fund	7/05/68	4/25/69	10	40	2	2 1/2	30,000	2,378	US$	-	7
L-009	Central American Stabilization Fund	6/25/70	8/27/70	5	25	2	3	10,000	-	US$	-	-
L-010	CABEI Export Industries and Tourism	6/19/70	9/09/70	10	40	2	3	30,000	671	US$	-	-
L-011	Agribusiness Development	8/11/71	10/26/71	5	20	3	3	6,000	-	US$	-	-
	TOTAL							131,000	45,167		-	611

TABLE V

COUNTRY: CENTRAL AMERICA REGIONAL

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

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											100		
Agricultural Planning		596-11-140-026	1969	1973	219	159	60	99	119	40	100	-	418
EDUCATION AND MANPOWER TRAINING											1,190		
Regional Manpower Planning & Development		596-11-460-004	1963	1973	2,484	2,165	319	283	401	201	285	-	3,052
Development of Institutions of Higher Educ.		596-11-660-012	1964	1974	3,299	2,798	501	504	790	215	360	140	4,303
Legal Publications & Studies		596-11-790-018	1965	1972	449	428	21	7	28	-	-	-	456
Business Administration		596-11-770-024	1967	1973	1,620	1,312	308	330	518	120	70	-	2,020
Regional Education Planning & Research		596-11-690-029	1971	1973	254	134	120	114	143	91	70	-	438
Economic Integration Assistance to SIECA		596-11-755-040	1972	1975	-	-	-	346	210	136	330	234	910
Human Resources Development (British Hond.)		596-11-660-100	1968	1974	211	134	77	80	120	37	75	146	512
INDUSTRY AND URBAN DEVELOPMENT											480		
Commercial and Industrial Planning		596-11-290-027	1969	1975	570	394	176	-	142	34	25	65	660
Regional Export Expansion	*	596-11-260-033	1971	1975	702	258	444	473	479	438	355	848	2,378
Regional Tourism Expansion		596-11-240-034	1971	1975	218	41	177	24	33	168	100	132	474
PROGRAM DEVELOPMENT AND SUPPORT											930		
Technical Support		596-11-999-000	1961	Cont.	5,597	5,492	105	930	931	104	930	Cont.	Cont.
POPULATION AND HEALTH													
Health and Demographic Studies		596-15-570-023	1967	1972	821	587	234	-	121	113	-	-	821
				Total (including population)				3,190	4,035	1,697	2,700		

*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	13	15	15
Participating agency	2	2	1
Contractor technicians	12	17	19
Total	27	34	35

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	27	23	30
Contract	18	10	5
Total	45	33	35

Country: CENTRAL AMERICA REGIONAL

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Regional Export Expansion	INDUSTRIAL AND URBAN DEVELOPMENT		TA
PROJECT NUMBER 596-11-260-033	PRIOR REFERENCE P. 63, FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1971	SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: To produce more foreign exchange for Central America by improving the capacity of its countries to evaluate, promote and participate in non-traditional export opportunities. This project provides technical assistance and training to help Central America achieve the long-run goals of non-traditional exports and contributes thereby to a more favorable regional balance of payments. The regional institutions which help develop export industries are: the Central American Bank for Economic Integration (CABEI); PROMECA, a Central American export promotion organization; the Central American Institute for Research in Industrial Technology (ICAITI); the Central American Business Administration Institute (INCAE); and the Central American Private Sector Federation (FEDEPRICA).

Progress to Date: The regional institutions have formed an Export Expansion and Promotion Board and are now carrying out marketing research in collaboration with Economic Research Associates, a U.S. consulting firm. Results are being used to develop "pilot export projects". In November 1971, representatives of these Central American Regional Institutions met with the leaders of the Central American National Export Centers, A.I.D. representatives, and the United Nations Industrial Development Organization representative to link and coordinate all these organizations' activities in the export promotion field. As of January 1972, CABEI had already extended sub-loans totaling over $14.7 million for export and tourism projects out of a $30 million A.I.D. loan made in 1971 for financing the production, largely for export, of non-traditional crops and to fund tourism infrastructure. ICAITI submitted a booklet to the regional organizations, agricultural ministries and associations, national export promotion centers and A.I.D. entitled: "The Production and Export of Central American Non-Traditional Agricultural Products".

Other Donors: Central American member countries, the Organization of American States (OAS), and the United Nations. A.I.D. regional assistance is also provided to ICAITI for food technology development.

FY 1973 Program: CABEI/PROMECA will research more market areas and develop pilot projects in three additional areas of high export potential. INCAE will advise on and conduct management feasibility studies regarding non-traditional and traditional export oriented industries. ICAITI will complete a thorough food industry survey of Central America.

U.S. Technicians: One direct-hire private Enterprise Advisor; one contract Private Enterprise Advisor-Exports; two contract Export Promotion Advisors. In addition, eight short-term contract technicians in marketing and project analysis.

Participants: Four, totaling one man-year, in export promotion.

Other Costs: Workshops, seminars, travel, laboratory expendables, support for ICAITI project activities and supporting research.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	702	258	444
Estimated FY 72	473	479	
Estimated through 6/30/72	1,175	737	438
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	355	848	2,378

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	36	203	239	36	135	171
Participants	8	-	8	10	-	10
Commodities	-	-	-	-	-	-
Other Costs	218	8	226	169	5	174
Total Obligations	262	211	473	215	140	355

PRINCIPAL CONTRACTORS/AGENCIES

Economics Research Associates (ERA)

Costa Rica

BASIC DATA

Population (*millions - mid-1971*)	1.8
Annual Growth Rate (*percent*)	3.2
Population in Urban Areas (*Percent - 1970*)	37
Labor Force in Agriculture (*Percent*)	49
Per Capita GNP (*dollars*)	539*
Life Expectancy (*years*)	65
People Per Doctor	1,810
Literacy Rate (*percent*)	84
Students as % of 5 - 19 Age Group (*Primary and Secondary*)	64

* - 1971 in 1970 prices and exchange rates.

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COSTA RICA

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	4,210	-	610 1/	-	3,600	-	-
Tech. Assist.	1,819	610	-	494	304	-	411
Population	403	-	403 2/	-	-	-	-
Other	-	-	-	-	-	-	-
Total	6,432	610	1,013	494	3,904	-	411
1972							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	1,350	372	-	504	222	-	252
Population	305	-	305	-	-	-	-
Other	-	-	-	-	-	-	-
Total	1,655	372	305	504	222	-	252
1973							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	844	210	-	127	202	-	305
Population	216	-	216	-	-	-	-
Other	-	-	-	-	-	-	-
Total	1,060	210	216	127	202	-	305

/1 Excludes population grant programs.
/2 Funded from development loan funds.

Costa Rica has a long democratic tradition, an ample endowment of national resources, a high literacy rate and by far the highest per capita GNP in Central America - about $540.

FY 1973 A.I.D. PROGRAM

The proposed program for FY 1973 consists of $850,000 in Alliance Technical Assistance for agricultural development, civic and social research and development, and public safety, and $235,000 for Population Programs. No loans are proposed for Costa Rica in FY 1973. The A.I.D. program seeks to help Costa Rica broaden and accelerate the growth of its agriculture sector, and enhance popular participation in development. The Inter-American Development Bank (IDB) and the World Bank, in close coordination with A.I.D., provide substantial assistance toward Costa Rican development objectives.

A major component of A.I.D.'s efforts in Costa Rica is a $16.4 million Agricultural Sector Loan, matched by a government contribution of $14.1 million, which was authorized in June 1970. The international banks have also been active in agriculture. The IDB provided $13.4 million in loans for agricultural development during the period 1962-72; the World Bank also provided $9.5 million in loans for agricultural development during the period 1956-71, and another large Bank loan for agriculture is planned for early authorization.

Agricultural Development

The benefits of agriculture sector growth have eluded small- and medium-size farmers as government credit and extension services have been focused on land owners--a pre-condition often not met by the small farmer. The government systems for monitoring agricultural inputs need help to coordinate their efforts, with respect especially to high quality seeds, but also to such inputs as credit, crop insurance and extension services by installing an annual planning mechanism responsive to farmer planting plans, credit conditions and market projections.

A.I.D. grant and loan assistance has encouraged policy changes to concentrate government efforts on the small farmer regardless of land-ownership, has led to establishment of regional agricultural coordinating councils and has provided, with other donors, infusions of agricultural credit funds. In FY 1973, A.I.D. advisors will encourage formation of additional regional councils and will work with the government to coordinate assistance to farmers from both government and private sources.

Education and Manpower Training

The Costa Rican Government applies about 25% of the annual budget to education and has benefited from some $4.9 million in loans and $3.6 million in grants in foreign assistance from A.I.D. and other donors over the last ten years.

Despite the high priority it enjoys, Costa Rican education faces enrollment pressures at all levels and critical needs to expand vocational training opportunities in several fields and maintain and enhance the quality of primary education. The Costa Ricans are now meeting most of these problems by themselves. Limited external assistance in FY 1973 will include a $3.5 million loan from the IDB for vocational school programs and specialized A.I.D. assistance to the faculties of law and agronomy of the University of Costa Rica. The $1 million A.I.D. program to provide elementary textbooks will be successfully completed at the end of FY 1972.

Population

In FY 1972, A.I.D. provided $300,000 for family planning, and in FY 1973 we propose to provide another $235,000. Other assistance is furnished through private organizations and the Pan American Health Organization, as well as by other donors. The birth rate has been reduced from about 4% in 1960 to 2.8% in 1971-72, and nearly one-third of the child-bearing population is using family planning techniques.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: COSTA RICA

(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 Repayment	Principal Repayments	Interest Collected
		Authorized	Loan Agreement			Grace Period	Amortization					
L-019	COFISA Industrial Dev. Bank (2nd)	7/03/68	5/08/69	5	20	5	5	5,000	3,428	US$	-	58
	Two-step			10	40	2	2½					
L-020	Highway Maintenance	6/27/69	7/31/69	10	40	2	3	7,100	154	US$	-	-
L-021	Savings and Loan	7/03/69	11/17/69	10	40	2	3	1,000	340	US$	-	-
L-022	Agricultural Sector Development	6/30/70	8/11/70	10	40	2	3	16,400	2,309	US$	-	7
L-023	Municipal Development	8/12/70	10/13/70	10	40	2	3	3,600	-	US$	-	-
L-024	Malaria Eradication	4/12/71	6/15/71	10	40	2	3	610	200	US$	-	-
	Total							33,710	6,431		-	65

TABLE V

COUNTRY: COSTA RICA

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

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			
AGRICULTURAL AND RURAL DEVELOPMENT											210		
Agricultural Development		515-11-140-038	1964	1974	2,248	1,943	305	322	252	375	210	300	3,080
Agricultural Education		515-12-110-113	1970	1971	450	266	154	-	184	-	-	-	450
EDUCATION AND MANPOWER TRAINING											127		
Public Safety		515-11-710-061	1963	1974	1,548	1,491	57	168	149	76	127	100	1,943
Development Planning and Administration		515-11-720-060	1953	1972	2,148	2,145	3	130	120	13	-	-	2,278
General Assistance to Education		515-11-680-085	1966	1972	724	435	289	206	206	289	-	-	930
INDUSTRY, TRANSPORTATION AND URBAN DEVELOPMENT											202		
Civic and Social Research and Development		515-15-899-116	1971	1973	304	123	181	222	172	231	202	-	728
PROGRAM DEVELOPMENT AND SUPPORT											305		
Technical Support		515-11-999-000	1953	Cont.	3,948	3,816	132	253	253	132	305	Cont.	Cont.
POPULATION											216		
Demographic Education		515-11-580-105	1968	1973	1,263	981	282	305	182	405	216	-	1,784
							Technical Assistance			Subtotal	(844)		
				Total (including population)				1,606	1,518	1,521	1,060		

*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	14	15	9
Participating agency	3	2	--
Contractor technicians	9	10	7
Total	26	27	16

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	68	47	31
Contract	-	-	-
Total	68	47	31

COSTA RICA

(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	19.5	6.4	102.8	5.8	97.0
Loans	17.4	4.2	74.6	5.8	68.8
Grants	2.1	2.2	28.3	-	28.3
(Supporting Assistance)	(-)	(-)	(-)		
FOOD FOR PEACE - TOTAL	0.5	0.8	9.7	-	9.7
Title I - Total	-	-	-	-	-
REPAYABLE IN U.S. DOLLARS - LOANS	-	-	-	-	-
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	-	-	-
Loans	-	-	-	-	-
Grants	-	-	-	-	-
Title II - Total	0.5	0.8	9.7	-	9.7
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	-	0.1	4.8	-	4.8
VOLUNTARY RELIEF AGENCIES	0.5	0.7	4.9	-	4.9
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.2	0.7	69.0	2.6	66.4
PEACE CORPS	0.6	0.7	6.1	-	6.1
SOCIAL PROGRESS TRUST FUND	-0.5	-	11.7	2.6	9.1
OTHER	0.1	-	51.2	-	51.2
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	20.2	7.9	181.5	8.4	173.1
Loans	17.0	4.2	86.4	8.4	78.0
Grants	3.2	3.7	95.2	-	95.2
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	0.5	0.5	35.0	26.3	8.7
TOTAL ECONOMIC	20.7	8.4	216.5	34.7	181.8
Loans	17.5	4.7	121.4	34.7	86.7
Grants	3.2	3.7	95.2	-	95.2
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	-	-	1.8	-	1.8
Credit Sales (FMS)	-	-	-	-	-
Grants	-	-	1.8	-	1.8
(Additional Grants from Excess Stocks)	(-)	(-)	(*)	(-)	(*)
OTHER MILITARY ASSISTANCE GRANTS	-	0.1	0.1	-	0.1
TOTAL MILITARY	-	0.1	1.9	-	1.9
TOTAL ECONOMIC AND MILITARY	20.7	8.5	218.4	34.7	183.7
Loans	17.5	4.7	121.4	34.7	86.7
Grants	3.2	3.8	97.1	-	97.1

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	42.4	10.6	147.8
IBRD - World Bank	34.2	-	84.9
Int'l Finance Corp.	-	-	0.6
Int'l Dev. Association	-	-	4.6
Inter-Am Dev. Bank	8.0	10.1	49.8
UNDP - Special Fund	-	0.2	2.9
UNDP - TA(CY)	0.1	0.2	2.8
Other UN(CY)	0.1	0.1	2.2

D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	1.2	1.5	5.2
Germany	0.7	1.0	3.4
U.K.	*	0.1	0.3
Japan	0.2	*	0.3
Other	0.2	0.4	1.2

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1970 (Calendar Year)	-
1971 (Calendar Year)	-
Cumulative thru 1971	-

*Less than $50,000.

El Salvador

BASIC DATA

Population (*millions - mid-1971*)	3.5
Annual Growth Rate (*percent*)	3.4
Population in Urban Areas (*Percent - 1970*)	38
Labor Force in Agriculture (*Percent*)	60
Per Capita GNP (*dollars*)	294*
Life Expectancy (*years*)	58
People Per Doctor	4,270
Literacy Rate (*percent*)	49
Students as % of 5 - 19 Age Group (*Primary and Secondary*)	49

* - 1971 in 1970 prices and exchange rates.

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EL SALVADOR

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.	2,013	1,034	-	547	-	-	432
Population	439	-	439 2/	-	-	-	-
Other	-	-	-	-	-	-	-
Total	2,452	1,034	439	547	-	-	432
1972							
Devel. Loans	7,000	7,000	-	-	-	-	-
Tech. Assist.	1,500	581	-	497	-	-	422
Population	458	-	458	-	-	-	-
Other	-	-	-	-	-	-	-
Total	8,958	7,581	458	497	-	-	422
1973							
Devel. Loans	12,000	12,000	-	-	-	-	-
Tech. Assist.	1,700	837	-	493	-	-	370
Population	450	-	450	-	-	-	-
Other	-	-	-	-	-	-	-
Total	14,150	12,837	450	493	-	-	370

/1 Excludes population grant programs.
/2 Funded from development loan funds.

El Salvador has one of the highest population growth rates in Latin America--at least 3.4%--and a very high population density in a small, resource-poor land. Over half the people are illiterate (the rate is higher in rural areas). Land is concentrated in the hands of a few large landowners, and the productivity and income of small and medium farmers is low. The economy depends upon traditional agriculture exports going outside the Central American Common Market area. We anticipate that the new government, elected in February, 1972, will support a vigorous development program in agriculture, health and housing, while continuing the education reform program begun by its predecessor.

FY 1973 A.I.D. PROGRAM

The FY 1973 proposed A.I.D. Technical Assistance program of $2.2 million is concentrated in education, health and population, and agriculture. A Development Loan of $12 million is proposed for the agriculture sector.

P.L. 480 Title II grants of $1.3 million and $1 million in FY 1972 and FY 1973 will support ongoing programs in school lunch, maternal and child care, and food-for-work. The Inter-American Foundation plans a grant of $636,600 to the private Salvadoran Foundation for Development and Minimal Housing to support its five-year plan (1972-76) for construction of 15,000 low-income dwellings.

The Inter-American Development Bank (IDB) authorized two loans in FY 1972 totalling $11.5 million, the bulk for highway construction and maintenance and the remainder for rural water systems. The Bank tentatively plans $10 million in FY 1973 loans to develop tourism and assist a public industrial development bank. The Central American Bank for Economic Integration (CABEI) is expected to authorize a $5.25 million loan for road construction in late FY 1972 or early FY 1973.

Agriculture

A.I.D. Development Loans and Technical Assistance will help the Salvadoran government to undertake a comprehensive program to boost farm income and employment and to increase production. The program is aimed at the small farmer who has the potential to reach a commercial level of operation. One result of A.I.D. assistance to the Ministry of Agriculture's research and extension activities has been an increase in corn and bean production by 45% and 67% respectively between 1968 and 1971. A.I.D. proposes to continue financing U.S. Department of Agriculture and university contract personnel working with the new research, extension and education agency, with the agricultural credit agency, and with the Ministry of Agriculture's irrigation and planning departments.

This grant financed technical assistance will be integrated with proposed agricultural sector loans.

The initial FY 1972 agriculture sector loan, for some $6 million, will finance an integrated program of research and extension as well as storage facilities for grain producers. The subsequent FY 1973 $12 million sector loan will be targeted at fresh fruit and vegetable production and marketing and research programs in livestock, poultry and reforestation.

Education

A.I.D. assistance has been focused on expansion of educational opportunity (grades 1-9) to as many children as possible, improving the quality of education, and increasing the efficiency of education administration. The A.I.D. program is keyed to the government's Education Reform Plan and is tailored to assist the design and implementation of an integrated, child-centered education through the 9th grade. In 1968 the government, with A.I.D. assistance, introduced an innovative system of television teaching, which 1,200 secondary teachers have been retrained to use. The system is now used in all junior high schools, and expansion to the primary school system has recently begun, with 154 of 1475 planned classrooms constructed. Evening programs aimed at adults will be developed in family planning, nutrition, child health, agriculture extension and home economics.

A.I.D. Technical Assistance will focus on implementation of two ongoing loans, one for $1.9 million and the other for $8.2 million, for educational TV and school construction. It will finance 1) three U.S. professors to help the new University Simeon Canas further analyze El Salvador's educational requirements and to develop programs to serve identified needs; 2) academic training of the University's staff; and 3) a consultant to assist the Ministry of Education and the private sector analyze needs for non-formal vocational training.

A World Bank loan of $6 million is financing construction of 36 academic and vocational high schools and buildings for the National Agriculture School. The UNDP program of about $2 million for FY 1972-73 includes technical assistance in educational TV and secondary education.

Health and Population

To help combat rapid population growth, A.I.D. assistance will concentrate on expanding family planning information services. The FY 1973 program will finance extension of the existing network of family planning clinics by opening ten additional clinics; a portion of the staffing and operating costs of those clinics; technical assistance and staffing for the Ministry of Health's Family Planning Evaluation Unit; and training and education programs of the Salvadoran Demographic Association. The downward trend in the crude birth rate (49 per thousand in 1960 to 44 per thousand in 1970) is expected to continue as family planning information and services reach more people.

New activities in FY 1973 include support for an analysis of long-term needs of the health sector; training and technical assistance for incorporating demographic planning in national and sectoral planning; and expert advice in preparing health and family planning materials for use on educational television.

The Pan American Health Organization and International Planned Parenthood Federation also will continue to support family planning activities.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: EL SALVADOR

(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 Repay-ments	Interest Collected
		Auth-orized	Loan Agree-ment			Grace Period	Amorti-zation					
L-013	Education Reform Program, Including ITV	6/28/68	11/28/69	10	40	2	2 1/2	1,900	18	US$	-	-
L-014	Education Reform Program Including ITV Expansion Phase	6/30/69	2/16/71	10	40	2	3	8,200	-	US$	-	-
L-015	INSAFI-Industrial Development Bank	7/03/69	10/29/70	7	25	5	5	4,800	-	US$	-	-
L-016	Credit Union Development (FEDECACES)	6/17/70	10/15/70	7	25	2	3	2,000	400	US$	-	-
	TOTAL							16,900	418		-	-

COUNTRY: EL SALVADOR

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

TABLE V

Project Title	*	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1971 Obligations	Through FY 1971 Expenditures	Through FY 1971 Unliquidated Obligations 6/30/71	Estimated FY 1972 Obligations	Estimated FY 1972 Expenditures	Estimated FY 1972 Unliquidated Obligations 6/30/72	Proposed Program FY 1973	Future Year Obligation	Estimated Total Cost
AGRICULTURE AND RURAL DEVELOPMENT											837		
Agricultural Development	*	519-11-110-012	1963	1975	3,184	2,555	629	545	719	455	837	800	5,366
Rural Community Development		519-11-810-094	1967	1972	599	546	53	36	76	13	-	-	635
EDUCATION AND MANPOWER TRAINING											493		
Free Labor Development		519-11-410-003	1966	1973	651	485	166	140	194	112	140	-	931
Public Safety		519-11-710-030	1957	1973	1,997	1,984	13	64	77	-	52	-	2,113
Public Administration		519-11-740-032	1958	1973	2,006	1,831	175	139	245	69	115	-	2,260
Education Development		519-11-690-071	1967	1975	2,125	1,784	341	154	273	222	186	400	2,865
PROGRAM DEVELOPMENT AND SUPPORT											370		
Technical Support		519-11-999-000	1955	Cont.	3,129	3,101	28	372	375	25	345	Cont.	Cont.
Special Development Activities		519-11-998-094	1970	Cont.	52	20	32	50	60	22	25	Cont.	Cont.
POPULATION											450		
Health and Family Planning		519-15-580-149	1966	Cont.	1,796	1,446	350	458	630	178	450	Cont.	Cont.
							Technical Assistance Subtotal				(1,700)		
						Total		1,958	2,649	1,096	2,150		

*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	8	8	8
Participating agency	5	5	5
Contractor technicians	13	15	15
Total	26	28	28

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	111	69	76
Contract	-	-	-
Total	111	69	76

Country: EL SALVADOR

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Agricultural Development	AGRICULTURE AND RURAL DEVELOPMENT		TA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 519-11-110-012	P. 14, FY 1972 LA P.D.B.	FY: 1963	FY: 1975

Project Target and Course of Action: To assist the government to improve its planning and design of agricultural projects in extension, research, credit and productivity. A joint effort is now underway to formulate plans for an integrated, multi-year agricultural sector program designed to raise the productivity of small and medium producers, reduce rural unemployment, and diversify production for domestic and external markets.

Progress to Date: Progress is being made partly as a result of A.I.D. support for research and extension. In 1971, corn and bean production were up 74% and 71% respectively from 1968. El Salvador was able to end bean imports and was a net exporter of corn in 1971. Both crops are grown primarily by small farmers. The government has established CENTA (Center for Agricultural Technology) to coordinate research, education and extension activities, and plans for CENTA to be the innovator for increasing small farm production of both traditional and new crops with export potential. The agricultural sector analysis was begun in early FY 1972 and the preliminary work indicates that the key targets of further investigation will be revision of the supervised credit structure, improved grain storage and marketing, expanded use of irrigation, and fresh water fish cultivation.

Other Donor Contributions: The U.N. has projects in crop diversification, agricultural statistics and water and forest conservation.

FY 1973 Program: Technical assistance will be provided to the Ministry of Agriculture and CENTA and a joint government-A.I.D. agricultural sector analysis will be completed which will be the basis for activities under the proposed $12 million loan.

U.S. Technicians: 2 A.I.D. and 4 U.S.D.A. long term advisors and 3 man-years of short term USDA assistance to the Ministry of Agriculture in agricultural education, supervised credit and research; 5 long term and 4 short term contract technicians in agronomy, dairy science, plant pathology and farm management for CENTA; 1 advisor from Auburn University to assist in fresh water fish culture.

Participants: 20 for degree training in agronomy and animal husbandry.

Commodities: Demonstration equipment and training aids.

Other Costs: Salaries for 6 local employees and miscellaneous local expenses.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	3,184	2,555	629
Estimated FY 72	545	719	
Estimated through 6/30/72	3,729	3,274	455
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	837	800	5,366

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	71	261	332	60	532	592
Participants	134		134	130		130
Commodities	32		32	5	58	63
Other Costs	47		47	52		52
Total Obligations	284	261	545	247	590	837

PRINCIPAL CONTRACTORS/AGENCIES

Department of Agriculture (USDA)
University of Florida
Auburn University

EL SALVADOR

(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	10.3	2.5	84.0	3.0	81.0
Loans	7.8	-	51.0	3.0	48.0
Grants	2.5	2.5	33.0	-	33.0
(Supporting Assistance)	(-)	(-)	(-)		
FOOD FOR PEACE - TOTAL	1.8	1.7	20.2	-	20.2
Title I - Total	-	-	0.6	-	0.6
REPAYABLE IN U.S. DOLLARS - LOANS	-	-	0.6	-	0.6
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	-	-	-
Loans	-	-	-	-	-
Grants	-	-	-	-	-
Title II - Total	1.8	1.7	19.6	-	19.6
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	0.3	0.3	2.0	-	2.0
VOLUNTARY RELIEF AGENCIES	1.5	1.4	17.6	-	17.6
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.5	0.5	28.7	5.3	23.4
PEACE CORPS	0.5	0.5	4.8	-	4.8
SOCIAL PROGRESS TRUST FUND	--	-	22.0	5.3	16.7
OTHER	-	-	1.9	-	1.9
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	12.6	4.7	132.9	8.3	124.6
Loans	7.8	-	73.6	8.3	65.3
Grants	4.8	4.7	59.3	-	59.3
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	-	1.0	13.6	10.4	3.2
TOTAL ECONOMIC	12.6	5.7	146.5	18.7	127.8
Loans	7.8	1.0	87.2	18.7	68.5
Grants	4.8	4.7	59.3	-	59.3
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	0.6	0.4	6.9	-	6.9
Credit Sales (FMS)	-	-	-	-	-
Grants	0.6	0.4	6.9	-	6.9
(Additional Grants from Excess Stocks)	(*)	(*)	(0.3)	(-)	(0.3)
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-
TOTAL MILITARY	0.6	0.4	6.9	-	6.9
TOTAL ECONOMIC AND MILITARY	13.2	6.1	153.4	18.7	134.7
Loans	7.8	1.0	87.2	18.7	68.5
Grants	5.4	5.1	66.2	-	66.2

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	0.5	8.2	104.7
IBRD - World Bank	-	-	57.9
Int'l Finance Corp.	-	*	1.1
Int'l Dev. Association	-	5.6	13.6
Inter-Am Dev. Bank	-	2.0	19.9
UNDP - Special Fund	-	0.3	4.9
UNDP - TA(CY)	0.2	0.2	3.6
Other UN(CY)	0.3	0.1	3.7

D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	2.1	0.8	6.6
Germany	0.3	0.3	2.0
U.K.	0.2	0.2	0.8
Japan	0.1	0.2	0.5
Other	1.5	0.1	3.2

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1970 (Calendar Year)..... -
1971 (Calendar Year)..... -
Cumulative thru 1971..... -

*Less than $50,000.

Guatemala

BASIC DATA

Population (*millions - mid-1971*)	5.5
Annual Growth Rate (*percent*)	2.9
Population in Urban Areas (*Percent - 1970*)	31
Labor Force in Agriculture (*Percent*)	65
Per Capita GNP (*dollars*)	354*
Life Expectancy (*years*)	49
People Per Doctor	4,150
Literacy Rate (*percent*)	38
Students as % of 5 - 19 Age Group (*Primary and Secondary*)	29

* - 1971 in 1970 prices and exchange rates.

GUATEMALA

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	9,500	-	2,500 1/	-	7,000	-	-
Tech. Assist.	3,656	1,163	-	1,432	316	-	745
Population	977	-	977 2/	-	-	-	-
Other	45	-	-	45 3/	-	-	-
Total	14,178	1,163	3,477	1,477	7,316	-	745
1972							
Devel. Loans	9,500	4,500	-	-	5,000	-	-
Tech. Assist.	3,200	919	-	1,188	269	-	824
Population	700	-	700	-	-	-	-
Other	-	-	-	-	-	-	-
Total	13,400	5,419	700	1,188	5,269	-	824
1973							
Devel. Loans	20,500	15,000	2,500	3,000	-	-	-
Tech. Assist.	3,200	845	-	1,180	379	-	796
Population	650	-	650	-	-	-	-
Other	-	-	-	-	-	-	-
Total	24,350	15,845	3,150	4,180	379	-	796

/1 Excludes population grant programs.
/2 Funded from development loan funds.
3/ Supporting Assistance

Most of Guatemala's 5.2 million people depend upon agriculture for their livelihood. It is an agriculture characterized by technically advanced plantations geared to the export of a few commercial crops, notably coffee and cotton, existing side-by-side with subsistence farming. The latter inadequately supports a rapidly growing population (2.9% annually), and pressure on the land results in a steady exodus of landless peasants to the plantations and to the cities.

Forty percent of the population descend from the Mayan Indian and still speak their own native Indian languages rather than Spanish. This complicates instruction and contributes to an illiteracy rate of 62%, one of the highest in the hemisphere. The cultural and economic isolation of the Indians is the most dramatic development problem facing the nation, but whether they be Indians or Spanish-speaking "ladinos," most of those who live on the land live in extreme poverty.

Despite its importance, the rural sector has long been neglected. Government services, where they exist, are inadequately administered and financed. The rural areas lack schools, health facilities, including family planning clinics, roads, electricity, potable water supplies and other basic public services. There is also a lack of trained manpower in all levels, for field and factory work and for planning and administration; at the same time unemployment is great for unskilled labor.

Realizing these problems, the Government of Guatemala is currently attempting to implement a five-year National Development Plan supported by a large input of its own resources and substantial external assistance, including, for fiscal years 1972-73, an estimated $50-85 million from donors such as the World Bank, the UNDP, the Inter-American Development Bank, and the Central American Bank for Economic Integration. Under the auspices of the Inter-American Committee on the Alliance for Progress (CIAP), the Government has presented a new international investment program for Guatemala for review by the international lenders and the International Monetary Fund.

FY 1973 A.I.D. PROGRAM

Development Loans for FY 1973 total $20.5 million as compared with a total of $9.5 million planned for FY 1972. Technical Assistance proposed for FY 1973 is $3.9 million, the same amount as for FY 1972. The bulk of our technical assistance activities and loan funds will assist the Government of Guatemala in its attack on the poverty and social isolation of the two-thirds of Guatemala's population which subsists in the rural areas. In FY 1973 a P.L. 480 program estimated at $2.6 million (down slightly from FY 1972) will continue

the fight against malnutrition through distribution of foods to maternal and child health and school feeding programs.

Agriculture and Rural Development

The rural agricultural sector, which provides 30% of Guatemala's Gross Domestic Product, employs 65% of the economically active population and produces 70% of total exports, is the key to the country's overall development. In the last decade, agricultural growth has been restricted by various factors including overspecialization of crops, poor land use and distribution, lack of emphasis on internally-consumed products, poor marketing systems and an inadequate institutional framework for accelerating agricultural development. The Guatemalan government, with the assistance of A.I.D. and other international lenders, has developed and is currently implementing a $143 million five-year Rural Development Plan whose main component is an Agricultural Development plan for the period 1971-1975. Current activities under way are the reorganization and revitalization of government agencies needed to intensify technical advice, credit and marketing mechanisms for small farmers who produce food crops, mainly corn, beans, sorghum and rice.

A.I.D. is playing a crucial role through its prior year rural development loan of $23 million, disbursement of which began in FY 1971, and by furnishing technical advisory personnel to those agencies implementing the Agricultural Development plan. A.I.D. expects to make a FY 1973 loan of $4 million to a new agricultural development bank to provide a loan guarantee system that will enable small farmers to acquire their own land. A.I.D.'s technical assistance activities in rural cooperative development are closely coordinated with the Rural Development Plan. In FY 1973, an $11 million A.I.D. loan through these cooperatives will support the government's efforts to expand electrical power to rural areas.

Education and Manpower Training

An insufficient number of Guatemalans are adequately prepared to undertake the many tasks of development. The government, with loan and technical assistance from A.I.D. and other donors, is attempting to upgrade the facilities and quality of teaching of the formal educational system. Outside the formal system, A.I.D. is providing manpower training through projects in public administration and labor leadership development, and through assistance to the National Economic Planning Council. The public safety project is also designed to provide training and improve police administration. A Development Loan of $3 million is proposed to provide for FY 1973 training in vocational skills and specialized leadership.

Population and Health

Guatemala's health situation can be illustrated by a few standard indicators. Average life expectancy at birth is 49 years compared with 70 in the United States. Infant mortality (death under one year per 1,000 live births) is 92, the highest in Central America. The population is increasing at the rate of 2.9% per year and will double in 24 years. Over 80% of the country's 1,200 physicians reside in the capital, where only 15% of the people are located. Some 40% of the rural population have no access to modern medical care.

A.I.D. grant assistance in the field of family planning and an FY 1973 $2.5 million loan for rural health services aim at assisting the government to raise the general health level by improving health-care facilities for the rural areas primarily through the training of paramedical personnel and midwives. A.I.D. assistance also makes family planning services available to over 45,000 users through 65 health centers.

GUATEMALA

Industrial and Urban Development

Migration from the countryside to the cities is not yet a critical problem in Guatemala, but there are signs that it is increasing. The government, with A.I.D. assistance, is attempting to develop new sources of employment and provide social services for these migrants. Technical assistance is being provided to support the Guatemalan private sector's efforts to develop rural community leadership and initiative.

Assistance is also being provided to GUATEXPRO, the recently established Guatemalan export development center, to help it stimulate local private initiative in the export field. A $5 million loan planned for FY 1972 to the private development bank, FIASA, will expand the creation of local industries and agricultural enterprises, thus increasing job opportunities, expanding export products and encouraging use of local raw materials.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: GUATEMALA (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 Repayment	Principal Repayments	Interest Collected
		Authorized	Loan Agreement			Grace Period	Amortization					
A-002	Rubber Development	1/16/59	8/17/59	5	10	3	3	4,675	3,000	US$	198	834
L-008	Studies and Surveys (I)	4/27/64	9/01/65	10	40	3/4	2	2,000	1,870	US$	-	18
L-009	Customs Modernization	6/30/64	8/17/65	10	40	3/4	2	700	350	US$	-	6
L-013	Development Bank (FIASA)	6/23/67	9/26/67	5	20	1½	2½	5,000	2,886	US$	-	36
L-014	Property Tax Development	6/09/67	7/10/67	10	40	1	2½	2,200	1,506	US$	-	14
L-015	Primary Education & Pilot Sch. Prog.	6/28/68	11/14/68	10	40	2	2½	8,600	127	US$	-	-
L-016	[Feasibility] Studies & Survey (II)	6/30/69	2/05/71	10	40	2	3	2,000	-	US$	-	-
L-017	Small Municipalities Development Fund	7/03/69	12/03/70	10	40	2	3	2,100	-	US$	-	-
L-018	Rural Development	2/23/70	7/17/70	10	40	2	3	23,000	692	US$	-	3
L-019	Rural Electrification	6/21/71	8/20/71	10	40	2	3	7,000	-	US$	-	-
L-020	Rural Health Services	6/24/71	11/19/71	10	40	2	3	2,500	-	US$	-	-
	Total							59,775	10,431		198	911

COUNTRY: GUATEMALA

PROJECT FISCAL SUMMARY

(Dollar Amounts in Thousands)

TABLE V

Project Title	*	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1971 Obligations	Through FY 1971 Expenditures	Through FY 1971 Unliquidated Obligations 6/30/71	Estimated FY 1972 Obligations	Estimated FY 1972 Expenditures	Estimated FY 1972 Unliquidated Obligations 6/30/72	Proposed Program FY 1973	Future Year Obligation	Estimated Total Cost
AGRICULTURE AND RURAL DEVELOPMENT											845		
Agricultural Development	*	520-11-190-197	1971	1975	715	192	523	531	589	465	482	840	2,568
Cooperative Development	*	520-15-150-200	1971	1975	383	149	234	388	391	231	363	840	1,974
EDUCATION AND MANPOWER TRAINING											1,180		
Public Safety		520-11-710-077	1957	1975	4,317	3,787	530	377	401	506	375	456	5,525
Public Administration and Municipal Government		520-11-790-176	1970	1975	305	93	212	169	155	226	145	286	905
Labor Leadership Development		520-11-490-184	1967	1975	381	267	114	94	149	59	65	240	780
Development Planning & Investment		520-11-720-185	1968	1975	612	510	102	148	183	67	91	160	1,011
Educational Development		520-15-690-198	1971	1974	376	85	291	251	298	244	263	250	1,140
Tax Administration		520-11-790-199	1971	1975	201	118	83	149	167	65	159	193	702
Specialized Leadership Training	*	520-15-999-215	1973	1978	-	-	-	-	-	-	82	618	700
INDUSTRIAL AND URBAN DEVELOPMENT											379		
Rural Community Leadership and Modernization		520-11-810-187	1969	1975	1,212	1,[illegible]	148	206	274	80	348	590	2,356
Export Development		520-15-290-201	1971	1973	109	66	43	63	64	42	31	-	203
PROGRAM DEVELOPMENT AND SUPPORT											796		
Special Development Activity		520-15-998-145	1963	Cont.	471	459	12	100	108	4	20	Cont.	Cont.
Technical Support		520-11-999-000	1956	Cont.	4,595	4,515	80	724	759	45	776	Cont.	Cont.
POPULATION AND HEALTH											650		
Population and Rural Health	*	520-15-580-189	1968	1976	2,149	1,307	842	700	1,065	477	650	1,153	4,652
TECHNICAL ASSISTANCE SUBTOTAL											(3,200)		
Total (including population)								3,900	4,603	2,597	3,850		

*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	28	31	30
Participating agency	3	2	2
Contractor technicians	7	9	9
Total	38	42	41

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year: Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	94	94	135
Contract	6	7	4
Total	100	101	139

Country: GUATEMALA

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Agricultural Development	AGRICULTURAL AND RURAL DEVELOPMENT		TA
PROJECT NUMBER 520-11-190-197	PRIOR REFERENCE P. 15, FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1971	SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: To develop the Ministry of Agriculture and associated agencies so they can effectively implement agricultural research, credit and marketing elements of the 1971-1975 Rural Development Plan, in order to assure that a significant portion of small and medium sized farmers benefit from their programs as supported by A.I.D.'s 1970 $23 million rural development loan to Guatemala.

Progress to Date: ICTA, the Institute of Science & Agricultural Technology, has been established and will begin to assume responsibility for Ministry of Agriculture research programs in FY 1972. Loan funds for production credit and storage facilities have begun to flow through BANDESA (Agricultural Development Bank); IDB and A.I.D. project assistance will help refine its lending and accounting procedures. INDECA (Agricultural Commercialization Institute) has begun to buy grains, issue marketing reports, and plan private and public grain storage requirements. Using project technical services, a system for linking farmers to the research credit and marketing institutions through "crop promoters" has been devised and implemented. Within this system 135 promoters have been employed, trained, and begun work in time for the 1972 crop season. The Ministry has sponsored 17 graduates with A.I.D. loan-financed scholarships at the Faculty of Agronomy at San Carlos University. Training at the Agricultural Technical Institute at Barcena has been upgraded. Through the Mobile School Training program, 3,000 farmers have received specific crop training under the Ministry's Institutional Development Agreement (IDA) with California State Polytechnic (Cap-Poly).

Other Donors: A.I.D. has worked closely with World Bank-UNESCO technicians, particularly with early design proposals for World Bank loan of $1.2 million for construction and renovation of facilities at the Agricultural Technical Institute. The World Bank has also granted Guatemala a $4.0 million cattle loan. The Inter-American Bank with A.I.D., is working in agriculture credit, farm-to-market roads, marketing and irrigation. UNESCO and FAO have provided technicians in various agricultural fields.

FY 1973 Program:

U.S. Technicians: A.I.D. Direct: 1 Food and Agriculture Officer; 1 Agricultural Economist and 1 Agricultural Advisor.

Contract: Host country Institutional Contract for 12 months marketing advisory services. Host country contrant with MSU for one Basic Crop Specialist for 12 months, and a Ministry of Agriculture Institutional Development Agreement with Cal-Poly for 30 man months of agricultural training.

Commodities: Audio-visual and teaching materials and transportation of donated materials under Cal-Poly IDA.

Other Costs: Travel, BANDESA grant for agricultural credit advisors, two secretaries and an administrative assistant. Two contract marketing advisors; two contract specialists in fruit and vegetable marketing and research horticulture. Contract overhead, campus costs.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	715	192	523
Estimated FY 72	531	589	
Estimated through 6/30/72	1,246	781	465
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	482	840	2,568

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract Other Agency	Total	Direct AID	Contract Other Agency	Total
U.S. Technicians	67	199	266	111	208	319
Participants	-	-	-	-	-	-
Commodities	-	2	2	-	3	3
Other Costs	72	191	263	43	117	160
Total Obligations	139	392	531	154	328	482

PRINCIPAL CONTRACTORS/AGENCIES

Mississippi State University (MSU).
California State Polytechnic (Cal-Poly)

Country: GUATEMALA

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Cooperative Development	AGRICULTURAL AND RURAL DEVELOPMENT		TA
PROJECT NUMBER 520-15-150-200	PRIOR REFERENCE P. 16, FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1971	SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: To develop a viable, effective and producer-oriented savings and credit cooperative federation primarily serving rural communities; and a farmer-owned agricultural cooperative system built around a minimum of six regional cooperatives in the Highlands area, thereby contributing to increased rural incomes.

The Guatemalan Highlands are characterized by a per capita income of $50-100 per year, illiteracy exceeding 70 per cent, and by a culture resistant to change. Over 100 small, isolated agricultural cooperatives have been formed and readily received by the Indian. However, most have failed due to the lack of a solid economic base.

If traditional agriculture in an area of limited arable land and growing population is to be changed to a dynamic, commercial agriculture which will increase rural income, a full line of services which effectively distribute credit, mobilize capital and channel agricultural inputs must be made available to the small farmer through institutions which are acceptable to his culture.

Progress to Date: Three regional cooperatives are now providing services to 2,500 member farmers. The three cooperatives encompass three Highland's departments and are working with 150 farm communities. The first regional cooperative formed marketed approximately $270,000 worth of member production during fiscal year 1972. As of June 30, 1972, these cooperatives will have $275,000 of credit outstanding and estimate total fertilizer sales of the crop year to exceed 70,000 cwts. During the last year the savings and credit cooperative movement has experienced extremely rapid growth. While the number of cooperatives affiliated to the Federation has not changed, member families have increased by 43 percent, member savings by 73 percent, and loans outstanding by 85 percent. The Federation has been strengthened by a 144 percent increase in paid-in capital, and a 658 percent increase in income. Leadership and initiative within the movement have notably improved. By July, the movement will have 30,000 member families, and over $1,125,000 in savings. Although external financing did not reach the level planned for FY 72, the strengthening and consolidation of the movement during this period will enable an accelerated use of funds now available.

FY 1973 Program: U.S. Technicians - Contract: Two Agricultural Cooperative Advisors for 18 man months.

Participants - Four to the United States for observation and training, three to Panama for specialized savings and credit courses, and four to the United States and Puerto Rico in agricultural credit and credit management.

Commodities: Vehicles, office equipment and educational materials for new regional cooperatives.

Other Costs - For expenses of the Federation of Credit Unions and Agricultural Cooperative Federation, salaries of a cooperative management specialist and a secretary ($250,000); travel and office expenses and local salaries for ACDI ($35,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	383	149	234
Estimated FY 72	388	391	
Estimated through 6/30/72	771	540	231
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	363	840	1,974

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	35	50	85	-	35	35
Participants	1	-	1	15	-	15
Commodities	16	-	16	28	-	28
Other Costs	231	55	286	250	35	285
Total Obligations	283	105	388	293	70	363

PRINCIPAL CONTRACTORS/AGENCIES

Agricultural Cooperative Development International (ACDI)

Country: GUATEMALA

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Specialized Leadership Training	EDUCATION AND MANPOWER TRAINING		TA
PROJECT NUMBER 520-15-999-215	PRIOR REFERENCE: New Project	INITIAL OBLIGATION FY: 1973	SCHEDULED FINAL OBLIGATION FY: 1978

Project Target and Course of Action: To provide selective high-level training to individuals who have displayed special leadership qualifications in national development. Although most participant training, as well as in-country training, can be directed to development of institutions and projects being implemented under joint agreements, overall national development often requires high-level training not directly related to any existing project. It is frequently clear that the overall development of the country will be greatly benefited by the advanced training of individuals who will be, at the conclusion of their studies, in a better position to assume leadership in the overall development activities. This project will permit the selection of such individuals, and thus permit a substantial contribution to development by specialized training of qualified leadership in those areas important to overall development.

To the extent possible this project will be carried out in correlation with the manpower requirements of the sectoral priorities of the program.

This project is limited exclusively to participant training, and it is anticipated that the training will be concentrated in, although not in all cases limited to, the following specialized development fields: Public Administration; Education Administration; Public Health Planning and Administration; Engineering Management; University Administration; Regional Planning and Cultural Integration (including Indian-Ladino relationships); Export Development; Capital Market Development; Development Science and Natrual Resources.

In most cases the training will be at the graduate level, and individuals selected will be more mature persons who have already demonstrated the unusual competence and unusual capacity to assume positions of leadership in their country.

It is anticipated that the Government of Guatemala will pay transportation costs for those individuals selected for training from the public sector. The Mission will cover these costs for individuals who have demonstrated their leadership potential but who are not currently in the employ of the government.

FY 1973 Program:

Participants: Ten individuals to the U.S. for 120 man months of long term specialized training, and ten for 22 man months of short term training in the U.S. and third countries

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	-	-	-
Estimated FY 72	-	-	
Estimated through 6/30/72	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	82	618	700

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians				-	-	-
Participants				82	-	82
Commodities				-	-	-
Other Costs				-	-	-
Total Obligations				82	-	82

PRINCIPAL CONTRACTORS/AGENCIES

Country: GUATEMALA

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Population and Rural Health	POPULATION AND HEALTH		TA
PROJECT NUMBER 520-15-580-189	PRIOR REFERENCE P. 32, FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1968	SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: To develop concurrently a Guatemalan government capability to provide family planning services throughout the country and a widespread public demand for such services. Upon conclusion of this project and related rural health loan projects the National Health Program will include facilities, equipment and trained personnel in every municipality, providing family planning services to 20% of Guatemalan women in the fertile age group. Some 40% of the rural population have no access to modern medical care. Existing public rural health services suffer from lack of trained staff, medical equipment, supplies and supervision. Only one-half of the municipal capitals have health posts and many of the country's 75 health centers lack trained staff and doctors. Currently the Ministry of Health offers family planning in 65 of its 75 health centers(10 others are without doctors) and is expanding its program to include regional hospitals in a modified post-partum approach.

Progress to Date: To avoid costly duplication of programs the Ministry and APROFAM, a private Family Planning Association, have established an integrated office responsible for publicity, promotion and education on a national level. It is staffed jointly by the Ministry and APROFAM personnel and its board of directors represents both organizations. Its budget is made up by an A.I.D. contribution and resources from the Ministry's budget and by APROFAM and locally-raised funds.

Other Donors: The International Planned Parenthood Federation (IPPF) has provided funds for its affiliate, APROFAM, since 1965. AID will phase out financial assistance to APROFAM over the next four years as IPPF increases its contribution by 20% per year. For several years, The Swedish International Development Agency has contributed to the National Family Planning Program by donating through APROFAM medical equipment, contraceptives, paper and other supplies.

FY 1973 Program:

U.S.Technicians: A direct hire Population Officer and a Program Assistant; a Public Health Adviser under the Association of American Medical Colleges contract.

Participants: 35 to third countries for short courses in family planning, demography, statistics, health planning, hospital administration, evaluation, sex education. One Ministry official to the U.S. for graduate training in Family Planning Evaluation (12 man-months).

Commodities: Audio visual teaching equipment, office and medical equipment.

Other Costs: Ministry of Health Family Planning Program operating costs, support to the private Family Planning Association and to the University of Del Valle's Sex-Education-Teacher Training program, operational and invitational travel, and one local secretary.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	2149	1307	842
Estimated FY 72	700	1063	
Estimated through 6/30/72	2849	2371	477
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	650	1153	4652

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	20	114	134	65	70	135
Participants	23	-	23	25	-	25
Commodities	14	-	14	-	-	-
Other Costs	529	-	529	487	3	490
Total Obligations	586	114	700	577	73	650

PRINCIPAL CONTRACTORS/AGENCIES

Association of American Medical Colleges (AAMC).

GUATEMALA

(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	29.1	14.2	179.9	9.6	170.3
Loans	25.1	9.5	74.8	9.6	65.2
Grants	4.0	4.7	105.1	-	105.1
(Supporting Assistance)	(0.8)	(*)	(33.5)		
FOOD FOR PEACE - TOTAL	2.5	2.0	23.3	0.5	22.8
Title I - Total	-	-	1.0	0.5	0.5
REPAYABLE IN U.S. DOLLARS - LOANS	-	-	1.0	0.5	0.5
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	-	-	-
Loans	-	-	-	-	-
Grants	-	-	-	-	-
Title II - Total	2.5	2.0	22.3	-	22.3
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	-	-	3.2	-	3.2
VOLUNTARY RELIEF AGENCIES	2.5	2.0	19.1	-	19.1
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.6	0.5	64.5	2.9	61.6
PEACE CORPS	0.6	0.5	5.8	-	5.8
SOCIAL PROGRESS TRUST FUND	-	-	14.3	2.9	11.4
OTHER	-	-	44.4	-	44.4
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	32.2	16.7	267.7	13.0	254.7
Loans	25.1	9.5	90.2	13.0	77.2
Grants	7.1	7.2	177.5	-	177.5
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	-	2.9	92.5	13.9	78.6
TOTAL ECONOMIC	32.2	19.6	360.2	26.9	333.3
Loans	25.1	12.4	182.7	26.9	155.8
Grants	7.1	7.2	177.5	-	177.5
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	1.2	6.6	24.1	0.2	23.9
Credit Sales (FMS)	-	4.0	4.5	0.2	4.3
Grants	1.2	2.6	19.6	-	19.6
(Additional Grants from Excess Stocks)	(*)	(0.2)	(1.4)	(-)	(1.4)
OTHER MILITARY ASSISTANCE GRANTS	-	-	0.3	-	0.3
TOTAL MILITARY	1.2	6.6	24.4	0.2	24.2
TOTAL ECONOMIC AND MILITARY	33.4	26.2	384.6	27.1	357.5
Loans	25.1	16.4	187.2	27.1	160.1
Grants	8.3	9.8	197.4	-	197.4

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	17.3	11.0	127.4
IBRD - World Bank	-	4.0	50.5
Int'l Finance Corp.	-	-	0.2
Inter-Am Dev. Bank	15.5	6.6	62.2
UNDP - Special Fund	1.1	-	5.4
UNDP - TA(CY)	0.3	0.2	4.2
Other	0.4	0.2	4.9

D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	1.5	1.7	10.8
Germany	1.4	1.6	7.0
Austria	*	*	3.4
Other	0.1	0.1	0.4

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1970 (Calendar Year)..... -
1971 (Calendar Year)..... -
Cumulative thru 1971..... -

*Less than $50,000.

Honduras

BASIC DATA

Population (*millions - mid-1971*)	2.8
Annual Growth Rate (*percent*)	3.4
Population in Urban Areas (*Percent - 1970*)	26
Labor Force in Agriculture (*Percent*)	67
Per Capita GNP (*dollars*)	255*
Life Expectancy (*years*)	49
People Per Doctor	3,960
Literacy Rate (*percent*)	45
Students as % of 5 - 19 Age Group (*Primary and Secondary*)	41

*- 1971 in 1970 prices and exchange rates.

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	2,000	-	- 1/	2,000	-	-	-
Tech. Assist.	2,660	770	-	829	278	-	783
Population	520	-	520 2/	-	-	-	-
Other	-	-	-	-	-	-	-
Total	5,180	770	520	2,829	278	-	783
1972							
Devel. Loans	2,000	-	-	-	2,000	-	-
Tech. Assist.	2,750	785	-	852	130	-	983
Population	575	-	575	-	-	-	-
Other	-	-	-	-	-	-	-
Total	5,325	785	575	852	2,130	-	983
1973							
Devel. Loans	15,000	10,000	-	-	5,000	-	-
Tech. Assist.	2,650	764	-	801	100	-	985
Population	592	-	592	-	-	-	-
Other	-	-	-	-	-	-	-
Total	18,242	10,764	592	801	5,100	-	985

/1 Excludes population grant programs.
/2 Funded from development loan funds.

Honduras has the lowest per capita GNP and the second highest illiteracy rate in Central America. Its mountainous terrain limits communication and access to markets. Almost 70% of the population is employed in agriculture.

FY 1973 A.I.D. PROGRAM

The A.I.D. program concentrates on agriculture, education, public administration, municipal development and population. A Development Loan level of $15 million is proposed -- $10 million for a major agricultural sector loan and $5 million for municipal development. The grant level requested for FY 1973 includes $2.7 million for Technical Assistance and $592,000 in population funds for family planning. P.L. 480 agricultural commodities valued at approximately $1 million per year will be distributed by CARE and CARITAS. Within each sector, the A.I.D. program is coordinated with the UNDP and other multilateral donors and supports the Government of Honduras' comprehensive development plan, which focuses on steps to increase agricultural production and improve health, education, and other social services. In support of this plan, the UNDP is preparing a five-year assistance program that projects UNDP assistance of approximately $1 million per year through 1977.

Agricultural and Rural Development

Honduran agriculture is hampered by low productivity, underutilization of manpower, uncertain land titles which limit access to credit, and prices which fluctuate widely, to the detriment of both producers and consumers. A prior-year A.I.D. loan of $9.5 million for credit and storage has expanded credit available to small farmers and assisted in establishing storage facilities which make possible guaranteed price supports for grain. The A.I.D. grant technical assistance and loan programs are coordinated with the National Development Bank, the Ministry of Natural Resources, and the Federation of Agricultural Cooperatives. A new element of the FY 1973 Technical Assistance program will be the implementation of a pilot cadastral project which is to be the first step in a country-wide land titling program to document land tenure and improve land use. An agricultural sector analysis is being undertaken jointly with the government. This analysis will be the basis for the $10 million A.I.D. sector loan proposed for FY 1973. The first component of the proposed loan will provide funds for credit, extension, training and marketing. In 1972, other donor assistance in the sector will total about $21 million in grants and loans.

Education and Manpower Training

A critical development need in Honduras is to train government operational personnel in the skills necessary for development today, while laying the base in the formal and non-formal educational system for ensuring a continuing supply

of trained manpower. A.I.D. assistance concentrates on improving Honduran capabilities in public administration by developing skills in administration and fiscal management, particularly within the existing, outdated municipal structure. The FY 1973 A.I.D. program will assist government management and administrative reform, support improved revenue collection, and assist in statistical development to provide better information for governmental planning. It will also assist the Honduran police forces to improve their administrative and law enforcement capabilities and help the Honduran labor movement to strengthen its leadership capabilities.

Within the formal education system, secondary and higher education reform is being implemented by the Hondurans with A.I.D. loan assistance. At the request of the Government of Honduras, the A.I.D. grant program now concentrates on elementary education. This program will continue to assist the Ministry of Education's system of printing, storing, distributing, and replacing books. To date, more than 5 million elementary texts have been distributed with A.I.D. assistance.

Population and Health

Honduras is experiencing record rates of population growth with a current rate of 3.4%. Morbidity and mortality rates are high, and recent estimates indicate that 70% of the population is poorly nourished. A.I.D. will continue to concentrate on family planning programs, assisting in information campaigns and providing commodity support. In addition, A.I.D. will assist the Ministry of Health to expand the coverage of its maternal and child health program, which provides medical services for children below five years of age, and gives prenatal and postnatal care, as well as family planning services. Over 38,000 women now benefit from these services through 25 clinics. The P.L. 480 Title II program, through CARE and CARITAS, provides approximately $1 million dollars in foodstuffs as nutrition supplements. A.I.D. provides about half of all technical assistance in health and family planning; other donors include the Peace Corps, International Planned Parenthood Federation, Organization of American States, the UN, and Pan American Health Organization. The IDB plans a $2.4 million loan for a teaching hospital in 1972.

Industrial and Urban Development

A small A.I.D. grant project for export promotion and tourism assists the Government of Honduras to develop a national strategy to stimulate trade, identify new exports and develop tourism. With funds from a $30 million A.I.D. loan, the Central American Bank for Economic Integration (CABEI) will provide loans for export development and tourism to the extent that suitable projects are developed. CABEI gives special emphasis to Honduras, as it is the least developed country in Central America. The major A.I.D. activity in urban development will be a $5 million Development Loan in FY 1973 which will help reorganize the Municipal Development Bank and provide funds for sub-loans for municipal development.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: HONDURAS (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 Repayment	Principal Repayments	Interest Collected
		Authorized	Loan Agreement			Grace Period	Amortization					
L-013	Farm-to-Market Access Roads	9/23/65	11/25/65	10	40	1	2½	5,200	2,277	US$	-	48
L-015	Feasibility Studies	2/12/66	2/25/66	10	40	1	2½	500	361	US$	-	11
L-017	Secondary Education	6/27/67	9/19/67	10	40	1	2½	7,000	1,632	US$	-	15
L-018	Agriculture Credit & Storage	6/25/68	4/16/69	10	40	2	2½	9,500	6,020	US$	-	67
L-020	Student Loan Fund - EDUCREDITO	6/11/71	11/04/71	10	40	2	3	2,000	-	US$	-	-
	Total							24,200	10,290			141

TABLE V

COUNTRY: HONDURAS

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

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											764		
Agricultural Productivity	*	522-11-190-036	1964	1974	1,885	1,724	161	461	363	259	561	215	3,122
Forest Management		522-11-170-056	1971	1972	803	722	81	-	81	-	-	-	803
Cooperative Development		522-15-810-074	1966	1974	1,531	1,270	261	324	491	94	203	50	2,108
EDUCATION AND MANPOWER TRAINING											801		
Public Safety		522-11-710-018	1960	1973	1,386	1,327	59	171	175	55	116	-	1,673
Public Administration	*	522-11-790-039	1965	1975	1,201	959	242	316	303	255	410	700	2,627
Education Development		522-11-690-054	1965	1974	1,665	1,404	261	190	260	191	100	188	2,173
Labor Development		522-15-490-083	1956	1974	822	702	120	175	189	106	175	150	1,322
INDUSTRIAL, TRANSPORT, URBAN DEVELOPMENT											100		
Export Development and Tourism		522-15-290-053	1965	1975	587	434	153	100	200	53	100	200	987
Civic Development		522-15-810-091	1968	1972	784	658	126	30	130	26	-	-	814
PROGRAM DEVELOPMENT AND SUPPORT											985		
Technical Support		522-11-999-000	1960	Cont.	3,579	3,486	93	933	925	101	935	Cont.	Cont.
Special Development Activities		522-15-998-073	1966	Cont.	271	230	41	50	79	12	50	Cont.	Cont.
POPULATION											592		
Health and Family Planning		522-11-580-065	1966	Cont.	1,321	1,029	292	575	650	217	592	Cont.	Cont.
							Technical Assistance Subtotal				(2,650)		
				Total (including population)				3,325	3,846	1,369	3,242		

*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	18	17	15
Participating agency	2	1	2
Contractor technicians	12	12	14
Total	32	30	31

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	169	158	132
Contract	10	10	10
Total	179	168	142

Country: HONDURAS

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Agricultural Productivity	AGRICULTURE AND RURAL DEVELOPMENT		TA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 522-11-190-036	P. 10, FY 1972 LA P.D.B.	FY: 1964	FY: 1974

Project Target and Course of Action: To assist the BNF (National Development Bank) and the Ministry of Natural Resources in agriculture extension, credit, research, and cadaster activities. Efforts will continue to improve the grain stabilization, rural credit and land titling situation by undertaking a pilot cadaster program and providing the government with advisors in agricultural production and credit.

Progress to Date: Agriculture provides 40% of the GNP, two-thirds of the total export earnings, and employs about 70% of the labor force. Extension and institutional credit reach less than 10% of the common farmers. Grain prices fluctuate widely to the detriment of both producers and consumers, and there is a critical shortage of trained agriculturists. The land tenure system is chaotic as there are some 15 different types of titling systems in Honduras. This situation hinders agricultural growth as uncertain titles are a disincentive to obtaining credit, making investments in land or capital improvements and in carrying out an effective land reform program. The BNF and Ministry of Natural Resources, with AID's advice and assistance, are making progress in meeting problems. A loan funded grain storage system has thus far added 28,000 metric tons of storage capacity. In the past 2 years $3.2 million in loans for grain production have been extended to 12,400 farmers and the government has allocated this year $2.5 million for grain purchases in the stabilization program. A.I.D. is assisting in a study to reform the Ministry so as to increase its effectiveness, and a National Agrarian Committee has been formed by the government to coordinate cadaster activities. During FY 1973 a pilot cadaster program will be initiated in the Choluteca Valley. It is expected that the results of the aerial photography mapping and land adjudication in this 10% of the country will be of such demonstrable usefulness that a program for the entire nation will be proven feasible.

Other Donors: The Inter-American Development Bank should implement 2 loans in FY 1973 - $2.8 million to the Ministry for research and extension, and $6 million to the BNF for production sub-loans.

FY 1973 Program:

U.S. Technicians: Contractors - two man years for agriculture credit, administration, and seed production ($79,000), three man years for pilot cadaster ($120,000).

Participants: Thirty for approximately 26 man years.

Commodities: Equipment and supplies ($19,000), ten rough terrain vehicles and costs related to the cadaster study ($87,000).

Other Costs: Budget support to the Ministry for agriculture demonstration projects ($30,000), field operating expenses during the cadaster study ($58,000), and vehicle operating expenses ($23,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	1,885	1,724	161
Estimated FY 72	461	363	
Estimated through 6/30/72	2,346	2,087	259
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	561	215	3,122

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians		123	123	-	199	199
Participants	145		145	145		145
Commodities	119		119	106		106
Other Costs	74		74	111		111
Total Obligations	388	123	461	362	199	561

PRINCIPAL CONTRACTORS/AGENCIES

Agriculture Cooperatives Development International

Inter-American Geodetic Survey

Country: HONDURAS

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Public Administration	EDUCATION AND MANPOWER TRAINING		TA
PROJECT NUMBER 522-11-790-039	PRIOR REFERENCE P. 44, FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1965	SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: Increasing developmental activities, the demands created by population growth, and the lack of attention to administrative modernization have made public institutions, outdated and not responsive to current problems. This project assists the Government of Honduras to identify and attempt to solve problems, and generally improve financial and administrative management at both the national and local levels.

Progress to Date: Honduras has limited fiscal resources and a limited number of skilled administrators. The country is divided into 282 municipalities, nine of which have populations of 10,000 or more. Yet, the legal and administrative machinery for all municipalities is essentially the same. The Government has recognized the need for reform, and has introduced legislation to consolidate and modernize municipal law. Municipal tax reform is to be considered in the June congressional session. An A.I.D. loan of approximately $2 million for municipal development in Tegucigalpa is under intensive review. Another loan for $5 million is proposed in FY 73 for a restructured Municipal Development Bank to provide subloans for municipal public works. According to the draft National Development Plan, 1972-77, a new Secretariat for Administrative Reform will be created in 1973 to coordinate and reform national public administration.

Other Donors: The UN and the Organization of American States have provided technical assistance in tax reform and national planning, and have indicated willingness to continue to provide advisors and scholarships.

FY 1973 Program:

This project will assist in the creation of the Secretariat; provide advice and budgetary support for training in municipal administration, complete reform of financial and administrative management of Tegucigalpa, and assist in the restructuring of the Municipal Development Bank.

U.S. Technicians: 5 long-term contractors ($225). Three will advise the Secretariat for Administrative Reform, and assist in civic development and municipal training programs. One to work on administrative reform for Tegucigalpa, and one to work with the Municipal Development Bank. Five short-term contractors (1 1/4 man years) will provide instruction in systems analysis and design ($40). Three man-month Internal Revenue Service PASA to assist in tax reform ($13).

Participants: 15 short-term for training in economics and automatic data processing.

Commodities: two vehicles for field research, and training materials.

Other Costs: Budget support for in-country training in tax administration ($22), economics and public administration ($25), and municipal and civic development ($40).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	1,201	959	242
Estimated FY 72	316	303	
Estimated through 6/30/72	1,517	1,262	255
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	410	700	2,627

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	-	148	148	-	278	278
Participants	25	-	25	15	-	15
Commodities	20	-	20	30	-	30
Other Costs	123	-	123	87	-	87
Total Obligations	168	148	316	132	278	410

PRINCIPAL CONTRACTORS/AGENCIES

Personal Services Contract
U.S. Bureau of Census
U.S. Internal Revenue Service

HONDURAS

(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	5.5	5.2	88.8	9.2	79.6
Loans	2.7	2.0	51.3	9.2	42.1
Grants	2.8	3.2	37.5	--	37.5
(Supporting Assistance)	(--)	(--)	(1.6)		
FOOD FOR PEACE - TOTAL	0.9	1.1	9.3	--	9.3
Title I - Total	--	--	--	--	--
REPAYABLE IN U.S. DOLLARS - LOANS	--	--	--	--	--
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	--	--	--	--	--
Loans	--	--	--	--	--
Grants	--	--	--	--	--
Title II - Total	0.9	1.1	9.3	--	9.3
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	0.1	0.3	0.9	--	0.9
VOLUNTARY RELIEF AGENCIES	0.8	0.8	8.4	--	8.4
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.8	0.8	20.6	2.1	18.5
PEACE CORPS	0.8	0.8	6.6	--	6.6
SOCIAL PROGRESS TRUST FUND	--	--	7.6	2.0	5.6
OTHER	--	--	6.4	0.1	6.3
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	7.3	7.1	118.7	11.3	107.4
Loans	2.7	2.0	59.1	11.3	47.8
Grants	4.5	5.1	59.6	--	59.6
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	2.0	0.6	5.8	3.7	2.1
TOTAL ECONOMIC	9.2	7.7	124.5	15.0	109.5
Loans	4.7	2.6	64.9	15.0	49.9
Grants	4.5	5.1	59.6	--	59.6
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	0.4	0.6	8.6	--	8.6
Credit Sales (FMS)	--	--	--	--	--
Grants	0.4	0.6	8.6	--	8.6
(Additional Grants from Excess Stocks)	(*)	(0.1)	(0.6)	(--)	(0.6)
OTHER MILITARY ASSISTANCE GRANTS	--	--	--	--	--
TOTAL MILITARY	0.4	0.6	8.6	--	8.6
TOTAL ECONOMIC AND MILITARY	9.6	8.3	133.1	15.0	118.1
Loans	4.7	2.6	64.9	15.0	49.9
Grants	4.9	5.7	68.2	--	68.2

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	14.0	21.2	153.6
IBRD - World Bank	5.5	6.0	58.1
Int'l Finance Corp.	*	--	0.5
Int'l Dev. Association	8.1	--	24.0
Inter-Am Dev. Bank	--	13.8	61.2
UNDP - Special Fund	--	0.9	3.2
UNDP - TA(CY)	0.2	0.2	3.7
Other UN(CY)	0.2	0.3	2.9

D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	0.5	0.5	6.4
United Kingdom	*	0.1	4.1
Germany	0.4	0.4	1.5
Other	*	0.1	0.7

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1970 (Calendar Year).....--
1971 (Calendar Year).....--
Cumulative thru 1971.....--

*Less than $50,000.

Nicaragua

BASIC DATA

Population (*millions - mid-1971*)	2.0
Annual Growth Rate (*percent*)	3.2
Population in Urban Areas (*Percent - 1970*)	48
Labor Force in Agriculture (*Percent*)	60
Per Capita GNP (*dollars*)	440*
Life Expectancy (*years*)	50
People Per Doctor	1,930
Literacy Rate (*percent*)	50
Students as % of 5 - 19 Age Group (*Primary and Secondary*)	43

* - 1971 in 1970 prices and exchange rates.

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NICARAGUA

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	9,900	7,100	- 1/	-	2,800	-	-
Tech. Assist.	2,181	484	200	388	100	-	1,009
Population	397	-	397 2/	-	-	-	-
Other	-	-	-	-	-	-	-
Total	12,478	7,584	597	388	2,900	-	1,009
1972							
Devel. Loans	9,100	-	-	9,100	-	-	-
Tech. Assist.	2,000	771	-	209	194	-	826
Population	560	-	560	-	-	-	-
Other	-	-	-	-	-	-	-
Total	11,660	771	560	9,309	194	-	826
1973							
Devel. Loans	5,000	5,000	-	-	-	-	-
Tech. Assist.	2,000	765	-	186	190	-	859
Population	500	-	500	-	-	-	-
Other	-	-	-	-	-	-	-
Total	7,500	5,765	500	186	190	-	859

/1 Excludes population grant programs.
/2 Funded from development loan funds.

During the past two years Nicaragua has experienced some economic growth largely because of the increase in cotton production. However, the economy is still closely tied to and vulnerable to shifts in prices of coffee and cotton and the majority of the population has not yet experienced the benefits of development including educational and vocational opportunities.

FY 1973 A.I.D. PROGRAM

A.I.D.'s objectives in Nicaragua are to assist the country in two major areas: (1) rural development and diversification of the economy's productive capacity and (2) improvements in the quality and relevance of the educational system. These objectives coincide with the Nicaraguan government's stated priorities for development in the rural and education sectors. A.I.D. proposes a FY 1973 program of $2 million in Technical Assistance grants, $500,000 in Population, and $5 million in Development Loans.

Agricultural and Rural Development

Agriculture is the major source of employment for the half of the population that lives in rural areas. The prime source of foreign exchange, agriculture is limited to production of subsistence food and major export crops of coffee, cotton and sugar. The sector is still characterized by low productivity, inefficient distribution and marketing both locally and internationally, and concentration on crops vulnerable to shifting world market prices. The government has established priorities to overcome these weaknesses, including an expansion of irrigation, construction and operation of drying and storage facilities for basic grains and expansion of agricultural credit availability. Financing for irrigation development has been provided by the United Kingdom and A.I.D. grant assistance and for grain storage facilities by the U.S. Export-Import Bank. The Inter-American Development Bank has provided substantial resources to the Nicaraguan National Bank for agricultural credit programs. A.I.D. has emphasized basic grains development in providing loan assistance to the National Bank. In addition, A.I.D. has provided grant assistance to research and marketing efforts aimed at agricultural diversification and the improved use of grain storage facilities. In FY 1973, A.I.D. will continue its Technical Assistance Program of agricultural research and marketing to permit diversification, improved production, better distribution and more exports of non-traditional crops. Technical Assistance funds will also be provided to help prepare a rural sector study. Other Technical Assistance activities that will improve conditions in the rural sector are the Community Development and Special Development Activities programs, which support small community initiative projects.

In January 1972, an A.I.D. team met with the President of Nicaragua and selected staff from the government ministries and institutions to discuss starting of an agricultural

sector review. A task force was established to conduct a sector study dealing with all aspects of rural development. The proposed FY 1973 A.I.D. program includes $5 million in Development Loans in support of this effort.

Education and Manpower Training

Nicaragua has legislated universal primary education, yet less than 20% of Nicaraguan children currently complete the sixth grade. The government's education budget has increased from 1.5% of GNP in 1960 to 2.7% in 1971, and facilities are increasing by about 300 primary classrooms a year. Teaching materials are scarce and inadequate, though textbooks have been provided through the sixth grade with A.I.D. assistance. The government has reformed curriculum at the primary level, accelerated adult education enrollment and inaugurated vocational subjects in the fifth and sixth grades. Continuation of the progress realized in primary education and extension of the reform and expansion of facilities at the secondary level have high priority in Nicaragua.

The A.I.D. Technical Assistance program in education and manpower training will terminate in FY 1972 with the exception of the American Insitute for Free Labor Development program, but a sector loan of $9.1 million planned for the end of FY 1972 will provide funds for additional school construction, including a facility for teacher training, and technical assistance to assist the Ministry of Education to develop an integrated national education program. The loan will also assist in the development of staff capabilities in the areas of program development and evaluation, data analysis, planning, statistics and project implementation.

In addition to A.I.D. assistance, resources are expected to be available from the IBRD, IDB, CARE, UNESCO, and the OAS to assist the Nicaraguan government's plans for education.

Population and Health

The Government of Nicaragua, with A.I.D. assistance, began a family planning program in 1968 and expanded it in 1970. Nevertheless, population growth is 3.2% a year and its impact is compounded by accelerating rural-to-urban migration. Although small training inputs are provided by multilateral donors, A.I.D. is the major donor. A.I.D. plans to continue providing grant assistance for population activities to the Ministry of Health, the Social Security Institute and the Moravian Mission in Family Planning.

Industrial and Urban Development

The IDB and the World Bank take the lead in helping develop Nicaragua's infrastructure. However, A.I.D. plans to continue its assistance to the Chamer of Industries and the Export Promotion Center as they work to improve the quantity and quality of domestic production, develop new industrial products, where feasible, and develop new markets for Nicaragua's industrial and agro-industrial exports.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: NICARAGUA (In Thousands of Dollars and Equivalent) TABLE IV

Loan No.	Title	Date: Authorized	Date: Loan Agreement	Grace Period (years)	Life of Loan (years)	Interest Rate (%): Grace Period	Interest Rate (%): Amortization	Amount Authorized	Amount Disbursed	Currency of Repayment	Principal Repayments	Interest Collected
L-011	Feasibility & Pre-feasibility Studies	6/15/65	2/18/66	10	40	1	2½	1,300	1,272	US$	-	18
L-012	Tax Improvement & Natural Resources Inventory	6/29/65	2/28/66	10	40	1	2½	5,400	5,242	US$	-	97
L-016	CNT Private Development Bank (II)	6/29/66	9/27/66	5	20	5½	5½	5,000	4,845	US$	-	79
	Two-step			10	40	1	2½					
L-018	Industrial Development Bank (II)	6/20/67	10/23/67	5	25	3½	3½	5,000	2,855	US$	-	51
	Two-step			10	40	1	2½					
L-019	Small Enterprises	6/19/67	10/23/67	10	30	2½	3½	2,000	1,943	US$	-	32
	Two-step			10	40	1	2½					
L-021	Rural Electric Cooperatives (II)	6/28/68	8/23/68	10	35	2½	2½	10,200	9,635	US$	-	201
	Two-step			10	40	2	2½					
L-022	Basic Crop Production	6/25/68	8/23/68	10	40	2	2½	9,400	4,165	US$	-	55
L-023	Health Centers and Rural Mobile Health	6/24/68	8/23/68	10	40	2	2½	2,200	1,525	US$	-	21
L-024	Feasibility Studies & Surveys (2nd)	6/07/71	9/21/71	10	40	2	3	2,800	-	US$	-	-
L-025	Rural Electric Cooperative III	6/14/71	9/21/71	10	40	2	3	4,300	-	US$	-	-
	Two-step			10	40	2	3					
L-026	Feeder Roads Betterment	6/15/71	9/21/71	10	40	2	3	2,800	-	US$	-	-
	Total							50,400	31,482			554

TABLE V

COUNTRY: NICARAGUA

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

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											765		
Special Development Activities		524-13-998-058	1964	Cont.	285	250	35	50	85	-	50	Cont.	Cont.
Agricultural Production and Diversification		524-11-110-073	1970	1973	420	158	262	475	472	265	320	-	1,215
Institutional Cooperative Development		524-11-810-092	1971	1975	90	6	84	92	114	62	25	33	240
Non-Traditional Agricultural Exports	*	524-15-150-098	1973	1977	-	-	-	-	-	-	370	844	1,214
Irrigation Development		524-11-120-067	1970	1971	133	30	103	-	42	61	-	-	133
Agricultural Institutional Development		524-11-110-057	1958	1971	2,544	2,412	132	-	132	-	-	-	2,544
INDUSTRIAL AND URBAN DEVELOPMENT											190		
Industrial Development		524-15-290-091	1971	1973	200	3	197	194	145	246	190	-	584
EDUCATION AND MANPOWER PLANNING											186		
Free Labor Development		524-11-460=054	1964	1973	904	802	102	87	110	79	95	-	1,086
Public Safety		524-11-710-093	1971	1975	117	50	67	91	139	19	91	124	423
Education Planning and Development		524-15-690-023	1965	1972	1,206	990	216	31	204	43	-	-	1,237
Tax Administrative Reform		524-11-790-025	1964	1972	1,001	847	154	215	311	58	-	-	1,216
PROGRAM DEVELOPMENT AND SUPPORT											859		
Technical Support		524-11-999-000	1960	Cont.	3,141	3,111	30	686	696	20	690	Cont.	Cont.
Community Development		524-13-810-047	1968	1973	294	239	55	79	49	85	169	-	542
POPULATION AND HEALTH											500		
Family Planning	*	524-11-580-072	1968	Cont.	1,355	779	576	560	827	309	500	Cont.	Cont.
							Technical Assistance Subtotal				(2,000)		
				Total (including population)				2,560	3,326	1,247	2,500		

*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	13	13	13
Participating agency	10	3	-
Contractor technicians	13	25	29
Total	36	41	42

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	109	130	124
Contract	-	-	-
Total	109	130	124

Country: NICARAGUA

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Non-Traditional Agricultural Exports	AGRICULTURE AND RURAL DEVELOPMENT		TA
PROJECT NUMBER 524-15-150-098	PRIOR REFERENCE	INITIAL OBLIGATION FY: 1973	SCHEDULED FINAL OBLIGATION FY: 1977

Project Target and Course of Action: This grant project will serve as part of the leading edge of an innovative, agriculture sector approach to modernizing Nicaraguan agriculture through the application of scientific and technological methods. Crop research, animal nutrition, market projection methods, modern irrigation techniques, supervised agricultural credit for small farm owners and agro-chemical loan financing are all being or have all been introduced by A.I.D.'s efforts. This project will direct the area of agricultural innovation for Nicaraguan farmers and institutions toward export markets at the same time that the funds from a planned, agriculture sector loan are used to provide a higher echelon of extension services, provide credit for land purchase by landless farmers, support land settlement, expand agricultural cooperatives, and expand the base of available capital and production credit for low income farmers. The project is designed to assist the Nicaraguan agricultural sector develop (a) an organizational structure for modernized production, processing and sale of non-traditional agricultural products; food processing facilities; management skills; and published information relating to components of the seed-to-consumer production system. The project will contribute to substantially increased earnings of foreign exchange from non-traditional agricultural exports.

Progress to Date: USDA has provided technical advise relating U.S. quarantine regulations on the Meditterranean Fruit Fly as it affects exports of fresh fruits and vegetables to the United States. The USAID has prepared a project paper reflecting preliminary planning on promotion of non-traditional agricultural exports.

FY 1973 Program:

U.S. Technicians: Seven long-term agricultural technicians.

Participants: 10 participants to be trained in production, processing and marketing.

Commodities: Machinery and equipment for use in food processing facilities such as packing, refrigeration, container, and storage plants.

Other Costs: Locally procured materials such as office furniture, in-country travel and office supplies.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	-	-	-
Estimated FY 72	-	-	
Estimated through 6/30/72	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	370	844	1,214

Cost Components	OBLIGATIONS: Estimated FY 1972 Direct AID	Estimated FY 1972 Contract/Other Agency	Estimated FY 1972 Total	Proposed FY 1973 Direct AID	Proposed FY 1973 Contract/Other Agency	Proposed FY 1973 Total
U.S. Technicians				-	169	169
Participants				20	-	20
Commodities				150	-	150
Other Costs				31	-	31
Total Obligations				201	169	370

PRINCIPAL CONTRACTORS/AGENCIES

To be determined

Country: NICARAGUA

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Family Planning	POPULATION AND HEALTH		Population
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 524-11-580-072	p. 29, FY 1972 LA P.D.B.	FY: 1968	FY: Continuing

Project Target and Course of Action: To assist in the development of a public institutional capacity to both motivate people towards and actively deliver family planning services. The project strategy is primarily to emphasize the development of institutions within the public health sector capable of providing family planning services to all who desire them. Secondary emphasis is placed on training activities such as seminars for public health officials, physicians and family planning workers. The project is designed to accomplish (a) 100% assumption by the Government of financial responsibility for family planning operational costs; (b) integration of family planning delivery services into the Nicaraguan public health services organization; (c) actual short and middle-range planning, implementation and evaluation conducted by the Government; (d) 25% of target female population as active users of family planning; and (3) maintenace of an annual patient drop-out rate no higher than twenty-five percent.

Progress to Date: At present the Nicaraguan Government has assumed financial responsibility for fourteen percent of the program's total operation cost. There has been partial integration of family planning delivery services within the National Social Security Institute. The Government is conducting short and middle-range planning and evaluation of its family planning services. Five to seven percent of the target female population are estimated to be family planning users. The current patient drop-out rate is calculated at between 30-40 percent.

Other Donors: The Pathfinder fund provides assistance in mass communication techniques of disseminating information about family planning.

FY 1973 Program:

U.S. Technicians: 1 full-time direct-hire Population Officer

Participants: 100 participants for short-term training in Central America in family planning methods.

Commodities: Contraceptives

Other Costs: Support for in-country operational costs including salary supplements to family planning physicians and workers; in-country training and research, supplies, rents and utilities, per diem and travel, and vehicle operation and maintenance.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	1,355	779	576
Estimated FY 72	560	827	
Estimated through 6/30/72	1,915	1,606	309
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	500	Cont.	Cont.

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	27		27	27		27
Participants	19		19	19		19
Commodities	43		43	43		43
Other Costs	471		471	411		411
Total Obligations	560		560	500		500

PRINCIPAL CONTRACTORS/AGENCIES

NICARAGUA

(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	12.5	110.9	5.6	105.3
Loans	--	9.9	81.8	5.6	76.2
Grants	2.3	2.6	29.1	--	29.1
(Supporting Assistance)	(--)	(--)	(--)		
FOOD FOR PEACE - TOTAL	0.4	0.3	8.6	--	8.6
Title I - Total	--	--	--	--	--
REPAYABLE IN U.S. DOLLARS - LOANS	--	--	--	--	--
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	--	--	--	--	--
Loans	--	--	--	--	--
Grants	--	--	--	--	--
Title II - Total	0.4	0.3	8.6	--	8.6
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	--	--	--	--	--
VOLUNTARY RELIEF AGENCIES	0.4	0.3	8.6	--	8.6
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.4	0.4	39.9	3.1	36.8
PEACE CORPS	0.4	0.4	1.0	--	1.0
SOCIAL PROGRESS TRUST FUND	--	--	13.0	3.1	9.9
OTHER	--	--	25.9	--	25.9
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	3.1	13.2	159.4	8.7	150.7
Loans	--	9.9	94.8	8.7	86.1
Grants	3.1	3.3	64.6	--	64.6
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	--	2.1	22.9	18.4	4.5
TOTAL ECONOMIC	3.1	15.3	182.3	27.1	155.2
Loans	--	12.0	117.7	27.1	90.6
Grants	3.1	3.3	64.6	--	64.6
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	0.9	0.9	13.6	--	13.6
Credit Sales (FMS)	--	--	--	--	--
Grants	0.9	0.9	13.6	--	13.6
(Additional Grants from Excess Stocks)	(0.1)	(0.2)	(0.5)	(--)	(0.5)
OTHER MILITARY ASSISTANCE GRANTS	--	--	--	--	--
TOTAL MILITARY	0.9	0.9	13.6	--	13.6
TOTAL ECONOMIC AND MILITARY	4.0	16.2	195.9	27.1	168.8
Loans	--	12.0	117.7	27.1	90.6
Grants	4.0	4.2	78.2	--	78.2

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	1.0	12.6	136.2
IBRD - World Bank	--	--	59.9
Int'l Finance Corp.	--	--	2.1
Int'l Dev. Association	--	--	3.0
Inter-Am Dev. Bank	0.2	12.4	60.8
UNDP - Special Fund	0.6	--	4.7
UNDP - TA(CY)	0.1	0.2	2.7
Other UN(CY)	0.1	*	3.0

D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	1.4	0.6	3.0
Germany	0.2	0.4	1.3
Japan	1.2	*	1.2
Other	*	0.2	0.4

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1970 (Calendar Year)....--
1971 (Calendar Year)....--
Cumulative thru 1971....--

*Less than $50,000.

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CARIBBEAN REGIONAL

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	-	-	-	-	-	-	-
Tech. Assist.	8	-	-	-	-	-	8
Population	-	-	-	-	-	-	-
Other							
Total	8	-	-	-	-	-	8
1972							
Devel. Loans	10,000	-	-	-	10,000	-	-
Tech. Assist.	50	-	-	-	-	-	50
Population	-	-	-	-	-	-	-
Other							
Total	10,050	-	-	-	10,000	-	50
1973							
Devel. Loans	20,000	-	-	10,000	10,000	-	-
Tech. Assist.	350	-	-	-	-	-	350
Population	-	-	-	-	-	-	-
Other							
Total	20,350	-	-	10,000	10,000	-	350

The English speaking Caribbean stretches from the Bahamas to Guyana on the North Coast of South America. It includes four independent countries--Jamaica, Barbados, Trinidad and Tobago, and Guyana--and a dozen states and territories having various degrees of self-government and dependence on the United Kingdom. The movement to complete self-government which led to the creation of four newly independent nations in the 1960's is expected to continue in the 1970's and it is likely that one or more countries will seek their independence during FY 1973.

Although there are significant differences in the stages of development of these Caribbean states, they share certain common problems. Most have serious unemployment problems which frequently are compounded by a limited resource base and stagnant domestic agricultural sectors causing a rising level of food imports. Virtually all these states are constrained by an inadequate number of qualified administrators and trained technical personnel. Moreover, there is a need for development oriented financial institutions to supplement the vital role played by the commercial banks and other traditional financial institutions.

The United States has a substantial interest in the orderly social and economic development of the English speaking Caribbean. We have close and important ties with this area. Our assistance is intended to supplement but not supplant continued and expanded assistance from multilateral agencies, the United Kingdom, Canada and other donors.

FY 1973 A.I.D. PROGRAM

A.I.D. plans to channel the bulk of its assistance through regional institutions and projects and to avoid the establishment of additional bilateral A.I.D. missions in in the area. To this end the proposed FY 1973 program emphasizes continued support to two important regional institutions--the Caribbean Development Bank (CDB) and the University of the West Indies.

The CDB, formally established in January 1970 at Bridgetown, Barbados, is mobilizing regional and external financial resources for development projects. Loans have been made to date for agriculture, industry and tourism in the Commonwealth Caribbean States. The United States made a $10 million loan to the Bank in December 1970 for a Special Development Fund. Depending on progress in the disbursement of these funds, a further Special Development Fund loan may be considered during FY 1973. In addition, A.I.D. is considering a $10 million loan to the Bank in FY 1972 for financing low-cost housing and for establishing a secondary mortgage market capacity within the Bank.

CARIBBEAN REGIONAL

The University of the West Indies, with campuses in Jamaica, Trinidad and Barbados, serves the English speaking Caribbean states. Plans that are currently being studied and refined by the University call for expanding enrollment from 3,200 in 1968-69 to 8,000 in 1974-75.

The University is seeking financing from several lending institutions for this development expansion program. A.I.D. plans a loan of up to $10 million in FY 1973 to supplement assistance from the Inter-American Development Bank and other sources in support of the expansion program.

A total of $350,000 is proposed for FY 1973. Special Development Activities Fund of $25,000 each for Barbados, Trinidad, and Tobago will be used mainly for self-help projects. A grant will be made to encourage and support development related research and services of the University of the West Indies. Funds granted to the Caribbean Development Bank will be used to reinforce its analytical and administrative capabilities partly in such areas as mortage banking, housing and industrial development.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: CARIBBEAN REGIONAL

(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 Repayment	Principal Repayments	Interest Collected
		Authorized	Loan Agreement			Grace Period	Amortization					
538-L-001	Caribbean Development Bank	6/30/70	12/18/70	10	40	2	3	10,000	-	US$	-	-
	Total							10,000	-		-	-

TABLE V

COUNTRY: CARIBBEAN REGIONAL

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

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			
Regional Economic Development		538-11-995-004	1970	Cont.	259	181	78	50	98	30	350	Cont.	Cont.
*Detailed project narrative—See Table VI.				Total (including population)				50	98	30	350		

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			
Participating agency			
Contractor technicians			
Total			

NUMBER OF PARTICIPANTS

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

Latin America Regional

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.	12,664	2,611	-	7,772	1,445	-	836
Population	7,926	-	7,926 2/	-	-	-	-
Other	-	-	-	-	-	-	-
Total	20,590	2,611	7,926	7,772	1,445	-	836
1972							
Devel. Loans	15,000	-	-	-	15,000	-	-
Tech. Assist.	12,275	2,694	-	7,711	1,115	-	755
Population	5,215	-	5,215	-	-	-	-
Other	-	-	-	-	-	-	-
Total	32,490	2,694	5,215	7,711	16,115	-	755
1973							
Devel. Loans	10,000	10,000	-	-	-	-	-
Tech. Assist.	13,457	3,445	-	7,735	1,496	-	781
Population	8,535	-	8,535	-	-	-	-
Other	-	-	-	-	-	-	-
Total	31,992	13,445	8,535	7,735	1,496	-	781

/1 Excludes population grant programs.
/2 Funded from development loan funds.

The Latin America Regional Program supports economic and social development goals in the hemisphere through activities that attack problems that exist across national borders. Some of these activities can only be effectively and efficiently managed on a regional basis. Some are of an experimental or innovative nature and may prove to be applicable to more than one country. Others provide expertise and administrative services for programs conducted in several countries.

In addition, A.I.D. seeks to strengthen the capability of regional organizations to implement activities that are beneficial to the region as a whole. Among such organizations are the International Center for Tropical Agriculture at Cali, Colombia, the Castelar Graduate School in Argentina, the Inter-American Institute for Agricultural Sciences in Costa Rica and the Organization of Cooperatives of America in Puerto Rico.

FY 1973 A.I.D. PROGRAM

The Regional Program will address needs common to most of the countries of Latin America: improved agricultural output, rural development, expansion and modernization of education training in the United States and other countries in subjects that are not offered locally, and increased investment capital. The FY 1973 request includes $13.4 million in Alliance Technical Assistance, to be concentrated in education and manpower training and agricultural and rural development; $8.5 million in Population funds; and $10 million in Alliance Development Loan funds for the Latin American Confederation of Credit Unions for sublending, thru affiliated national federations of credit unions in Central and South America, to small producers, chiefly in agriculture.

Education and Manpower Training

$7.7 million is proposed for education and manpower training. Of this amount, $2.9 million is planned for the American Institute for Free Labor Development (AIFLD) program, which assists Latin American democratic trade unions to improve the Latin American worker's standard of living and increase his social, economic and political bargaining power within his own society. Upper and middle-level unionists are trained in labor leadership and union administration at the AIFLD institute at Front Royal, Virginia, and in labor economics at Georgetown University in Washington, D.C. In addition, International Trade Secretariats affiliated with AIFLD supplement country programs by providing in-country trade unionist education courses in 19 countries.

As university enrollments have almost tripled in many Latin American countries during the last decade, the shortage of trained university teachers, particularly in the physical sciences and technical areas, has become critical. The Latin

American Scholarship Program of American Universities (LASPAU) has engaged the U.S. university community, with A.I.D. support, in helping to relieve this shortage by providing graduate training in the U.S. to deserving and bright prospective faculty members. More than 100 cooperating Latin American institutions in 17 countries are participants in the program, which had, by February 1972, trained 357 scholars--over 95% of whom are now teaching or negotiating for faculty positions. Currently 535 students are continuing their studies and an additional 180 students will enroll in the fall of 1972. A.I.D. funding for FY 1973, planned at a level of $2 million, will cover the costs of administration and maintenance allowances for the students. The participating U.S. universities will provide the cost of tuition and fees, and Latin American universities and the scholars themselves will pay for international travel and English language training.

One of the major deficiencies of Latin American education is the absence of modern and adequate teaching materials. In most rural schools textbooks have been virtually unknown and basic teaching materials for the sciences and audio-visual aids have been either unavailable or of very low quality. The Regional Technical Aids Center (RTAC) attempts to deal with this deficiency. The Center has translated 4,100 technical books and pamphlets. It has published over 10.5 million copies that have been provided to libraries and educational institutions. 170 university textbook titles in the natural sciences and engineering have been published commercially and are available at reduced rates to students through 100 cooperative bookstores set up under the project. These shops on Latin American university campuses serve some 300,000 Latin students. The efforts of RTAC have opened new markets for Latin American textbook publishers and helped modernize curricula by substituting texts for outdated lecture notes. In addition, audio-visual centers were recently established at five universities, and innovative activities in developing programmed instructional materials have been initiated. $1.8 million is requested in FY 1973 to continue the RTAC efforts.

A.I.D. assistance to education in Latin America is largely based on comprehensive sector analyses. $400,000 is proposed in FY 1973 to assist education sector analysis efforts in several countries and to help design innovative programs which will result in lower unit costs and higher quality education. Under a contract with Florida State University, guidelines to assist in developing the most effective design and construction of schools and classrooms have been prepared. Eight Latin American educators are preparing, at the University, specific designs for experimental programs aimed at lowering unit costs in their respective countries. Assistance in educational information management has been provided to Brazil and Peru. Under the new basic village education project, methods will be developed to help rural residents participate in the economic, social and civic life of the community.

Agriculture and Rural Development

Funding of $3.6 million in FY 1973 is proposed for regional agricultural programs. $350,000 is proposed to provide Latin American and U.S. expertise in developing agricultural sector analyses in several countries. Regional funds in FY 1973 will also help improve and expand Latin American agricultural institutions that provide highly specialized services throughout the region. These are the International Center for Tropical Agriculture (CIAT) in Colombia, the Inter-American Institute of Agricultural Sciences (IICA) in Costa Rica, and the Castelar Graduate School in Argentina.

The research being carried out at CIAT, one of several agricultural research centers around the world supported by A.I.D., the World Bank, and private foundations such as Ford and Rockefeller, is expected to produce benefits for the whole region. The Center is working on the development of high-yield varieties of a popular tropical lowland edible root called yuca or casava, on rice and forage crops with improved nutritional qualities, and on improved livestock adaptable to various Latin American humid tropical conditions. Results of the basic research are being adapted and applied by national research bodies and extension services.

Since soil fertility analysis is one of the keystones of modern agriculture, North Carolina State University, under the Soil Fertility project, is attempting to up-grade or

develop soils laboratories in several Latin America countries. To date, at least one governmental or private soils laboratory has been established in each of 16 cooperating countries. Total soil samples tested under the project in 1971 increased 27% over 1970. Greenhouse correlations have increased from zero in 1965 to 337 in 1971, and field correlations have gone from zero in 1965 to 560 in 1971.

The Inter-American Agricultural Marketing project, begun in FY 1972, will continue in FY 1973 concentrating on marketing-another major deficiency in Latin American agriculture. This project grew out of an earlier one under which Michigan State University carried out a series of innovative and comprehensive diagnostic marketing analyses in Brazil, Bolivia, and Colombia.

The cooperative mechanism has unique potential for organizing farmers to solve production and marketing problems. Beginning in FY 1972, A.I.D.-financed cooperative development activities will be focused more explicitly on the agriculture sector and in particular on the small farmer. In FY 1973, $840,000 is planned for the Credit Union National Association program, the Cooperative League of U.S.A. program, and an institutional grant to the Organization of Cooperatives of America.

Population and Health

Projects in population and health financed from regional funds operate throughout Latin America, with assistance provided through major international organizations such as the Pan American Health Organization (PAHO) and Population Council. These organizations, working in response to Latin American initiatives, operate in the areas of (1) communications, education and motivation; (2) demography and evaluation; and (3) family planning delivery systems.

A $2 million grant will help PAHO complete a $5 million hemisphere-wide program of education, training and administration to implement national population programs, including post-partum and clinical family planning services. The Population Council, a private organization for research, training and technical consultation, will receive $1 million--$500,000 for sub-grants to Latin American national and regional institutions for demographic research, attitude surveys and evaluation of family planning services, and $500,000 for a continuing National Association of Medical Schools program for training of medical and paramedical personnel, population-related research, and incorporation of demography and family planning into medical school curricula. The Pan American Federation of Associations of Medical Schools (PAFAMS) assists national associations in most Latin American countries to improve general medical education and to deliver community and preventive medicine services. The Regional Technical Aids Center will translate and publish population materials for hemisphere-wide distribution. An additional $5 million for Regional Advisory Services will make possible activities with potential impact in all countries, such as innovative motivation and education programs, documentary filming, evaluation of printed materials, information programs, leadership training and observation, and establishment of community preventive medicine centers in several Latin American countries.

Industrial and Urban Development

$1.3 million is programmed for this sector under the regional program in FY 1973. Forty percent of this sum will go toward implementing programs in export promotion, capital markets, and science and technology. These are areas in which Latin Americans intend to place greater emphasis in the future in order to expand their ability to finance development on their own. In response to a United States expression of willingness to be helpful in export development, many Latin American governments are now preparing specific assistance requests for projects to commence in FY 1973.

Among the activities begun in FY 1972 that will require FY 1973 funding are a regional export promotion project and a regional economic development project under which assistance is being provided to the Andean Development Corporation in such areas as investment analysis and promotion and sectoral development.

The regional export promotion activity is located at the U.S. Department of Commerce's Regional Trade Development Center in Buenos Aires. Under the direction of an A.I.D.-funded

export promotion advisor, the Center will be used as a training laboratory to teach export promotion techniques to the Latin Americans. A.I.D. may also enter into an agreement with the Department of Commerce to supply some of the expertise required to respond to expected Latin American requests for assistance in export development.

The Partners of the Alliance program will continue to stimulate self-help programs in the private sector. Although the Partners is making a concerted effort to obtain more private U.S. support, $400,000 will be required from A.I.D. in FY 1973 to continue the operations of the central headquarters which provides supportive services to individual Partnerships. At present 40 states in the United States are working jointly with 40 Latin American counterpart organizations in such areas as health, education, agriculture and investment promotion. Since 1964, when the program was established, technical and material assistance valued at more than $20 million has been provided by the U.S. partner groups. Over $3.5 million of this assistance has been in education and over $11 million in public health.

The Foundation for Cooperative Housing (FCH) beginning in FY 1972 will concentrate almost exclusively on programs and projects to stimulate the creation of low income housing. In FY 1973, $271,000 will make possible further implementation of the FCH low-income housing program, for which planning will by then be greatly advanced and refined. Since the project began in FY 1963, non-profit cooperative housing organizations providing technical services to individual cooperative housing programs have been established in Chile, Colombia, Honduras, Jamaica, Panama and Venezuela, and more than 2000 Latin American participants have been trained in cooperative housing management and development.

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Unliquidated as of 12/31/71

COUNTRY: LATIN AMERICA REGIONAL **(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 Repay-ments	Interest Collected
		Auth-orized	Loan Agree-ment			Grace Period	Amorti-zation					
598-L-003	Coffee Diversification Fund	5/28/70	-	10	40	2	3	5,000	-	US$	-	-
	TOTAL							5,000	-		-	-

COUNTRY: LATIN AMERICA REGIONAL

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

TABLE V

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											3,445		
Soil Fertility		598-13-120-001	1970	1974	784	321	463	330	571	222	460	330	1,904
Cooperative Development		598-13-920-116	1963	1974	5,521	5,050	471	1,045	1,103	413	840	535	7,941
Castelar Graduate School	*	598-15-110-541	1971	1975	591	7	584	243	342	485	520	536	1,890
International Tropical Agriculture (CIAT)	*	598-13-110-545	1971	1975	680	-	680	721	1,040	361	950	1,900	4,251
Agriculture Sector Support		598-13-190-546	1972	1975	-	-	-	160	40	120	350	600	1.310
Agricultural Management		598-15-190-547	1971	1977	110	-	110	45	110	45	150	405	710
Inter-American Marketing Institute		598-13-150-548	1972	1974	-	-	-	150	40	110	175	175	500
EDUCATION AND MANPOWER TRAINING											7,735		
Regional Technical Aids Center (RTAC)	*	598-11-995-005	1957	1975	11,806	9,767	2,039	1,500	2,839	700	1,750	3,500	18,556
Regional Training Coordination		598-15-995-096	1963	1972	718	674	44	58	58	44	-	-	776
Free Labor Development (AIFLD)	*	598-15-410-101	1962	1974	17,763	15,177	2,586	3,410	4,076	1,920	2,900	2,500	26,573
Leadership Development for Women (OEF)		598-15-670-109	1966	1975	1,126	901	225	294	298	221	225	400	2,045
Regional Tax Assistance		598-11-790-416	1963	Cont.	1,076	1,073	3	86	74	15	85	Cont.	Cont.
Latin American Scholarship Program of American Universities (LASPAU)	*	598-13-690-453	1966	1977	9,253	7,241	2,012	1,978	2,012	1,978	2,000	7,600	20,831
Education Sector Support	*	598-13-690-506	1970	1975	411	174	237	310	299	248	400	800	1,921
Multi-Purpose Vocational Center (ACCION)		598-13-810-542	1971	1973	65	-	65	-	65	-	50	-	115
Village Basic Education		598-15-690-551	1972	1973	-	-	-	75	12	63	325	-	400
INDUSTRIAL AND URBAN DEVELOPMENT											1,496		
Cooperative Housing Development		598-15-890-099	1963	1975	1,355	1,168	187	253	221	219	271	542	2,421
Partners of the Alliance		598-15-810-436	1965	1975	2,726	2,382	344	404	475	273	400	350	3,880
New Initiatives	*	598-15-290-549	1971	Cont.	-	-	-	-	-	-	365	Cont.	Cont.
Regional Export Promotion		598-13-950-550	1972	1973	-	-	-	83	20	63	85	-	168
Regional Economic Integration		598-13-920-552	1972	1973	-	-	-	200	20	180	200	-	400
Industrial Research Institute		598-15-290-553	1972	1973	-	-	-	175	30	145	175	-	350
Total (including population)								18,290	23,200	13,992	21,992		

*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	7	4	5
Participating agency	17	12	20
Contractor technicians	60	53	62
Total	84	69	87

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	-	-	-
Contract	2,446	2,320	1,539
Total	2,446	2,320	1,539

TABLE V

COUNTRY: LATIN AMERICA REGIONAL

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

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			
PROGRAM DEVELOPMENT AND SUPPORT											781		
Consultants and Seminars		598-15-995-044	1954	Cont.	3,723	3,431	292	400	642	50	400	Cont.	Cont.
Regional Technical Support		598-11-999-000	1969	Cont.	421	403	18	355	295	78	381	Cont.	Cont.
POPULATION													
Regional Population Programs	*										8,535		
Regional Advisory Services		598-15-570-438	1967	Cont.	923	488	435	2,341	1,212	1,564	5,085	Cont.	Cont.
The Population Council		598-15-570-456	1965	Cont.	5,563	3,385	2,178	1,884	1,734	2,328	1,000	Cont.	Cont.
Pan American Health Organization		598-15-570-470	1966	Cont.	5,079	1,755	3,324	1,250	3,074	1,500	2,000	Cont.	Cont.
Regional Technical Aids Center		598-15-580-477	1968	Cont.	274	163	111	140	221	30	150	Cont.	Cont.
Pan-American Federation of Associations of Medical Schools		598-15-580-479	1969	Cont.	753	234	519	400	429	490	300	Cont.	Cont.
L.A. Center for the study of Population and Family Planning		598-15-570-460	1965	1970	1,340	1,213	127	-	-	127	-	-	1,340
International Planned Parenthood Federation[1]		598-15-580-457	1965	1971	6,389	5,321	1,068	-	1,068	-	-	-	6,389
Center for L.A. Demographic Studies[2]		598-15-570-459	1964	1971	1,611	1,202	409	-	409	-	-	-	1,611
Pathfinder Fund [1]		598-15-570-471	1969	1971	1,100	729	371	-	371	-	-	-	1,100

*Detailed project narrative—See Table VI.

1) now funded under Interregional program 2) now funded by UNFPA

Country: LATIN AMERICA REGIONAL

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Castelar Graduate School	AGRICULTURE AND RURAL DEVELOPMENT		TA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 598-15-110-541	P. 22, FY 1972 LA P.D.B.	FY: 1971	FY: 1975

Project Target and Course of Action: To upgrade and expand courses in agricultural economics, agricultural extension, animal production, crop and soil science, at the Graduate School in Agricultural Sciences at Castelar, Argentina, a Regional Center capable of granting high quality Masters' degrees in agricultural sciences to students of Southern Cone countries (Uruguay, Paraguay, Bolivia, Chile, Argentina). The project will capitalize upon the relatively large number of qualified agricultural scientists and the financial resources presently available to the Graduate School. Specific targets are to (1) develop U.S. level M.S. degree programs relevant to the agricultural problems of the Southern Cone; (2) increase the enrollment of non-Argentine students from approximately 25% to 50%; and (3) double the 1971 enrollment of 60 students by 1975 (1972 enrollment is approximately 90).

Progress to Date: A consortium of U.S. universities has assigned two U.S. professors to Castelar, one who serves as Chief of Party and production economist, and a full-time soils specialist. Three U.S. specialists in soils science have provided one month each of services to the School in preparation for the course now being offered in this area. Five short-term participant trainees (two in soils, two in agriculture extension, and one in plant science) have spent one month each in observation and study in the United States. Three additional U.S. technicians are being processed for long-term assignment at Castelar in animal science (2) and plant science (1).

FY 1973 Program: In FY 1973 the program will provide assistance in training instructors in the United States and continue U.S. university advisory assistance in Argentina.

U.S. Technicians: 10 short-term specialists (3 soil specialists, 3 crop scientists, 2 animal scientists, 1 agricultural extension advisor, 1 agricultural economist) $102,000; 7 long-term professionals (2 soil scientists, 2 crop scientists, 1 animal scientist, 1 agricultural education advisor and 1 agricultural economist-project leader) $295,000; 9 man/months campus administrative personnel, $34,000.

Participants: 5 long-term participants studying in U.S. universities for Ph.D. degrees, $40,000; 5 Castelar staff visiting U.S. universities for short-term observation and study training, $9,000.

Commodities: Laboratory equipment for soils and plant science facilities, computer-related equipment for Agricultural Economics courses and library materials, $18,000.

Other Costs: Local salaries, operation of vehicles, local travel, $22,000.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	591	7	584
Estimated FY 72	243	342	
Estimated through 6/30/72	834	349	485
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	520	536	1,890

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians		180	180		431	431
Participants		10	10		49	49
Commodities		40	40		18	18
Other Costs		13	13		22	22
Total Obligations		243	243		520	520

PRINCIPAL CONTRACTORS/AGENCIES

Texas A & M University
Michigan State Univ.
Pennsylvania State Univ.

Country: LATIN AMERICA REGIONAL

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
International Tropical Agricultural Center (CIAT)	AGRICULTURE AND RURAL DEVELOPMENT		TA
PROJECT NUMBER 598-13-110-545	PRIOR REFERENCE pp. 8, 11, 23, FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1971	SCHEDULED FINAL OBLIGATION FY:1975

Project Target and Course of Action: To assist the International Tropical Agricultural Center (CIAT) accelerate crop and livestock production in humid tropics through integrated research, training and outreach activities with national institutions. The center is in Cali, Colombia; supporting programs are conducted by national research institutions.

CIAT works on production problems in cattle, swine, rice, corn, food legumes and tropical root crops, and follows an integrated approach, giving attention to economic and social factors as well as technical ones. In addition, it gives particular attention to small farmer problems.

CIAT is one of a network of international agricultural research centers (including the International Rice Research Institute, Philippines, International Center for Improvement of Corn and Wheat, Mexico, and International Institute for Tropical Agriculture, Nigeria). These centers bring together international teams of highly skilled agricultural scientists to focus their research efforts upon a limited number of agricultural commodities and diffuse technologies attained throughout developing nations. The World Bank coordinates a World Donor Group to finance these centers.

Progress to Date: CIAT was established in 1968. A competent group of senior staff has been obtained and research work is now being conducted in the field of beef cattle production, swine production, rice, corn, cassava, food legumes as they all relate to the lowland tropics. The rice breeding program has developed and distributed several new varieties that have an excellent potential for increasing rice yields under Latin American conditions. In the last crop year 400,000 to 500,000 hectares were sown to new varieties. Production increased by 400,000 tons valued at $40,000,000 and the use of the new varieties is increasing rapidly. Results in other research areas also show promise for the future.

CIAT specialists have been called on to assist A.I.D. supported activities in countries such as Guyana, Ecuador and Peru.

FY 1973 Program: A.I.D. will contribute $950,000 to CIAT's core budget in FY 1973. The Rockefeller and Ford Foundations will each contribute $950,000 and the Kellogg Foundation $250,000. The Canadian Government and Canadian universities are supporting the project and the total Canadian investment is expected to be approximately $4,000,000 over the next five years. The Government of the Netherlands will contribute $125,000 during FY 1973/ The total CIAT budget for FY 1973 is $3,800,000.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	680	-	680
Estimated FY 72	721	1,040	
Estimated through 6/30/72	1,401	1,040	361
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	950	1,900	4,251

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	-	-	-	-	-	-
Participants	-	-	-	-	-	-
Commodities	-	-	-	-	-	-
Other Costs	-	721	721	-	950	950
Total Obligations	-	721	721	-	950	950

PRINCIPAL CONTRACTORS/AGENCIES

INTERNATIONAL TROPICAL AGRICULTURAL CENTER (CIAT)

Country: LATIN AMERICA REGIONAL

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Regional Technical Aids Center (RTAC) Mexico/Buenos Aires	EDUCATION AND MANPOWER TRAINING		TA
PROJECT NUMBER 598-11-995-005	PRIOR REFERENCE pp. 71, 75, FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1957	SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: RTAC's major goals are: 1) to accelerate the transfer of technology and know-how to the countries of Spanish-speaking America in key development sectors--agriculture, education, public health, administration, and industry; and 2) to foster educational modernization. Program elements include: 1) sponsorship of books, pamphlets and audiovisual materials in Spanish, in collaboration with private enterprise; 2) "seeding the market" through systematic distribution to educational institutions and government organizations of the host countries; 3) establishing nonprofit bookstores at Latin American universities and technical institutes; 4) establishing audiovisual materials centers at national institutions; and 5) managing third-country training in Mexico. RTAC also seeks to strengthen and expand the technical publishing and audiovisual industries, which are crucial agents in technology transfer and educational development.

Progress to Date: Since its inception in 1957, RTAC has sponsored Spanish versions of more than 900 commercial book titles (1.5 million copies); 2,100 non-commercial pamphlet titles (9 million copies); and 1,100 technical/educational film titles (9,600 prints). More than 100 nonprofit bookstores started under RTAC/Mission aegis now serve over 300,000 students at Latin American universities and technical institutes. Audiovisual centers (film libraries) have been started at 5 country institutions under RTAC/Mission sponsorship. Recent program emphasis has been on materials of an innovative nature, e.g., programmed instruction, and innovative institutional mechanisms, e.g., university bookstores.

FY 1973 Program: A budget of $1,750,000 is required to sustain the momentum achieved in FY 1971 and FY 1972 in market expansion and innovative end-use. This amount will fund: 1) 75 commercial book titles--170,000 copies; 2) 80 non-commercial pamphlet titles--800,000 copies; 3) 80 film titles--1,200 prints. Major cost categories are: commercial books--$588,000; non-commercial publications--$150,000; film translation and prints--$95,000; purchase prior year books for university bookstores--$130,000; purchase films in support in-country film libraries--$100,000; U.S. technicians--$127,000; local technicians--$200,000; other costs--$360,000. Substantive emphasis will continue on materials relating to the sector priorities specified earlier. The commercial book program will continue to emphasize texts at the university and vocational levels. Materials on the methodology of programmed instruction and/or applying the techniques of specific technical fields will receive high priority. Mission efforts to expand the university bookstore program will be supported, as will initiatives to create a region-wide system of film loan libraries. The latter will fill a large need for audiovisual materials in both formal and informal education programs. Under third-country training in Mexico, RTAC will place and service 75 to 100 participants funded by Missions in the region.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	11,806	9,767	2,039
Estimated FY 72	1,500	2,839	
Estimated through 6/30/72	13,306	12,606	700
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	1,750	3,500	18,556

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
U.S. Technicians	155	-	155	127	-	127
Participants	-	--	-	-	-	-
Commodities	913	-	913	1063	-	1063
Other Costs	432	-	432	560	-	560
Total Obligations	1500	-	1500	1750	-	1750

PRINCIPAL CONTRACTORS/AGENCIES

REGIONAL TECHNICAL AIDS CENTER (RTAC) MEXICO/BUENOS AIRES

Country: LATIN AMERICA REGIONAL

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Free Labor Development	EDUCATION AND MANPOWER TRAINING		TA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 598-15-410-101	P. 55 FY 72 LA P.D.B.	FY: 1962	FY: 1974

Project Target and Course of Action: Through a contract with the American Institute for Free Labor Development (AIFLD), a private, non-profit labor organization, assistance is provided to democratic labor organizations throughout Latin America to help them develop responsible trade union leadership and play a more effective role in the development process. AIFLD utilizes education programs, social projects and community services designed to improve worker living standards to achieve its objectives.

Progress to Date: AIFLD has trained 1,128 unionists at the Front Royal, Va. Institute through 8 week courses in union development and administration; 89 potential leaders have participated in 8 month courses in labor economics at Georgetown University. Since July, 1968, through AIFLD sub-contracts, six U.S. unions, affiliated with International Trade Secretariats, (ITS), have conducted Union-to-Union programs in Latin America including educational seminars, affiliation of local unions with national federations and appropriate ITS's, and organization of workers. AIFLD's regionally-funded Washington office has administrative responsibilities for this program as well as for backstopping AIFLD's bilateral country programs. Through country programs over 187,000 unionists have participated in local workshops and seminars. AIFLD's Washington office also backstops numerous small projects supported through a $700,000 AFL-CIO total contribution, and reviews and processes interest-free loans made from a previous $625,000 A.I.D. Regional Revolving Loan Fund (RRLF) which provides the impetus for self-help social projects among unions. To date RRLF loan repayments total over $125,878 from 21 different projects in 10 Latin American countries.

FY 1973 Program: A.I.D. is currently studying an AIFLD proposal for changing the AIFLD contract to a grant and consolidating the financing of country labor programs. In the meantime, the Union-to-Union ITS program activity as well as the Washington, Front Royal, and Georgetown University programs will continue as follows: Five 8 week courses at Front Royal, for 200 participants, and an 8 month labor economist program at Georgetown, for 20 students, will be given in FY 1973. Overall costs totalling $2,900,000 are as follows: $1,394,000 for salaries, benefits, allowances, travel, per diem of 32 professionals and 56 administrative and clerical personnel; $470,000 for participant costs consisting of ($109,000) international travel, ($51,000) domestic travel and field trips, ($153,000) per diem and subsistence, ($54,000) interpreters, ($21,000) lecturer stipends and ($13,000) miscellaneous, ($69,000) university sub-contract with Georgetown University for AIFLD's labor economist program; $95,000 for office supplies and equipment; $600,000 for the Union-to-Union ITS program; and $200,000 for regionally funded programs for the Caribbean, Peru and Venezuela, $82,000 for rent and utilities; $37,000 for consultant fees and expenses; and $22,000 for other direct costs.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	17,763	15,177	2,586
Estimated FY 72	3,410	4,076	
Estimated through 6/30/72	21,173	19,253	1,920
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	2,900	2,500	26,573

OBLIGATIONS

Cost Components	Estimated FY 1972 Direct AID	Estimated FY 1972 Contract/Other Agency	Estimated FY 1972 Total	Proposed FY 1973 Direct AID	Proposed FY 1973 Contract/Other Agency	Proposed FY 1973 Total
U.S. Technicians		1,618	1,618		1,394	1,394
Participants		508	508		470	470
Commodities		-	-		-	-
Other Costs		1,284	1,284		1,036	1,036
Total Obligations		3,410	3,410		2,900	2,900

PRINCIPAL CONTRACTORS/AGENCIES

American Institute for Free Labor Development (AIFLD)

Country: LATIN AMERICA REGIONAL

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Latin American Scholarship Program of American Universities (LASPAU)	EDUCATION AND MANPOWER TRAINING		TA
PROJECT NUMBER 598-13-690-453	PRIOR REFERENCE P. 41, 46, 57, FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1966	SCHEDULED FINAL OBLIGATION FY: 1977

Project Target and Course of Action: To augment the teaching and research faculties of Latin American universities by providing advanced academic training in disciplines oriented to the social and economic growth of developing nations. The training program is directed by LASPAU, Inc., a voluntary association of 340 U.S. and Latin American colleges and universities. Students are selected on the basis of academic standing, financial need and dedication to a university career. They receive up to four years of training leading to an M.A. or Ph.D. The average training period is two-and-a-half years. Upon return to their homelands participants are obligated to serve as full-time staff members of their sponsoring universities.

Progress to Date: Since 1966 more than 1,200 LASPAU scholars representing 128 Latin American universities, have attended 175 U.S. colleges and universities in 38 states. Currently, 535 continuing scholars from 18 countries are studying in U.S. institutions. Approximately 60 percent are enrolled in science and technology with the remainder in business administration, agriculture education and the social sciences. By February 1, 1972, 375 LASPAU scholars had completed their degree programs, with 80 percent at the Master's level. It is projected that 85 percent of LASPAU's participants will complete their training programs successfully. The financial contributions to the program to date are: A.I.D. $6,540,000 for student maintenance and administration; $4,600,000 for U.S. university tuition and fees; host country institutions and students' contributions $1,200,000 for travel and language training.

FY 1973 Program: One hundred and eighty new LASPAU scholars will matriculate in September 1973. Total LASPAU enrollment for the period July 1, 1973, to June 30, 1974, will be approximately 665. During this period, the LASPAU staff will continue to improve student selection and placement, develop seminars in modern teaching techniques, and implement the recommendations stemming from an in-depth evaluation of the program that will be completed in June 1972. A new obligation of $2 million is planned.

U.S. Technicians - $153,000 for 18 full-time and one part-time LASPAU staff, including salaries, allowances, insurance and travel and per diem.

Participants - $1,752,500 for 665 new and continuing LASPAU scholars: $1,400,000 for 480 continuing students; $300,000 for 180 new students; $37,500 for 25 Merit Scholars; and $15,000 for summer seminars.

Other Costs - $95,000 for office equipment, communications and printing, computer test services, meetings and conferences, and rent, heat and light.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	9,253	7,241	2,012
Estimated FY 72	1,978	2,012	
Estimated through 6/30/72	11,231	9,253	1,978
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	2,000	7,600	20,831

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	-	150	150	-	153	153
Participants	-	1,728	1,728	-	1,752	1,752
Commodities	-	20	20	-	-	-
Other Costs	-	80	80	-	95	95
Total Obligations	-	1,978	1,978	-	2,000	2,000

PRINCIPAL CONTRACTORS/AGENCIES

Latin American Scholarship Program of American Universities, Inc.

Country: LATIN AMERICA REGIONAL

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Education Sector Support	EDUCATION AND MANPOWER TRAINING		TA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 598-13-690-506	P. 46, 56, FY 1972 LA P.D.B.	FY: 1970	FY: 1975

Project Target and Course of Action: To increase effectiveness of U.S. assistance to Latin American education by: (1) issuing guidelines for analysis and planning aimed at productivity increases; (2) improving analytical and management processes for countries such as Brazil, Colombia, Guatemala and Panama and (3) designing, carrying out and evaluating educational experimentations and innovations in the learning process; (4) assisting Brazil, Panama and Peru improve their education information-management systems; (5) assisting in the identification and collection of required data, and in its analysis for decision making and planning.

Progress to Date: (1) The general content of guidelines for facilities design and construction has been reviewed and approved; (2) 8 Latin American officials have been working at FSU on design for educational experimentation aimed at lowering unit cost; (3) assistance in information-management has been provided to Brazil and Peru; (4) following initial work on 8 countries, data for 5 countries has been reviewed for consistency and reliability on preparation for publication; (5) 2 workshops have been held on education sector analysis and experimentation.

FY 1973 Program: 1973 activities will be: (1) assistance to comprehensive education sector analyses will be provided to three countires; (2) guidelines for facilities design and construction promoting optimum use of new instructional technologies will be distributed in English and Spanish to the A.I.D. missions and the Latin American Education Ministries; (3) Latin American officials at the FSU campus will complete designs for educational experimentation aimed at lowering unit costs; others will come to the FSU campus to prepare or refine such designs; (4) assistance in improving their education/information-management systems will be provided to Brazil, Peru, Panama and Colombia; (5) education data reports providing information for analysis and planning and highlighting gaps will be published in Spanish for about seven countries; (6) new data needed for analysis and planning will be collected and analyzed.

U.S. Technicians - 3 long-term FSU professors on experimentation ($80,000); information-management specialist located in Brazil ($40,000); one long-term and one short-term professor for follow-up activities of facilities guidelines ($30,000); one long-term economist/analyst for data design, collection and analysis procedures ($25,000); short-term consultants for experimentation to lower unit costs and for planning ($20,000).

Other Costs - Under FSU contract, living allowances for Latin American experimental design specialists workshops, travel and per-diem, materials, reports, administrative services, etc., ($100,000); under U.S. data analysis and consultant contracts, travel and administrative services ($30,000); under Latin American data collection and analysis contracts, salaries for three long-term and two short-term analysts, travel materials and administration ($75,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	411	174	237
Estimated FY 72	310	299	
Estimated through 6/30/72	721	473	248
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	400	800	1,921

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians		240	240		195	195
Participants		-	-		-	-
Commodities		-	-		-	-
Other Costs		70	70		205	205
Total Obligations	-	310	310	-	400	400

PRINCIPAL CONTRACTORS/AGENCIES

Florida State University (FSU)
Other U.S. Contractors to be selected.

Country: LATIN AMERICA REGIONAL

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
New Initiatives	INDUSTRY AND URBAN DEVELOPMENT		TA
PROJECT NUMBER 598-15-290-549	PRIOR REFERENCE P. 66 FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1971	SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: There is a continuing need to explore and apply new initiatives to help solve some of the increasingly complex problems of development emerging in this decade. This project seeks to encourage and support the exploration, development and adaptation of new ideas, techniques, organizations and approaches by Latin America and U.S. institutions and individuals. Its purpose is to initiate promising innovative activities, usually on a pilot basis, in one or more Latin America countries -- activities which, if successful, can be continued in more than one country. Following President Nixon's October 31, 1969, speech on U.S. policy toward the Western Hemisphere and extensive discussions with the nations of Latin America, increased emphasis has been accorded to new initiatives in export promotion, tourism development, capital markets, and science and technology. Other areas of special interest for pilot activities are agriculture and food production and processing, education and training, and viable labor intensive industries and public works.

Progress to Date: Several activities initiated under this project in FY 1972 have developed into separate regional projects. These include Basic Village Education (598-15-690-551), Regional Export Promotion (598-13-950-550), and Industrial Research Institutes (598-15-290-553). Advanced analytical and computational techniques tested under this project are now being employed in the Agricultural Sector Support Project (598-13-190-546). Detailed information on progress to date is contained in the Table VI's of these projects.

FY 1973 Program: In FY 1973, $365,000 is proposed to permit initiation of new programs and expansion of continuing ones in the fields of export promotion, tourism, capital market development, and science and technology and to develop new approaches and techniques in other fields. These FY 1973 funds are additional to those already earmarked for specific projects included elsewhere in the FY 1973 presentation.

Better analytical tools and techniques are necessary to make the best use of limited development resources on complex goals such as employment, production in agriculture and industry, and efficiency, quality and accessibility in education and health. Funds will be provided to develop and test the use of input-output analysis, linear programming and simulation analysis in education, agriculture, health, and industry. Pilot activities will test and assess the impact of various technologies on production levels, quality, costs, and labor intensity and labor-management relations. Support may be provided to national or regional centers working in such fields as arid-land research, humid tropical area development and ocean resources.

Export development assistance will help to develop national export strategies, strengthen capabilities for identifying external markets and opportunities,

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	-	-	-
Estimated FY 72	-	-	
Estimated through 6/30/72	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	365	Cont.	Cont.

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians						
Participants						
Commodities						
Other Costs					365	365
Total Obligations					365	365

PRINCIPAL CONTRACTORS/AGENCIES

To be selected.

Country: LATIN AMERICA REGIONAL

PROJECT SHEET (Continued)

Sector: INDUSTRY AND URBAN DEVELOPMENT

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
New Initiatives	598-15-290-549

adapt national production to export requirements, and single out national and international legal and economic barriers to export expansion. Particular emphasis will be placed on techniques of promotion and on training of export development personnel, e.g., commercial attaches. Coordinated multilateral programs will be developed under the aegis of the Special Committee on Consultation and Negotiation (SCCN) of the Inter-American Economic and Social Council (IA-ECOSOC) which has been charged with recommending appropriate measures within the inter-American system to facilitate development.

Assistance for development of capital market and tourism will complement that provided by the Organization of American States and will support activities initiated by individual countries on a bilateral basis.

Country: LATIN AMERICA REGIONAL

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Demographic Population Programs 598-15-570-438, 456, 470 and	POPULATION AND HEALTH		Population
PROJECT NUMBER 598-15-580-477, 479	PRIOR REFERENCE p. 38-40, FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1965	SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: The program objectives are to 1) assist in the provisions of basic health services including population programs, 2) help Latin American leaders recognize population as a determining factor in all sectoral planning, 3) assist in the expansion of motivation programs. All efforts toward these targets will be coordinated with the host governments and international agencies. In addition to contributions to other donor programs, this activity funds regional advisory services to develop and evaluate innovative subprojects in motivation, education and training.

Progress to Date: Since the mid-1960's A.I.D. has supported the efforts of international public and private organizations which were performing demographic and biomedical research and financing small family planning clinical programs in Latin America.

Among the private sector organizations, the International Planned Parenthood Federation (IPPF) now has 32 affiliates in Latin America. The success of the IPPF programs can be measured by the participation of host countries in introducing official family planning programs or making government facilities available to the affiliates for family planning activities. Government participation now exists in some degree in nearly all Latin American countries.

The Pathfinder Fund, a small, private, nonprofit U.S. organization which conducts pioneering programs in family planning has advanced the acceptance of family planning services through development of new approaches in motivation and delivery of family planning services. These include development of mass communications programs geared toward obtaining wide acceptance of contraceptives and use of mobile clinics to bring family planning programs to rural areas.

The Population Council, a private, nonprofit U.S. organization which fosters research, training, and technical consultation and hospital-based post-partum programs, has established such post-partum family planning programs in 50 hospitals and five clinics in three countries and assisted Latin American training and research centers. It supports the establishment of population and demography courses in public health schools and funds research and evaluation studies carried out by Latin American institutions in eight countries.

The Pan American Federation of Association of Medical Schools (PAFAMS) has introduced family planning in maternal and child care courses in Latin American medical schools, thereby exposing doctors to the need for increased emphasis on family planning.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	23,032	14,490	8,542
Estimated FY 72	6,015	8,518	
Estimated through 6/30/72	29,047	23,008	6,039
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	8,535	Cont.	Cont.

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	–	302	302	–	377	377
Participants	–	1,100	1,100	–	380	380
Commodities	60	259	319	60	653	713
Other Costs	80	4,214	4,294	90	6,975	7,065
Total Obligations	140	5,875	6,015	150	8,385	8,535

PRINCIPAL CONTRACTORS/AGENCIES

Population Council, Pan American Federation of Associations of Medical Schools, Pan American Health Organization, Regional Technical Aids Center, George Washington University, Tulane University, Airlie Foundation

Country: LATIN AMERICA REGIONAL

PROJECT SHEET (Continued)

Sector: POPULATION AND HEALTH

TABLE VIa

PROJECT TITLE	PROJECT NUMBER
Demographic Population Program	598-15-570-438, 456, 470 and 598-15-580-477, 479

The Pan American Health Organization (PAHO) the regional division of the World Health Organization, has taken a position of leadership in evolving health rationales for integrating family planning services and population dynamics in Latin American health programs. PAHO is working with member governments on the extension of family planning programs as integral parts of existing national health services.

FY 1973 Program: $8.535 million program is proposed for four main program areas.

1. Support to Other Donor Organizations ($3,450,000):

PAHO: $2 million to complete a total five million dollar contribution for a hemisphere-wide education, training, administration and development program to implement national efforts including post-partum and clinical family planning services. PAHO's population programs will be an integral part of existing national health services. A.I.D. and other donors will annually approve program plans. The $2 million will fund six U.S. technicians ($150,000); 500 short- and long-term participants for training in the United States and Latin America ($300,000); contraceptives, medical and office equipment ($350,000); headquarters staff costs and service costs for country programs throughout Latin America ($1,200,000).

Population Council: a) $500,000 for subgrants to Latin American national and regional institutions for demographic research, attitude surveys, and research and evaluation of public and private family planning services; b) $500,000 for continuing support to a national association of medical schools program for training medical and paramedical personnel; research related to population; and incorporation of teaching of demography and family planning in medical school curricula. In addition to these two Latin America Bureau activities, A.I.D. assistance to the post-partum programs is now covered under a worldwide grant.

PAFAMS: $300,000 total to provide training for sixty participants in Latin America ($80,000); research and training centers, seminars and local staff ($217,000); office supplies and materials ($3,000).

Regional Technical Aids Center: $150,000 for Spanish translations and publication of population books for distribution in Latin America by this Center located in Mexico.

2. Motivation and Education ($2,385,000 Reg. Adv. Services)

Airlie Foundation: $385,000 for this private foundation which has prepared documentary films in Latin America, to cover four U.S. technicians ($75,000); filming materials, travel, and local technicians ($310,000).

In-Depth Motivational Research and Evaluation: $200,000 for an organization not yet selected to identify optimal motivating content for disseminating family planning information. Studies will be conducted to test effectiveness of presently used messages, and to test new messages to be used in all forms of mass media. Funding will provide the services of two part-time U.S. contract staff members ($18,000); research in message development, and Latin American staff ($182,000).

Evaluation of Print Media: $400,000 for George Washington University provides cost-benefit data on the relationship between print media and acceptance of family planning practices. Printed materials will be developed and tested. Funds are for three U.S. technicians ($64,000); paper and other printing supplies ($100,000); field staff and data processing ($236,000).

Population Education: $150,000 to set up teams of consultants to provide technical assistance to the new programs of population--education in non-formal education systems.

PROJECT TITLE: Demographic Population Program

PROJECT NUMBER: 598-15-570-438, 456, 470 and 598-15-580-477, 479

Population Communications Center: $500,000 for a new center, to be established in Latin America, which will utilize communications techniques to inform leaders of implications of population growth for their respective fields. This subproject will fund office and research materials ($50,000); staff and travel to gather, study, and disseminate information about population problems (450,000).

Leadership Grants: $500,000 for travel grants to student leaders, religious leaders, chiefs of state, legislators, educators, social welfare administrators, industrialists, etc., to observe the effects of uncontrolled fertility in other less-developed countries and the efforts of ongoing population programs in those countries.

Radio Spots: $250,000 to devise and distribute radio information programs in several Latin American countries.

3. Training ($350,000 Reg. Adv. Services)

Leadership Training for Women: $50,000 for seminars organized by the Overseas Education Fund of the League of Women Voters. These seminars will seek to involve professional women at all levels in an active role in family planning programs.

Evaluation and Coordination: $300,000 for conferences, travel, and salaries for technical assistance in all aspects of family planning programs. This activity will permit A.I.D. to participate in donor group meetings with other agencies and private organizations.

4. Community Centers ($2,350,000 Reg. Adv. Services)

Integral Rural Health Program: $350,000 to Tulane University to establish a community preventive medicine center in conjunction with a medical school in a Latin American country. Funds will cover two U.S. technicians ($50,000); local staff and travel ($300,000).

Urban Fringe Areas: $2,000,000 to provide community family planning and health services in the ultra-rapid growth areas around major Latin American cities. Pilot activities will be integrated with other urban efforts in housing, health, education and manpower training. This activity will include one part-time U.S. technician ($20,000); office equipment, medical supplies ($150,000); local doctors and medical staff in four urban areas ($475,000); feasibility studies ($550,000); other local staff and travel ($805,000).

INTER-AMERICAN ORGANIZATIONS

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	-	-	-	-	-	-	-
Tech. Assist.	12,594	964	-	8,672	1,475	-	1,483
Population	-	-	-	-	-	-	-
Other							
Total	12,594	964	-	8,672	1,475	-	1,483
1972							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	14,861	798	-	8,560	3,015	-	2,488
Population	-	-	-	-	-	-	-
Other							
Total	14,861	798	-	8,560	3,015	-	2,488
1973							
Devel. Loans	-	-	-	-	-	-	-
Tech. Assist.	16,880	850	14	10,500	2,710	-	2,806
Population	-	-	-	-	-	-	-
Other							
Total	16,880	850	14	10,500	2,710	-	2,806

The Organization of American States (OAS) is the world's oldest international organization, uniting 24 republics of the Western Hemisphere in a "community of nations" dedicated to the achievement of peace, security and well-being for the Americas. Although best known as a tested instrument for collective security and the peaceful settlement of inter-American disputes, the OAS is directing more of its energies and resources to development programs conceived for the purpose of improving the quality of life for the people of the hemisphere.

Reflecting the substantial U.S. reliance on multilateral institutions, A.I.D. proposes to continue to make available a significant share of its Alliance Technical Assistance funds for OAS programs. $7,980,000 is proposed in FY 1973 to support programs of the Inter-American Economic and Social Council (IA-ECOSOC), the coordinating agency for OAS activities aimed at accelerating economic and social development. In addition, $8,900,000 is proposed for support of the Special Multilateral Fund (SMF). The SMF is the principal source for the provision of technical assistance by the Inter-American Council on Education, Science and Culture (CIECC)-the OAS body responsible for implementing programs of educational and scientific cooperation.

Inter-American Economic and Social Council (IA-ECOSOC)

The emerging OAS emphasis on development first became manifest within the IA-ECOSOC framework. A study made by Juscelino Kubitscheck and Alberto Lleras, former presidents of Brazil and Colombia respectively, concluded that the multilateral nature of the Alliance for Progress could be realized only when all countries, not just the United States, contributed to the support of multilateral programs and assumed greater responsibility for implementation of Alliance objectives through inter-American organizations. One result of this study was the creation in November 1963 of the Inter-American Committee on the Alliance for Progress (CIAP). CIAP, the executive committee of IA-ECOSCOC, conducts annual reviews of the development performance of OAS member states.

Establishment of a multilaterally-financed Special Development Assistance Fund (SDAF) in January 1965 was another result of the Kubitscheck-Lleras study. The SDAF continued activities on a cost-sharing basis that had previously been financed with funds provided solely by the U.S. Government. The IA-ECOSOC technical assistance and training projects, which SDAF supports, are being concentrated on a smaller number of high-priority activities. IA-ECOSOC has forwarded to the OAS General Assembly a budget for the biennium (corresponding to fiscal years 1973 and 1974) which highlights (1) integrated physical resource development projects with emphasis on multi-country aspects -- for example, the River Plata Basin Project; (2) tax policy and reform; (3) social development, with the focus on improvement of urban conditions and the problems of employment and income distribution; and (4) continued support of eight Inter-American Centers which carry out a broad range of training activities.

At the IA-ECOSOC meeting in January 1972, the U.S. pledged, subject to the availability of funds, up to $5,145,000 for SDAF activities in FY 1973. This pledge maintains the 66:34 ratio of U.S. contributions matched against Latin American payments.

President Nixon, in offers made at the IA-ECOSOC meeting of February 1970, sought to strengthen further the multilateral framework for hemispheric development. The United States announced that it would provide $3 million to reinforce CIAP technical staff, so that CIAP could better manage its enlarged multilateral responsibilities, and up to $5 million to enable CIAP to finance regional and country studies of policy and institutional changes required for strengthening capital markets. A.I.D. proposes in FY 1973 to make a final payment of $1 million for strengthening CIAP technical staff and a fourth payment of $1 million for capital market studies. In addition, $125,000 in FY 1973 funds is proposed to complete a $500,000 contribution to the OAS for regional programs in tourism- another area of Presidential and Latin American emphasis.

The Inter-American Export Promotion Center (CIPE), established in 1968, provides specialized services needed to identify and promote new exports, facilitates the placing of Latin American products in international markets, and provides technical support to national and sub-regional export promotion agencies. U.S. support for CIPE is consistent with the President's 1970 pledge offering increased U.S. assistance to promote Latin American trade expansion. As in the case of SDAF, the U.S. pledge level for CIPE of up to $710,000 for FY 1973 maintains the 66:34 ratio of U.S. to Latin American payments.

Inter-American Council on Education, Science and Culture (CIECC)

CIECC's Special Multilateral Fund (SMF) stems from a summit meeting in 1967, when the Presidents of the Americas agreed to develop multilateral programs to modernize and strengthen Latin American educational, scientific and technological capabilities. At a meeting in Maracay, Venezuela, in February 1968, the Inter-American Cultural Council (CIECC's predecessor) adopted a plan of action to implement the programs.

These programs reflect the conviction, shared by the United States and Latin American countries, that the long-term growth and development of the region require cooperation emphasizing quantitative expansion and qualitative improvement of education systems, scientific and technological interchange, and upgrading the region's training and research institutions. These programs aim to enhance the human resource and institutional bases for economic development by working through selected multinational "centers of excellence" and by strengthening national institutions.

The education program is concentrated on educational planning and administration; curricula; educational technology, innovation and research; and technical and adult education. The emphasis of the science program is on advanced training and research in basic and applied science; scientific and technological planning; and technological change, transfer and innovation.

A.I.D. proposes to make available approximately $8.5 million in FY 1973 in further support of SMF programs. We are also considering furnishing up to $400,000 as a special contribution on an exceptional basis for a pilot regional project to study alternative means for transferring technological knowledge to less developed Latin American countries to accelerate their national development.

TABLE V

CONTRIBUTIONS TO INTER-AMERICAN ORGANIZATIONS

PROJECT FISCAL SUMMARY
(Dollar Amounts in Thousands)

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			
Special Development Assistance Fund (SDAF)	*	598-15-995-435	1965	cont.	29,142	29,142	-	7,275	7,275	-	7,270	cont.	cont.
Special Multilateral Fund For Education, Science and Technology	*	598-15-995-475	1968	cont.	16,408	16,408	-	6,911	6,911	-	8,900	cont.	cont.
Inter-American Export Promotion Center (CIPE)	*	598-15-495-476	1968	cont.	1,586	1,586	-	675	675	-	710	cont.	cont.
				Total (including population)				14,861	14,861	-	16,880		

*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			
Participating agency			
Contractor technicians			
Total			

NUMBER OF PARTICIPANTS

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

PROJECT TITLE	SECTOR		FUNDS
Special Development Assistance Fund (SDAF)	ALL SECTORS		TA
PROJECT NUMBER 598-15-995-435	PRIOR REFERENCE pp. 76-78, FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1965	SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: To join in a multilateral effort to support programs of the Inter-American Economic and Social Council (IA-ECOSOC) with special emphasis on the Special Development Assistance Fund (SDAF). The SDAF supports multilateral technical assistance, research, and training activities. Its budget and program are monitored by IA-ECOSOC and its Permanent Executive Committee, the Inter-American Committee for the Alliance for Progress (CIAP).

Progress to Date; The SDAF has provided technical assistance in such fields as tax policy, natural resources, public administration, and social development to member of the inter-American system. Nearly one-third of SDAF assistance is channeled through eight Training Centers located in various Latin American countries. Direct technical assistance is provided by the OAS Secretariat staff or by technicians under short-term contract. Training is also provided by fellowships both in the United States and Western Europe, the latter as part of European assistance channeled through the OAS. Through June 30, 1971, SDAF financed 11,961 fellowships to the inter-American centers (to which it also provides instructional and operational staffs); the estimate for FY 1972 is for 2,775 additional fellowships. SDAF also provided partial financing of 2,680 fellowships for study in European countries (457 estimated for FY 1972), and 2,955 man-months of short-term specialists to work for requesting member states (1,339 estimated for FY 1972).

A U.S. member participates in the CIAP Budget Subcommittee review of all programs and activities. Special emphasis is given to the following fields:

Tax Reform activities seek to strengthen Latin American tax systems, improve their administration, and provide technical training to tax administration officials. Since 1963, assistance has been provided to 14 member states and to regional organizations: the Central American Common Market, the Latin American Free Trade Association, and the Andean Group.

Public Administration programs aim to promote the creation or improvement of national institutions to accelerate administrative modernization and maximize development prospects. To date, technical assistance has been given to 21 member states and over 2,000 officials have received training. In the FY 1972/74 biennial budget cycle, emphasis will be on training in budget management.

Labor: Training and technical assistance have provided for the establishment or improvement of manpower planning, vocational training coordination, minimum wage systems, workers' banks and trade union research departments. At the request of OAS members in the Caribbean area, the SDAF is starting a pilot project on employment-generation

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	29,142	29,142	-
Estimated FY 72	7,275	7,275	
Estimated through 6/30/72	36,417	36,417	-
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	7,270	Cont.	Cont.

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians		-	-		-	-
Participants		-	-		-	-
Commodities		-	-		-	-
Other Costs		7,275	7,275		7,270	7,270
Total Obligations		7,275	7,275		7,270	7,270

PRINCIPAL CONTRACTORS/AGENCIES

Organization of American States (OAS)

Sector:

PROJECT TITLE	PROJECT NUMBER
Special Development Assistance Fund (SDAF)	598-15-995-435

with the objective of identifying programs in which labor-intensive technologies can be used.

In Urban Development, specialists have been organized into regional teams, each one serving a different group of countries. Their principal objectives are to assist in formulating national policies and strategies for urban growth as part of national development plans; to assist municipal authorities in organizing coordinated programs of local planning, infrastructure, and public services; and to stimulate closer collaboration between public and private institutions for the improvement of housing production technology.

National Statistics assistance is facilitating collation and evaluation of information from the 1970 Census of the Americas; improvement of the organization, operation, and production of the national statistical services, and the training activities at the national and regional level being carried out by the Inter-American Statistical Training Center (CIENES).

Natural Resources assistance is directed at improving capabilities of national institutions to design and execute resource investigations, to prepare loan proposals for the study and implementation of resource development projects, to conduct cadastral surveys as the basis of land tax systems designed to stimulate improved use of land resources, and to establish sound resource management policy and legislation. Training activities are carried out through two inter-American training centers, one in development of water and land resources, and the other in project formulation and evaluation.

Social Development activities provide training and research through the Inter-American Center for Integrated Social Development. This Center helps meet national needs for qualified personnel to prepare and administer social development programs.

Regional Development. The SDAF is playing a major role in developing the needed information to start the multi-country development of the River Plate Basin involving Brazil, Bolivia, Paraguay, Argentina, and Uruguay.

CIAP Staff Stregnthening. CIAP has used funds provided for strengthening its staff to improve preparatory work for its annual reviews of country development performance, improve the follow-up procedure, and stregnthen the inter-agency consultative system. By augmenting the country desk staff, placing senior economists in the field, providing greater professional depth and breadth in the sectoral units, and strengthening the interagency consultative mechanism, the country reviews have been able to examine in greater detail specific problems areas and have pointed directions toward concrete solutions. New activities supported by this program include a series of special studies on foreign private investment and establishment of five working groups on aspects of a strategy for development.

Capital Market Studies. Funds transferred to the OAS for capital markets studies have been used for: 1) Symposia in Colombia and Central America, with participation of individuals of the public and private sectors responsible for decision-making on capital market development. The Colombia symposium generated a proposal for an A.I.D. capital markets loan. Other symposia are in preparation for Jamaica, Paraguay and Argentina. 2) Surveys in Venezuela and Jamaica to analyze the financial and capital markets, identify weaknesses, and propose measures to overcome them. Additional surveys are scheduled for seven other countries. 3) Technical assistance provided by the OAS staff on short notice to meet specific needs. 4) Studies covering problems common to common market development are being used as basic reference material in the symposia.

PROJECT TITLE	PROJECT NUMBER
Special Development Assistance Fund (SDAF)	598-15-995-435

Tourism Year of the Americas. The OAS Tourism Development Office, working with the U.S. Travel Service and A.I.D, has designed a program to stimulate increased tourism to and within Latin America. A Program Coordinator is on board, and a field representative is surveying programs of national tourism offices and helping to refine these programs. Contracts have been prepared for design and construction of two traveling theaters and other promotional devices, and for printing of $350,000 promotional items in five languages.

FY 1973 Program. The proposed U.S. contribution of $5,145,000 to SDAF in FY 1973 will maintain the 66:34 ratio of U.S. contributions matched against Latin American payments. Major components of the SDAF program will continue to be: 1) public finance covering tax policy, budget management, and general fiscal reform; 2) institutional development for public agencies; 3) general technical assistance; especially as requirements are developed through CIAP country reviews; 4) improvement of employment and income distribution through labor and social security projects; 5) urban development; 6) rural and urban social development through such operations as the Israel/OAS/Inter-American Development Bank teams, the Inter-American Training Center in Buenos Aires and cooperative programs; 7) statistics including an Inter-American Center; assistance in analyzing 1970 censuses; and technical assistance to national statistical programs; 8) regional development through the National Resources Program, the Inter-American Center for Project Development in Brazil and the Center for the Development of Land and Water Resources in Venezuela; and 9) assistance to strengthen national tourism agencies. In addition it is proposed to make further payments of $1 million each -- to fulfill President Nixon's offers announced at IA-ECOSOC in February 1970 -- for strengthening CIAP staff, and for capital markets studies. It is also proposed to provide $125,000 to complete the payment of a U.S. contribution in support of the Tourism Year of the Americas.

CONTRIBUTIONS TO INTER-AMERICAN ORGANIZATIONS

PROJECT SHEET

TABLE VI

PROJECT TITLE	SECTOR		FUNDS
Special Multilateral Fund for Education, Science and Technology	EDUCATION AND MANPOWER TRAINING		TA
PROJECT NUMBER 598-15-995-475	PRIOR REFERENCE pp. 79-80, FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1968	SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: The Special Multilateral Fund (SMF) of the Inter-American Council for Education, Science and Culture (CIECC) supports two regional development programs, one in education and one in science and technology. Activities, selected for their impact in mobilizing additional resources from the recipient countries, include: 1) Postgraduate training by "centers of excellence", located in more developed OAS member countries, for students from other countries of the hemisphere; 2) Strengthening institutions, especially in the relatively less developed member states, through experts' missions, exchanges of professors and researchers, and scientific equipment and library materials; 3) Basic and applied research of multinational interest carried out through the exchange of researchers among the member states and through support for local research endeavors; and, (4) Professional meetings and studies to consider key development problems.

Program decisions are made by all participating countries: projects are approved from a technical standpoint by two specialized inter-American committees, one for education and another for science and technology. These committees are composed of distinguished educators and scientists from the U.S. and Latin America. A Permanent Executive Committee of CIECC reviews and evaluates projects for their consistency with policy guidelines, program priorities and objectives, and budgetary feasibility; it also oversees program implementation. A Budget Subcommittee on which the U.S. is represented, was created in 1971 to assist the Executive Committee by making detailed analyses of projects and budgets.

Progress to Date: Support for SMF programs is growing steadily. The annual budget has increased from a $1.5 million level in FY 1968 to $13 million for FY 1973. Latin American payments have risen from $752,000 in FY 1969 to over $2.7 million for just the first eight months of FY 1972. Some 2,000 persons have received training, ranging from graduate degree training to short-term courses, and involving more than 200 institutions in Latin America.

Examples of specific results include: creation of a new Faculty of Food Technology at the University of Campinhas near Sao Paulo, Brazil; in Colombia, patenting of a process for making bread from corn, following research on alternatives to wheat; evaluation of Ecuador's national education plan to identify objectives achieved and necessary modifications; continuation of research on high energy physics at the Cosmic Ray Laboratory in Chacaltaya, Bolivia; reform of technical education in Paraguay and agricultural teaching in Peru, through support provided by a multinational center located in Argentina; and investigation of crop extracts by the Central American Institute of Technology.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	16,408	16,408	-
Estimated FY 72	6,911	6,911	
Estimated through 6/30/72	23,319	23,319	-
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	8,900	Cont.	Cont.

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians						
Participants						
Commodities						
Other Costs		6,911	6,911		8,900	8,900
Total Obligations		6,911	6,911		8,900	8,900

PRINCIPAL CONTRACTORS/AGENCIES

Organization of American States (OAS)

Sector: EDUCATION AND MANPOWER **TABLE VIa**

PROJECT TITLE	PROJECT NUMBER
Special Multilateral Fund for Education, Science and Technology	598-15-995-475

FY 1973 Program: The education program will continue to emphasize educational planning and administration; curriculum; and educational innovation, research and technology. The science and technology program will continue to concentrate on scientific infrastructure -- encouragement of specialization in the basic sciences (mathematics, physics, chemistry, bio-chemistry, and genetics); technological infrastructure -- the applied sciences (agricultural sciences, marine sciences, earth sciences, and engineering); technological development -- research in food technology and nutrition, metallurgy, pulp and paper, and standardization; and scientific and technological planning -- assistance in formulation of national policies and studies on technological innovation and transfer. It is expected that the programs executed in FY 1973 will accord greater importance to:

1) diagnosis of needs and planning projects in relatively less developed countries;
2) expansion of services and numbers of "centers of excellence",
3) follow-up support of returned trainees;
4) evaluation and revision of programs; and
5) technological innovation, through a special pilot project, as well as consideration of problems identified at an inter-American conference in Brasilia in May 1972 on application of science and technology to Latin American development.

U.S. Contribution: Approximately $8.5 million of the FY 1973 request represents the U.S. pledged share, on a 66/34 basis, of the SMF budget approved by the General Assembly of the OAS at its annual meeting in April 1972, in Washington. U.S. payments may be greater, up to $9 million, depending upon Latin American pledges and payments on a matching basis. Up to $400,000 is earmarked for a special unmatched contribution to support technology transfer studies under the pilot project.

CONTRIBUTIONS TO INTER-AMERICAN ORGANIZATIONS **PROJECT SHEET** **TABLE VI**

PROJECT TITLE	SECTOR		FUNDS
Inter-American Export Promotion Center (CIPE)	INDUSTRIAL AND URBAN DEVELOPMENT		TA
PROJECT NUMBER 598-15-495-476	PRIOR REFERENCE pp 81-82 FY 1972 LA P.D.B.	INITIAL OBLIGATION FY: 1968	SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: The Inter-American Export Promotion Center (CIPE) of the Organization of American States seeks to support national export promotion efforts and enhance Latin American capacity to expand and diversify the region's exports in world markets. A collateral objective is to accelerate the integration and economic development of the region. Latin American countries have identified export promotion as an area of importance to economic development. The United States has joined in a cooperative effort to strengthen the export position of Latin America in accordance with President Nixon's pledge offering increased U.S. assistance to promote Latin American trade expansion.

Progress to Date; Established by the Inter-American Economic and Social Council (IA-ECOSOC) in 1968, CIPE has been active in all member countries and is now regarded by Latin American Governments and the private sector as a useful regional instrument for supporting national export promotion efforts. CIPE headquarters are in Bogota, Colombia, with a subregional office in Sao Paulo, Brazil and a liaison office in Washington. Branch offices in New York and Brussels are scheduled to open in 1972.

CIPE provides liaison agencies designated by the governments with the necessary specialized services to identify and utilize new export lines and to facilitate the successful entry of nontradional Latin American products into world markets. Special emphasis is placed on manufactured and semimanufactured commodities.

CIPE operations include: (a) the Information Service which provides national and subregional export centers with information on exportable supply and real and potential demand. A weekly bulletin alerts key public and private institutions in Latin America to the import requirements of major importers as well as to potential channels for distribution and sales. CIPE has carried out research and studies on products such as processed foods, ceramic ware, machine tools, and automobile parts and on problems such as transportation and the operation of export consortia.

(b) The Promotion Service supports national efforts to organize trade missions and participate in fairs and exhibitions. This Service publishes the monthly Nuevos Mercados (with a circulation of approximately 35,000) and special papers and monographs.

(c) The Technical Cooperation Service is concerned primarily with strengthening national export promotion agencies. To date, CIPE has helped eleven national export institutions to plan or implement work programs and has provided technical assistance to fifteen governments in specific problem areas such as export credit insurance,

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	1,586	1,586	-
Estimated FY 72	675	675	
Estimated through 6/30/72	2,261	2,261	
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	710	Cont.	Cont.

Cost Components	OBLIGATIONS Estimated FY 1972 Direct AID	Estimated FY 1972 Contract/Other Agency	Estimated FY 1972 Total	Proposed FY 1973 Direct AID	Proposed FY 1973 Contract/Other Agency	Proposed FY 1973 Total
U.S. Technicians		-	-		-	-
Participants		-	-		-	-
Commodities		-	-		-	-
Other Costs		675	675		710	710
Total Obligations		675	675		710	710

PRINCIPAL CONTRACTORS/AGENCIES

Organization of American States (OAS)

PROJECT TITLE	PROJECT NUMBER
Inter-American Export Promotion Center (CIPE)	598-15-495-476

transportation, quality control, packaging, and marketing. CIPE has also conducted roundtables in nine countries to examine means of introducing selected products into world markets. Courses in export marketing techniques have been held for executives from both the public and private sectors.

FY 1973 Program; Emphasis will be placed on priorities identified at a meeting of government experts on export promotion, held at Bogota, February 1972. Present plans include studies of potential export products in Bolivia, Panama, and Peru; continuation of a pilot program of seminars on economic issues for journalists as well as CIPE's regular promotional program, technical assistance in institutional development for export promotion for Barbados, Guatemala, and the Dominican Republic; seminars, roundtables, and studies on transportation, export credit insurance, packaging, external promotion techniques and port administration, and a repeat course on international trade focusing on policies and mechanisms for export promotion, particularly in the European market.

U.S. Contribution: The FY 1973 request of $710,000 represents the level pledged by the United States to meet its 66 percent share of the $1.1 million CIPE 1973 budget established by the General Assembly at its annual meeting in April 1972 in Washington.