

**INCOMPLETE**

**INTERNATIONAL DEVELOPMENT  
AND HUMANITARIAN ASSISTANCE ACT**

**PROGRAM AND PROJECT DATA**

**PRESENTATION TO THE CONGRESS-FY 1972**

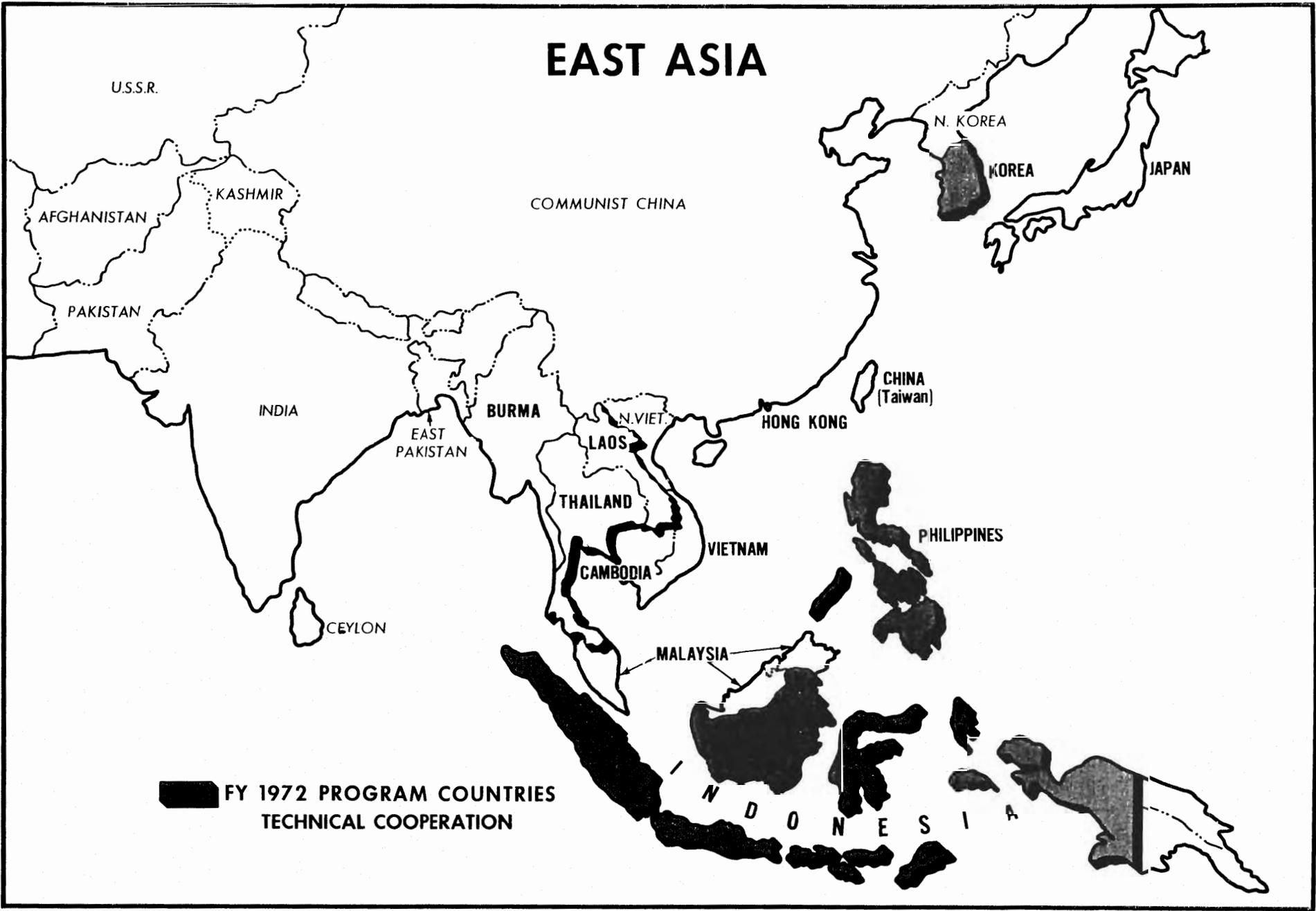
**EAST ASIA**

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# EAST ASIA



 **FY 1972 PROGRAM COUNTRIES**  
**TECHNICAL COOPERATION**

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TECHNICAL COOPERATION - REGIONAL SUMMARY

PROGRAM SUMMARY (In millions of dollars)						
FY	Agricultural & Rural Development	Population & Health	Education & Manpower Training	Industrial & Urban Development	Program Development & Support	Total
1970	5.8	8.0 <sup>a/</sup>	10.0	1.1	5.5	30.4 <sup>b/</sup>
1971	8.1	9.3 <sup>a/</sup>	8.6	0.9	6.4	33.3 <sup>b/</sup>
1972	6.9	11.3	9.4	0.9	5.3	33.8

a/ Includes Development Loan funded grants of \$6,889,000 in FY 1970 and \$8,390,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

b/ Excludes Public Safety of \$1,216,000 in FY 1970 and \$1,247,000 in FY 1971, which is included in the Economic Supporting Assistance presentation for FY 1972.

FY 1972 technical assistance is proposed for three countries in East Asia -- Indonesia, Korea, and the Philippines. In addition, technical assistance is requested for a regional program which involves several East Asia countries working together on common problems such as education, agricultural research and river basin planning.

Although each of the three countries has made significant economic progress over the recent past, continued growth will depend upon constantly expanding technology and the continued development of human skills and abilities to apply the new technology to developmental tasks. Improvements in the well-being of the people of the region will also depend upon achieving a population growth rate which is less than the increase in output of goods and services. It is to these goals that U.S. technical assistance programs are addressed.

Apart from family planning projects, our technical assistance in East Asia focusses on the priority areas of agriculture and education. The bulk of the population in each of the three countries receiving U.S. technical assistance gain their livelihood from agriculture. Despite the successes of the Green Revolution which produced rapid increases in grain production, protein malnourishment continues to be widespread. Despite lower costs of production, the benefits have not accrued to the farmers. Further production increases necessary to raise rural incomes continue to depend upon the use of improved plant strains, fertilizers, insecticides, and better techniques of cultivation. These improvements in turn require adaptive research and supporting institutions. Furthermore, equitable distribution of increased income can depend upon enlightened fiscal governmental policies.

Thus, we are assisting each of the countries in agriculture, working to strengthen their research capability and their supporting institutions, but concentrating primarily on training the people necessary to develop and spread the improved technology. Additionally, we are working as closely as possible with all levels of government in the formulation of enlightened policies to promote increases in agricultural production and the equitable distribution of the resulting increases in income.

In 1972, we plan to assign 48 Americans to work in agriculture and rural development activities in East Asia. We also plan to train a total of 118 nationals of the three countries either in the United States or in a third country. Of the total of \$33.8 million requested for technical assistance in the region in FY 1972, we plan to spent \$6.9 million in agriculture and rural development.

In Indonesia and Korea, the scarcity of skilled manpower constitutes a real brake on the pace of economic and social development. Thus, our largest programs of technical assistance in those two countries are in the fields of education and training.

The need for specialized skills and talents in Indonesia is particularly acute in the field of agriculture. Thus, we have concentrated our educational assistance there in (a) helping two advanced universities in graduate agricultural teaching, research, and extension, and (b) providing training abroad for Indonesians in agriculture and also in other fields which are critical to achievement of development goals.

Rapid economic development in Korea has outpaced the ability of the educational system to supply needed technical and managerial skills. This rapid economic growth has also been accompanied by increasingly urgent socio-economic problems such as inadequate housing, medical services, and other imbalances due to over-rapid urbanization. Thus, our technical assistance in education in Korea is focussed on helping (a) improve the planning for accelerated expansion of the educational system, and (b) develop institutions which will lead to better understanding of social problems and actions needed to resolve them.

In total, we plan to provide \$9.4 million in FY 1972 technical assistance funds for education and training purposes, including

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TECHNICAL COOPERATION - REGIONAL SUMMARY

the funding of 51 United States technicians and 397 participants.

With much of the benefits of economic growth being absorbed by rapidly expanding populations, there seems little chance of materially improving the well-being of the East Asians unless current population growth rates are reduced. Thus, the largest share of the FY 1972 technical assistance funds requested for the area will be allocated to family planning and health projects.

Family planning programs are underway in each of the three countries -- Indonesia, Korea, and the Philippines. We plan to allocate \$10.3 million in FY 1972 to support those country programs and a regional family planning program designed to provide training and research activities which have significance to more than one country.

The basic thrust of our assistance is to help each country expand its family planning services to reach as many women of child-bearing age as possible. Thus, we assist in training personnel, providing supplies, developing data and evaluation systems, and undertaking research programs.

In addition to the assistance outlined above, we plan to provide limited technical assistance in FY 1972 in the field of industrial and urban development. We propose a total of \$931,000 primarily to assist with (a) a geological survey and a promotional center for private investment in Indonesia, and (b) the modernization of Korean money and capital markets, and governmental planning for the further development of Korean science and technology.

**Program Summary**  
**By Category of Assistance and Method of Financing**  
(In thousands of dollars)

Program	FY 1970 actual	FY 1971 estimate	FY 1972 proposed
<b>Category of Assistance</b>			
U.S. Technicians .....	12,582	10,983	11,081
Participants .....	3,051	2,950	3,150
Commodities .....	4,171	5,696	6,726
Other Costs .....	10,633	13,705	12,868
<b>Total Assistance .....</b>	<b>30,437<sup>a/</sup></b>	<b>33,334<sup>a/</sup></b>	<b>33,825</b>
<b>Method of Financing</b>			
Direct A.I.D. ....	15,223	18,621	17,115
Other Agency .....	3,670	2,327	2,058
Contract .....	11,544	12,386	14,652
<b>Total Assistance .....</b>	<b>30,437<sup>a/</sup></b>	<b>33,334<sup>a/</sup></b>	<b>33,825</b>

<sup>a/</sup> Excludes Public Safety of \$1,216 thousands in FY 1970 and \$1,247 thousands in FY 1971, which is included in the Economic Security Assistance Presentation for FY 1972.

# EAST ASIA - BASIC DATA

BASIC DATA	UNIT	INDONESIA <sup>a</sup>	KOREA	-PHILIPPINES
<u>POPULATION</u>				
Total (Mid-1970).....	Millions	119.6	31.8	38.4
Annual Growth Rate.....	Percent	2.6	2.2	3.4
<u>AREA</u>				
Total .....	1,000 Sq. Mi.	735	38	116
Agricultural Land.....	Percent of Area	7	24	38
<u>LABOR FORCE</u>				
In Agriculture.....	Percent	70	50	53
<u>GROSS NATIONAL PRODUCT</u>				
Per Capita (1969 Est.) .....	Dollars	104	228	219
<u>TRADE</u>				
Total Exports (1969) .....	\$ Millions	975	622	855
Main Exports .....	Item	Petroleum & products Rubber	Veneer & plywood Fish	Coconuts Wood Sugar
<u>HEALTH AND EDUCATION</u>				
People per Doctor .....	Number	27,780	2,300	1,390
Life Expectancy .....	Years	48	58	55
Literacy Rate .....	Percent	43	71	72
Students as % of 5-19 Age Group.. (Primary & Secondary)	Percent	38	65	57

a - West Irian not included, except for population, area, and student data.

**SUMMARY OF TECHNICIANS AND PARTICIPANTS BY COUNTRY**

**REGION:** EAST ASIA

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		
	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972
Indonesia	46	42	40	5	4	2	13	6	10	64	52	52	237	344	297	-	42	81	237	386	378
Korea	69	63	48	1	7	20	15	6	14	85	76	82	149	155	110	32	-	3	181	155	113
Philippines	42	42	42	10	10	10	11	11	13	63	63	65	163	86	102	-	-	-	163	86	102
East Asia Regional Development	24	24	24	17	23	46	38	32	9	79	79	79	-	-	10	11	15	16	11	15	26
<b>Total .....</b>	181	171	154	33	44	78	77	55	46	291	270	278	549	585	519	43	57	100	592	642	619

**COUNTRY SUMMARY OF SECTOR ASSISTANCE**  
(in thousands of dollars)

REGION: EAST ASIA

COUNTRY	Total			Agricultural and Rural Development			Population and Health			Education and Manpower Training			Industrial and Urban Development			Program Development and Support		
	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972
Indonesia	4,819	7,182	7,325	227	399	490	430	1,750	1,825	1,775	2,306	2,767	221	380	393	2,166	2,347	1,850
Korea	4,564	3,853	4,100	897	616	862	888	800	800	952	1,130	1,343	779	511	318	1,048	796	777
Philippines	8,239	9,900	9,100	1,650	3,530	2,225	5,448	5,325	5,725	74	75	175	61	-	-	1,006	970	975
East Asia Regional Development	12,815	12,399	13,300	3,096	3,556	3,358	1,296	1,489	2,950	7,174	5,084	5,108	-	-	220	1,249	2,270	1,664
<b>Total .....</b>	<b>30,437</b>	<b>33,334</b>	<b>33,825</b>	<b>5,870</b>	<b>8,101</b>	<b>6,935</b>	<b>8,062</b>	<b>9,364</b>	<b>11,300</b>	<b>9,975</b>	<b>8,595</b>	<b>9,393</b>	<b>1,061</b>	<b>891</b>	<b>931</b>	<b>5,469</b>	<b>6,383</b>	<b>5,266</b>



AGRICULTURAL AND RURAL DEVELOPMENT

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## EAST ASIA

### AGRICULTURAL AND RURAL DEVELOPMENT

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	5.8	8.1	6.9

In 1970 total food production in East Asia was about 25% higher than it was in 1960. On a per capita basis, however, food production in 1970 was only 5% higher than it was in 1960, a growth rate of less than 1/2% per year, for the decade of the 1960s. Moreover, there was extensive malnourishment in the region in 1960, and the marginal increase in per capita production has done little to alleviate the problem.

Gains in total agricultural production during the 1960's were about the same as those achieved in food production alone. However, agricultural production on a per capita basis actually declined in Indonesia, due largely to the severe disruptions of the last years of the Sukarno regime, and remained about the same in the Philippines.

In view of the fact that the period witnessed a major breakthrough in the development of high-yielding rice strains the resulting performance was particularly modest. While the potential of the Green Revolution has not been fully realized, it did account for a portion of the increased production.

The performance in East Asia in increasing agriculture production reflects a number of continuing problems:

- (1) With the development of high-yielding rice strains, attention has been focussed on rice production with little effort to expand other crops. A much greater effort must be launched in research and extension to develop and disseminate improved seeds and technology for other crops.
- (2) The full potential of improved technology in rice as well as in other crops (the use of improved seeds, fertilizer, and cropping practices) depends upon expansion of existing institutions and facilities to meet the greater credit, storage, milling, distribution, and marketing needs.
- (3) Farmers must be assured of adequate return on their

investment to motivate widescale adoption of both the new rice strains and other crops such as sorghum, corn, etc.

#### Research

We are providing advisory assistance, training and limited commodity support to help develop a more effective research capability in Indonesia. A contract with the International Rice Research Institute (IRRI) of the Philippines will finance a share of this multi-donor effort which includes Japan, the Netherlands and the Ford Foundation. As a first step in improving coordination and administration of overall food crop research in Indonesia, advisory assistance will be provided to the Ministry of Agriculture to strengthen research administration. The FY 1972 cost of this project is \$305,000.

In the Philippines, techniques and methodology successfully employed to achieve rice self-sufficiency will be adapted to the production of corn, sorghum, fruits and vegetables. Specific programs to increase swine and poultry production are being developed in that country. A project begun there in FY 1971 to establish two inland fisheries research facilities, one for fresh-water fish and one for brackish-water fish, will be continued in FY 1972.

Additional feasibility studies for rural electrification cooperatives in the Philippines will be undertaken under a program designed to eventually establish 24-36 cooperatives.

While Korean agricultural research has been successful in developing a high-yielding rice variety adapted to Korean conditions, further research is needed on a broad front to develop improved seeds and technology in other areas. Under a joint project, A.I.D. will furnish advisors to the Koreans in the planning and coordination of their research efforts.

A number of research programs have been launched on a regional basis with benefits expected for more than one country. These are receiving multilateral support and merit U.S. assistance.

A total of \$1,375,000 in Technical Assistance funds is proposed in FY 1972 for these activities:

- support for maintenance and expansion of research and training at the IRRI in the Philippines at an annual rate of \$750,000. The Ford and Rockefeller Foundations are each contributing equal amounts and additional support is expected from other donors.

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### AGRICULTURAL AND RURAL DEVELOPMENT

- support for the regional Asia Vegetable Center in Taiwan (\$525,000) which will develop new varieties of vegetable seeds and improved technology adapted to the conditions of Southeast Asia.
- support for the Japanese-initiated Southeast Asia Fisheries Development Center (\$100,000). The Center includes a research department in Singapore and a training department in Bangkok. Japan, Thailand and Singapore have all contributed to this project and have also shared operational costs.

#### Infrastructure

Both Korea and the Philippines have concentrated on the development of infrastructure as the primary incentive to greater agriculture production. As a result, while strains have appeared, particularly in the Philippines, in individual elements, the supporting services and facilities demanded for the rapid increase in rice production in these two countries have on the whole done an adequate job.

Milling, storage, and marketing systems have been pressed sorely in the Philippines by the Green Revolution, and we plan to continue to provide support in the form of advisory services, training, and essential commodities to the Philippines Government to assist in expanding and upgrading these systems. The whole marketing process in Korea will be studied in connection with U.S. supported efforts to build a Korean research and planning capability as a basis for national policies.

In Indonesia, however, the institutions and facilities needed for expanded agricultural production are inadequate across a broad spectrum of educational, credit, distribution, and marketing sectors. Thus, the United States is assisting the Indonesian Government's Agriculture Extension (BIMAS) program which aims to increase food production, particularly rice, by accelerating application of modern technology, expanding and increasing the efficiency of the agri-business sector in providing new production inputs, expanding the availability of production credit on reasonable terms, and increasing the capability of the marketing system to merchandise the additional production at terms equitable to both producer and consumer.

While assistance is continuing in farmer education, our joint project will increasingly emphasize distribution of inputs, marketing, credit availability, and the broad area of agricultural incentives. An A.I.D.-financed Tennessee Valley Authority (TVA) team is providing short-term management assistance to the Government's fertilizer distribution agency and will be conducting a training course in fertilizer marketing. In addition, an A.I.D.-financed contract team is currently conducting a study of rice marketing, storage, and processing prior to major capital investment in these important areas. Short-term assistance is also being provided in the preparation of legislation concerning seed certification and criteria. In FY 1972 funding of \$185,000 is required for these activities.

#### Rural Development

Policies of central governments towards rural areas and the effectiveness of rural and provincial governments continue to be major concerns in East Asia. Generally, industrial and commercial growth has outstripped that of agricultural, and rural/urban disparities in incomes and living conditions continue to grow. At times, price ceilings on agricultural products have benefitted the politically-vocal urban consumer to the detriment of the rural farmer. The benefits of increased productivity are often not returned to the farmer to the extent necessary to induce greater output. There is at best a very sensitive balance between farmer subsidization (either directly as price supports or indirectly as improved infrastructure or irrigation systems) and consumer protection in terms of price ceilings and lower general taxes. However, the balance becomes much more delicate in basically agricultural countries where over half the population derives its livelihood from agricultural pursuits.

A.I.D. is helping to identify problems and to seek solutions in these areas in both Korea and the Philippines. In Korea, one project includes advisory services and training in both production techniques and the whole area of governmental agricultural policy, including such subjects as land rearrangement, agri-business activities and marketing systems. Under other projects, the United States assists in both undertaking research on Korean socio-economic problems and developing the Korean research capability to improve governmental policies, many of which effect the pace and direction of rural development.

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### AGRICULTURAL AND RURAL DEVELOPMENT

In the Philippines, U.S. technicians are working with national agencies, universities, private institutions, and provincial governors to improve local government administration and services. The establishment of Provincial Development Councils and 3 to 4-year development plans are being encouraged. Research and demonstration activities are being undertaken in cooperation with the University of the Philippines, private organizations, and local governments. These activities include testing and evaluating developmental problems, new methods of improving tax assessments and collections, and the development of more effective organizational systems. Training programs are also being developed with the University of the Philippines. We plan to allocate a total of \$725,000 to this project in FY 1972.

As a quite different aspect of rural development, we also intend to assist the Mekong Basin Program as a multilateral planning effort for rural areas of four riparian countries--Laos, Thailand, Cambodia, and South Vietnam. For FY 1972, \$1,417,000 in technical assistance is being requested to support this program.

The Mekong program assists the Mekong Coordinating Committee (MCC) in planning the development of the Lower Mekong River Basin. The Mekong River is the major single natural resource of mainland Southeast Asia. Exploitation of its hydro-power and irrigation potential could transform the Mekong Basin into a great power and food-producing region. As one of 27 countries, in addition to 12 United Nations agencies, participating in the Mekong Committee's work, the United States has contributed approximately 17% of the total resources so far devoted to the Committee's program.

The plan's aim is to identify development strategies and project priorities and recommend administrative and financial arrangements. United States-financed data and computerized systems analysis used by the MCC have helped in the completion of a first draft of an indicative Mekong Basin plan. The Committee is also expected to identify additional planning and research requirements needed to supplement economic and engineering project feasibility studies.

**PROJECT DATA SUMMARY**  
(Dollar Amounts in Thousands)

**TABLE II**  
**Part I**

**SECTOR:** AGRICULTURAL AND RURAL DEVELOPMENT

Project Title	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1970			Estimated FY 1971			Proposed Program FY 1972	Future Year Obligation	Estimated Total Cost
				Obligations	Expenditures	Unliquidated Obligations 6/30/70	Obligations	Expenditures	Unliquidated Obligations 6/30/71			
<b>Indonesia</b>												
Assistance to Agriculture	497-11-110-189	1969	1974	490	376	114	195	240	69	490		
Agricultural Research	* 497-11-110-198	1971	1975	-	-	-	204	20	184	185	300	1,170
										305	691	1,200
<b>Korea</b>												
Rural Policy Planning and Development	* 489-11-110-594	1956	1972	9,366	8,828	538	616	796	358	862	-	10,844
<b>Philippines</b>												
Water Resources Development	492-11-120-233	1969	1973	222	194	28	140	130	38	150	88	600
Agriculture Services	* 492-11-190-126	1967	1973	2,345	1,417	928	880	950	858	900	425	4,550
Equipment Pool Improvement	492-11-995-166	1967	1971	817	564	253	250	200	303	-	-	1,067
Provincial Development	* 492-11-995-236	1969	1973	910	477	433	2,080	1,010	1,503	725	1,005	4,720
Rural Electrification	* 492-11-220-248	1972	1976							200	800	1,000
Inland Fisheries	492-11-180-234	1971	1974				180	10	170	250	170	600
<b>East Asia Regional Development</b>												
Pa Mong Feasibility Study	498-11-995-133	1961	1971	13,582	13,081	501	6	507	-	3,358	-	13,588
Transportation/Communications Feasibility Studies and Transport Survey	* 498-11-995-210	1969	1975	2,610	873	1,737	300	600	1,437	566	1,500	4,976
Asian Vegetable Development and Research Center	* 498-11-130-212	1971	1975	-	-	-	675	20	655	525	1,800	3,000
Mekong Basin Development Planning	* 498-15-120-220	1970	Open	570	328	242	1,825	1,500	567	1,417	Undetermined	
International Rice Research Institute	* 498-15-130-221	1968	1975	750	400	350	750	500	600	750	2,250	4,500
SEA Fisheries Development Centers	498-11-180-226	1969	1973	100	80	20	-	20	-	100	100	300
<b>Total</b> .....							8,101	6,503	6,742	6,935		

\*Detailed project narrative--See Table III

**NUMBER OF U.S. TECHNICIANS (Program Overseas)**

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1970	Estimate FY 1971	Proposed FY 1972
A.I.D. employed .....	34	30	19
Participating agency .....	52	14	6
Contractor technicians .....	25	18	23
<b>Total</b> .....	111	62	48

**NUMBER OF PARTICIPANTS**

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1970	Estimate FY 1971	Proposed FY 1972
Non-contract .....	50	91	111
Contract .....	6	4	7
<b>Total</b> .....	56	95	118

Country: INDONESIA

## PROJECT DATA

TABLE III

PROJECT TITLE <b>Agricultural Research</b>	SECTOR <b>Agricultural and Rural Development</b>	FUNDS <b>TC</b>
PROJECT NUMBER <b>497-11-110-198</b>	PRIOR REFERENCE <b>P. 12, FY 1971 EA PDB</b>	SCHEDULED FINAL OBLIGATION FY: 1971      FY: 1975

**Project Target and Course of Action:** The purpose of this project is to strengthen the planning, coordination and administration of agricultural research in Indonesia. While Indonesia has a large number of existing research institutions, the quality and extent of agricultural research has suffered from a shortage of adequately trained personnel and the lack of a coordinated national framework for planning and execution of research, establishing priorities, and programming full non-duplicative utilization of available resources. Improvement in this area is of prime importance to the achievement of Indonesia's agricultural goals.

This project will focus principally on rice research, as a first step in improving the coordination and administration of overall food crop research. Through a contract with the International Rice Research Institute (IRRI) in the Philippines, the United States will provide advisory assistance, participant training and commodity support to develop a rice research program which will utilize existing institutions and facilities, under the auspices of Indonesia's Central Research Institute for Agriculture. This will be part of a multi-donor effort, including Japan, the Netherlands and the Ford Foundation, designed to support the Indonesian National Rice Research Program. Particular attention will be paid to the development of effective interrelationships between agricultural research, extension and education. In addition, the services of an advisor on overall research adminis-

tration will be provided.

**Progress to Date:** This project derives in part from the recommendations of a joint U.S.-Indonesian Agricultural Research Survey Team, funded in FY 1969, which studied the organization, administration and orientation of agricultural research in Indonesia. To follow up the work of the Joint Team, additional short-term advisory assistance was provided in FY 1970.

The Indonesian Department of Agriculture has recently established an interdepartmental Board of Food Crops Research, with the initial responsibility for administering the National Rice Research Program. It is anticipated that the Board will gradually expand its activities to include coordination of all research activities of the Directorates-General for Agriculture, Animal Husbandry and Fisheries.

Since basic agreement has now been reached on the framework for administration of this project and its coordination among the several donors, a contract will be executed with the International Rice Research Institute in late FY 1971 to permit implementation to begin.

**FY 1972 Program:** A total of \$305,000 is requested. This will fund 4 full-time contract technicians, plus short-term assistance, in such areas as research administration, agronomy, plant breeding and statistics (\$220,000); U.S. academic training for 4 participants (\$34,000); and commodities for the rice research program, primarily laboratory supplies and field equipment (\$51,000).

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/XXXXXXXX				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1971			Proposed FY 1972			
Through 6/30/70	-	-	-		Direct AID	Contract/XXXXXXXXXXXXXXXX	Total	Direct AID	Contract/XXXXXXXXXXXXXXXX	Total	International Rice Research Institute
Estimated FY 71	204	20		U.S. Technicians		150	150		220	220	
Estimated through 6/30/71	204	20	184	Participants ....		34	34		34	34	
		Future Year Obligations	Estimated Total Cost	Commodities ....		20	20		51	51	
				Other Costs ....		-	-		-	-	
Proposed FY 72	305	691	1,200	Total Obligations		204	204		305	305	

Country: KOREA

## PROJECT DATA

TABLE III

PROJECT TITLE	Rural Policy Planning and Development	SECTOR	Agricultural and Rural Development	FUNDIS	TC
PROJECT NUMBER	489-11-110-594	PRIOR REFERENCE	P. 32, FY 1971 EA PDB	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
				FY: 1956	FY: 1972

**Project Target and Course of Action:** This project seeks to expand Korean agricultural production and increase productivity by providing advice on production techniques and government agricultural policies. Technical assistance is being provided at both the national and provincial levels with emphasis on: (1) increasing total production and per unit yields through expanded irrigation, land rearrangement, adequate applications of fertilizer and limestone, improved seed, expanded agricultural extension, and bringing new lands into production; (2) increasing rural income by shifts in types of crops, improvements in farm management and marketing techniques, and supporting agri-business activities; (3) improving agricultural policy decision-making within the Government; and (4) improving agricultural research.

**Progress to Date:** U.S. technicians have helped design, implement and evaluate programs to increase agricultural production. An A.I.D. horticultural advisor has been influential in expanding vegetable and fruit production through his efforts to introduce new varieties, establish research programs, and expand the use of hothouse and other exotic production techniques. Advisors have stressed the importance of proper fertilization. Chemical fertilizer use has increased from 478,000 M/T in 1968 to 558,000 M/T in 1970. Limestone applications have risen from 285,000 M/T in 1969 to 450,000 M/T in 1970.

The Korean Government has sought to stimulate agricultural sector growth by substantial yearly increases in

the budgets of the Ministry of Agriculture and Forestry and the National Agricultural Cooperatives Federation. Loans to farmers increased over 50% during 1969 to about \$207 million. During 1970 loans totaled \$550 million and by 1971 loans totaling \$600 million are projected. Barley self-sufficiency has been reached. Irrigation facilities have been expanded and improved on over 500,000 hectares. Several of the agri-business projects started by the Government's Agriculture and Fisheries Development Corporation are now operating at a profit and are suitable for purchase by private investors. U.S. advisors are assisting this Corporation.

**FY 1972 Program:** For FY 1972 \$862,000 is being requested for the final year of this project. This amount includes \$437,000 for 13 full-time and 2 short-term direct-hire technicians, \$40,000 for 3 short-term participating agency technicians, \$115,000 for 17 participants to receive training in the United States, and \$270,000 for the funding of 5 full-time and 7 short-term contract advisors. The contract services will be in the fields of agricultural production, policy planning, research and cooperatives.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS' AGENCIES			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1971			Proposed FY 1972		
					Direct AID	Contract Other Agency		Total	Direct AID	Contract Other Agency
Through 6/30/70	9,366	8,828	538							
Estimated FY 71	616	796								
Estimated through 6/30/71	9,982	9,624	358							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 72	862	-	10,844	Total Obligations	556	60	616	537	325	862

Country: PHILIPPINES

## PROJECT DATA

TABLE III

PROJECT TITLE	Agriculture Services	Agricultural and Rural Development		FUNDS	TC
PROJECT NUMBER	492-11-190-126	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION	
		P. 91, FY 1971 EA PDB	FY: 1967	FY: 1973	

Project Target and Course of Action: To assist the Philippine Government in achieving its established goals for increased agricultural production; self-sufficiency in rice, corn, feed grains, livestock and poultry; diversified farming; and increased levels of farm income.

Progress to Date: Farm output over the past 4 years has increased substantially in the Philippines. Progress can in part be attributed to the establishment of an overall coordinating body representing both the private and public sectors having an interest in agriculture. In addition to this, agricultural production has increased because of improvements in the areas of agriculture extension, rural credit, irrigation, price support programs and marketing and distribution. For example, since 1968 rice production has risen 20.8%, corn production 25.9%, poultry 29.5%, and hogs 27.7%. The increase in rice production has made the Philippines self-sufficient in this basic cereal crop, eliminating the need to import and saving an average annual expenditure of \$35 million in foreign exchange. The percentage of rice lands being planted to new high yielding rice strains has increased from 3% in 1966 to 21% in 1970. With increased production in poultry and hogs the demand for feedgrains has stimulated interest in sorghum and soy beans, both new to agriculture in the Philippines. Initial plantings under U.S.-assisted programs are expected to yield 4,000 metric tons of sorghum and 2,000 metric tons of soybeans in 1971. In other activities the United States has

helped to: (1) organize private seed growers associations and a pilot seed processing plant; (2) establish a radio marketing news service providing coverage of 14 principal markets through 29 radio stations; (3) improve crop reporting systems; and (4) set up a corps of marketing consultants to help farmers and farmers' cooperatives in marketing vegetables, fruits, feed grains and livestock. Agriculture credit programs, administered through a network of rural banks and through farmers' cooperatives, have been expanded through PL 480 local currency loans of \$6,538,460 in dollar equivalents.

FY 1972 Program: For FY 1972 \$900,000 is being requested. This amount will finance: (1) 7 direct-hire technicians (\$295,000); (2) 1 PASA technician from the Department of Agriculture (\$35,000); and (3) 2 contract technicians from Agriculture Cooperatives Development Institute (\$75,000). It will also provide training costs for 16 participants (\$70,000), and project commodities in the form of agricultural machinery and equipment, communications equipment, laboratory instruments and supplies, office machines, chemicals and chemical products, and transportation equipment (\$425,000).

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1971	Proposed FY 1972			Department of Agriculture	Agriculture Cooperatives Development Institute
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency		
Through 6/30/70	2,345	1,417	928							
Estimated FY 71	880	950		U.S. Technicians	255	85	340	295	110	405
Estimated through 6/30/71	3,225	2,367	858	Participants . . . .	75	-	75	70	-	70
		Future Year Obligations	Estimated Total Cost	Commodities . . . . .	465	-	465	425	-	425
				Other Costs . . . . .	-	-	-	-	-	-
Proposed FY 72	900	425	4,550	Total Obligations	795	85	880	790	110	900

Country: PHILIPPINES

## PROJECT DATA

TABLE III

PROJECT TITLE Provincial Development	SECTOR Agricultural and Rural Development	FUNDS TC	
PROJECT NUMBER 492-11-995-236	PRIOR REFERENCE P. 91, FY 1971 EA PDB	INITIAL OBLIGATION FY: 1969	SCHEDULED FINAL OBLIGATION FY: 1973

Project Target and Course of Action: The goal of this project is to advance the capability of provincial governments to undertake more effective local development programs. U.S. technicians working with officials of national agencies, universities, private institutions, and provincial governors will encourage the establishment of Provincial Development Councils, the development of 3 to 4 year development plans, the training of local government officials, and the improvement of local government administration and services.

Progress to Date: A special staff established within the National Economic Council to provide technical assistance to selected provinces became operational in July 1968 and special training was given to staff members and cooperating officials of 5 pilot provinces. By November 1968, programs had been started in 4 provinces. By 1970, the number of participating provinces had increased to 9. These provinces have created small development staffs and are developing short range development programs. Five have set aside special development funds in their budgets. Research and demonstration activities are being undertaken in cooperation with the University of the Philippines, private organizations, and local governments. These activities involve testing and evaluating the problems of local development, new methods of improving tax assessments and collections, and the development of better budgets and more effective organi-

zational systems. During FY 1970, locally financed programs increased in all 9 provinces. Real property tax collection has shown gains.

The University of the Philippines has worked closely with the U.S. Mission to develop training programs and has recommended the establishment of a new Department of Local Autonomy and Development. A pilot effort begun in 1968 to introduce rural electrification cooperatives to the Philippines has demonstrated the feasibility of the cooperative approach. It is now planned to carry out this activity as a separate and distinct project.

During October and November of 1970 severe typhoons struck the Philippine Islands, inflicting heavy damage and destruction. Contingency funds amounting to \$1.5 million were used under this project to repair and reconstruct severely damaged or destroyed schools.

FY 1972 Program: For FY 1972 \$725,000 is being requested. This amount will finance the cost of 8 direct-hire technicians (\$240,000) plus the contract cost for approximately 3 short-term advisors (\$25,000) and the PASA cost (Agriculture Department) for short-term advisors (\$35,000). It will also cover training costs amounting to \$70,000 for 36 participants, and commodities including such items as equipment for the agri-business demonstration office, training and educational aid equipment and farm demonstration equipment amounting to \$355,000.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	OBLIGATIONS						
				Estimated FY 1971		Proposed FY 1972				
				Direct AID	Contract/Other Agency	Total		Direct AID	Contract/Other Agency	Total
Through 6/30/70	910	477	433	Cost Components U.S. Technicians Participants .... Commodities .... Other Costs .... Total Obligations						
Estimated FY 71	2,080	1,010								
Estimated through 6/30/71	2,990	1,487	1,503							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 72	725	1,005	4,720	1,890	190	2,080	665	60	725	National Rural Electrification Cooperative Association

Country: PHILIPPINES

## PROJECT DATA

TABLE III

PROJECT TITLE Rural Electrification	SECTOR Agricultural and Rural Development	FUNDS TC
PROJECT NUMBER 492-11-220-248	PRIOR REFERENCE -	INITIAL OBLIGATION FY: 1972
		SCHEDULED FINAL OBLIGATION FY: 1976

**Project Target and Course of Action:** The objective of this project will be the establishment of 24 to 36 rural electric cooperatives in selected communities of the Philippines. Selection of the communities will be based on experience derived from two pilot cooperatives presently being established as a sub-activity of the Provincial Development project. Under a contract with the National Rural Electric Cooperative Association the United States will provide technicians to work with the newly-established National Electrification Administration of the Philippines in conducting feasibility studies of alternate sites, training Filipinos in methodology of conducting such studies, and developing training programs for cooperative management and administration. Technical assistance in monitoring individual project implementation will also be provided.

**Program to Date:** As a pilot activity under the Provincial Development project, two rural electric cooperatives, the first in the Philippines, are presently being established and will be operational this year. This pilot effort has served the purpose of proving the feasibility for rural electric cooperatives. The Philippine Government has decided that in order to modernize the country it should develop a national program, not only for rural electric cooperatives but also for a general electrification program. As one segment of an overall long range power development program for which a preponderance of funding will come from the Philippine Government and international

lending institutions, the United States will provide assistance in the planning and installation of additional rural electric cooperatives. This activity, to be pursued as a separate and distinct project beginning in FY 1972, will supplement a \$20 million development loan proposed for FY 1972 to fund the foreign exchange costs of the additional rural electric cooperatives.

**FY 1972 Program:** A budget of \$200,000 will fund an initial team of 6 National Rural Electric Cooperative Association technicians as advisors (\$170,000) and 7 participants who will be trained in the United States (\$30,000).

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/ <del>XXXXXXXX</del>							
Through 6/30/70	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS									
					Estimated FY 1971	Proposed FY 1972								
Estimated FY 71					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	National Rural Electric Cooperative Association			
Estimated through 6/30/71				U.S. Technicians				-	170	170				
				Participants ....				30	-	30				
		Future Year Obligations	Estimated Total Cost	Commodities ....				-	-	-				
Proposed FY 72	200	800	1,000	Other Costs ....				-	-	-				
				Total Obligations				30	170	200				



Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TAL 1.1 III

PROJECT TITLE Asian Vegetable Development and Research Center	SECTOR	FUNDS	
	Agricultural and Rural Development	TC	
PROJECT NUMBER 498-11-130-212	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
	P. 130, FY 1971 EA PDB	FY: 1971	FY: 1975

Project Target and Course of Action: The proposed Center will help improve nutrition and health in East Asia by upgrading the production, processing and marketing of vegetables within the region. The main thrust of the Center will be to: (1) expedite the adaptation and transfer of current Japanese and Chinese vegetable technology to other Asian countries; (2) develop new varieties and techniques to improve quality and productivity; and (3) provide training for member countries. The Center will also do research on fertilizer application, cultivation practices, preservation and storage. Participating countries will establish national experimental stations to which the Regional Center will furnish seeds, plant materials and information.

Outside of Japan and Taiwan, farmers in East Asia presently lack the technical skills to produce efficiently high quality vegetables. Little adaptive research has been done in Southeast Asia to take advantage of recent developments for improving productivity and quality.

Progress to Date: Regional Vegetable Center plans were first drafted in Taiwan in August 1968.

The project is currently estimated to cost \$7.5 million over a 5-year period. The United States agreed in principle to cover 40% of the total costs (\$3 million) if China contributed 30%, the Asian Development Bank 10% and other Asian donors 20%. The Government of China endeavored to secure pledges of adequate support from Asian prospective member countries. Both Korea and Thailand agreed to

underwrite 5% of the total cost over a 5-year period or \$375,000 each, Japan is considering lending technical assistance, and the Asian Development Bank agreed to consider a 10% contribution.

In November 1970, the problem of financing the proposed Center was reviewed. The United States will continue to provide up to 40% and Asian countries and the Asian Development Bank will provide the balance; the Government of China has undertaken to make up any short-falls. The Government of China is planning to call an organizational meeting in May 1971 to formally establish the Regional Vegetable Center and accept pledges from member countries.

FY 1972 Program: The \$525,000 proposed for FY 1972 will fund the following: personnel services of 5 technical advisors (\$125,000); commodities consisting of office equipment, machinery, tractors, etc. (\$325,000); and other costs including related travel and services, (\$75,000).

U.S. DOLLAR COST (In Thousands)				PRINCIPAL CONTRACTORS/AGENCIES							
Through 6/30/70	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
	Estimated FY 71	675	20		-	Estimated FY 1971			Proposed FY 1972		
						Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Estimated through 6/30/71	675	20	655	U.S. Technicians		200	200		125	125	
		Future Year Obligations	Estimated Total Cost	Participants ....		-	-		-	-	
				Commodities ....		475	475		325	325	
				Other Costs ....		-	-		75	75	
Proposed FY 72	525	1,800	3,000	Total Obligations		675	675		525	525	

Country: EAST ASIA REGIONAL DEVELOPMENT

## PROJECT DATA

TABLE III

PROJECT TITLE	Mekong Basin Development Planning	SECTOR	Agricultural and Rural Development	FUNDS	TC
PROJECT NUMBER	498-15-120-220	PRIOR REFERENCE	P. 129, FY 1971 EA PDB	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
				FY: 1970	FY: Reviewed Annually

**Project Target and Course of Action:** This project assists the Mekong Coordinating Committee to assemble and analyze data needed for development of the Mekong River Basin. The Committee recently completed a preliminary draft report of an Indicative Basin Plan, and now will require specialists to refine the plan and to assist in its implementation. As an overall basin development plan evolves, detailed studies will be needed to assure optimum use of resources. In July 1969 the World Bank accepted the United Nations Secretary General's invitation to become more closely associated with the development of the Mekong Basin. Recently the Bank has proposed that it establish and manage a fund for the purpose of developing and managing a series of related agricultural pilot projects in the 4 lower Mekong Basin countries. The World Bank plans to request donor countries of Western Europe and the United States to contribute to the program. (See Mekong Pioneer Project Development.)

The following are the kinds of planning activities for which the United States, the World Bank, and others will be asked by the Mekong Coordinating Committee to provide support: (1) provision of specialists to assist the Committee; (2) studies on the social and ecological consequences of Basin development; (3) studies of selected water resources projects; (4) studies of tropical soils and agriculture; (5) development of pilot projects in irrigation; and (6) examination of various health and rural organization projects.

**Progress to Date:** Project activities began in FY 1970 and substantial progress has been made. An Indicative Basin Plan was completed in the Fall of 1970. Committee seminars on the Plan, specific projects, and legal and institutional aspects of Mekong Development have been held. Ecological studies, social impact studies, and geologic resource investigations are underway.

**FY 1972 Program:** Total funding of \$1,417,000 is proposed for FY 1972. This includes funds for (1) a direct-hire technician (\$40,000); (2) a PASA advisor, 2 funds-in-trust advisors, and an agricultural economist to assist the Mekong Committee (\$186,000); (3) a Smithsonian Institution study of the ecology of water-borne diseases under PASA financing (\$150,000); (4) other costs to finance a Smithsonian Institution ecology study, a Nam Ngum fishery study, a potash and groundwater investigation, downstream benefits studies, a delta soils study, delta hydrology study, delta alluvial deposits study, miscellaneous systems analysis consultancies, selected training of Mekong Committee staff, plus project support and backstopping costs (\$901,000); and (5) commodity costs to support the above listed studies and technicians (\$140,000).

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1971	Proposed FY 1972					
Through 6/30/70	570	328	242		Direct AID	Contract/Other Agency	Total	Smithsonian Institution  International Bank for Reconstruction and Development			
Estimated FY 71	1,825	1,500	-	U.S. Technicians	74	549	623		40	336	376
Estimated through 6/30/71	2,395	1,828	567	Participants ....	-	-	-		-	-	-
		Future Year Obligations	Estimated Total Cost	Commodities ....	-	85	85		-	140	140
				Other Costs ....	16	1,101	1,117		61	840	901
Proposed FY 72	1,417	Undetermined		Total Obligations	90	1,735	1,825		101	1,316	1,417

PROJECT TITLE	International Rice Research Institute	SECTOR	Agricultural and Rural Development	FUNDS	TC
PROJECT NUMBER	498-15-130-221	PRIOR REFERENCE	P. 131, FY 1971 EA PDB	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
				FY: 1968	FY: 1975

Project Target and Course of Action: A.I.D. assistance enables the International Rice Research Institute to increase its capacity for research, training and technical assistance in the field of rice culture and production. This will help the Institute to extend its training and consultant services in the Far East and South Asia. The rapid spread of high yielding rice varieties by the Institute has led to more requests for training and technical assistance than it can meet with the existing facilities and staff.

The Institute was founded in 1962 by the Ford and Rockefeller Foundations with the cooperation of the Philippine Government. Located at Los Banos near Manila, it is staffed by about 25 scientists from 7 countries and does research in most fields of science related to rice plants.

The Ford and Rockefeller Foundations are continuing their support of the project at the same level as in FY 1971. The Government of Canada is currently considering support of the Institute for a 5-year period at a level equivalent to United States support. West Germany, the Netherlands and the World Bank are also considering lending support.

Progress to Date: The Institute has already demonstrated its ability to carry out research, training and consultant services. The development of the "Miracle Rice", IR-8, is the best known example.

Procurement of U.S.-source goods and services under

the A.I.D. program began in FY 1969; work was begun on expanded facilities in 1970 and will be completed in mid-1971. From 1962-1970, the International Rice Research Institute has trained a total of 550 agricultural scientists from 38 countries for 490 man-years of training. The major subjects studied include agronomy, varietal improvements, plant physiology and pathology, entomology plus research, extension and production training. The present capacity is about 80 man-years of training per year. The International Rice Research Institute has recently developed a new rice seed which is highly resistant to both insects and plant disease.

FY 1972 Program: \$750,000 is proposed for a 1-year grant to the International Rice Research Institute for support of its research and training budget. The Institute will use these funds primarily for U.S. laboratory equipment and supplies, vehicles and office equipment (\$465,000) and services such as international travel on U.S. carriers, insurance and short-term specialists (\$285,000).

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES		
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS				
					Estimated FY 1971			Proposed FY 1972	
					Direct AID	Contract/Agency		Total	Direct AID
Through 6/30/70	750	400	350					International Rice Research Institute	
Estimated FY 71	750	500							
Estimated through 6/30/71	1,500	900	600						
		Future Year Obligations	Estimated Total Cost						
				U.S. Technicians					
				Participants . . . .					
				Commodities . . . .	465	465	465		465
				Other Costs . . . .	285	285	285	285	
Proposed FY 72	750	2,250	4,500	Total Obligations	750	750	750	750	



POPULATION AND HEALTH

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## EAST ASIA

### POPULATION AND HEALTH

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 <u>a/</u> Actual	FY 1971 <u>a/</u> Estimated	FY 1972 Proposed
Technical Cooperation	8.0	9.3	11.3

a/ Includes Development Loan funded grants of \$6,889,000 in FY 1970 and \$8,390,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

In 1950, the population of the less developed countries of East Asia (excluding Communist China and Japan) totalled 185 million people. In 1965, it was 275 million - an increase of nearly 50%. By 1980, it will, if present growth rates continue, be over 400 million. At the same time, however, food production is growing only at a moderate rate.

Approximately 190 million people live in Indonesia, Korea, and the Philippines, the East Asian countries in which we are supporting family planning programs with technical assistance funds. Almost two-thirds of these people live in Indonesia whose population of about 120 million is growing at a rate of about 2.6% per year. Korea's population of 31.8 million is growing at a lower rate, 2.2% per year, and the Philippines' population of 38.4 million is growing at the fastest rate of the three, estimated at 3.4% per year.

Active family planning programs are underway in each country. The United States is increasing its support to these programs and plans to allocate \$11.3 million in FY 1972 technical assistance funds, or one-third of the total for the region, to the Population and Health sector.

Indonesia is the sixth most populous country in the world. At present growth rates, 2.6% per year, its population of about 120 million would double in 27 years. Two thirds of the population live on 7% of the land -- the islands of Java, Madura, and Bali which have a population density of about 1,500 people per square mile. This is the world's highest concentration of population engaged in agriculture and compares to a figure of about 700 people per square mile in the highly industrialized State of Massachusetts.

In recognition of the need for family planning services, the private Indonesian Planned Parenthood Association began programs in the late 1950's. However, official endorsement and support of family planning programs by the Government of Indonesia did not come until 1967 when President Suharto

adopted a positive policy that laid the groundwork for the establishment of public bodies to provide coordination and leadership for a national program.

In 1970, a National Family Planning Coordination Board was established by the Indonesian Government. The Board drew up a five-year plan (based on study jointly undertaken by IBRD/UNDP/WHO) which was approved by the Indonesian Government in late 1970. The targets of this plan are to have five million women practicing family planning by 1976 and a reduction in the population growth rate to 2% per year by that date.

The national program is concentrated on Java and Bali and will require both increased budget allocation by the Government (up 200% in 1971-1972 over the previous fiscal year) and continued support from foreign donors.

In FY 1972 the United States proposes to allocate \$1,825,000 to continue strengthening family planning medical/clinical services in Indonesia through the provision of advisory services, training and commodities. Commodity assistance will include contraceptives, vehicles, and equipment for the rapidly increasing number of clinics offering family planning services.

To further support family planning services, two closely related sub-activities are being started in FY 1971. The first will help train health educators required to staff Indonesia's expanding family planning program. The second will help develop Indonesia's ability to process, collect and evaluate statistical data essential to an effective family planning effort.

Korea was the first of the three countries to recognize officially the need for family planning. Faced with the resettlement of some six million refugees from North Korea and a post-war "baby boom," the country's population had reached a growth rate of 3% per year by 1960.

In 1962, the Korean Government initiated a ten-year national family planning program which has brought the population growth rate down to about 2.2% per year. This reduction was achieved by the establishment of a network of family planning health centers throughout the country. 850 such centers had been set up by June 1970. A national training and research center has been constructed and equipped with aid from the Swedish International Development Authority.

## EAST ASIA

### POPULATION AND HEALTH

A major goal of the Korean Third Five-Year Plan, which starts in 1972, is to reduce the population growth rate to 1.5% by 1976. Notwithstanding the record of progress to date, achievement of this goal will require revitalization of the family planning program. In FY 1972 A.I.D. plans to allocate \$800,000 for essential technical services, research and commodities.

The Philippines has a higher population growth rate, 3.4% per year, than either Indonesia or Korea. For a variety of reasons such as religious constraints and economic and cultural values favorable to large families, the Philippines Government did not adopt a national policy on family planning until 1970. However, numerous public as well as private institutions have been active in developing family planning services since the early 1960's.

U.S. assistance began in FY 1967 with a grant of \$210,000. Since then, our assistance in population programs has rapidly expanded, reaching \$5 million in FY 1971. Our aid provides support for numerous public and private institutions engaged in information and education activities, training programs, population research, demographic studies, and clinical services. At present some 224 public and private family planning clinics are active in the Philippines, with the annual rate of acceptors having reached 300,000 women of child-bearing age in 1971. An additional 400 clinics are planned for FY 1972. The Philippines Government has established a Population Commission comprised of senior representatives from both the public and private sectors and has submitted proposed legislation to the Philippine

Congress for an appropriation of funds to support the national Population Program. Included as an element of the program is a child nutrition activity that is designed simultaneously to educate Filipino mothers on family planning and on nutritional feeding of pre-school children.

A total of \$5.4 million is proposed for population and health programs in the Philippines for FY 1972. The United States will also continue its support to the Philippines Malaria Eradication program.

The A.I.D. regional program will help international organizations develop and maintain expanded family planning programs in East Asia. In FY 1972 \$2.3 million is proposed to finance: (1) a contract with the Population Council for advisory services and other assistance to countries in the region, (2) a family planning advisor working with the Colombo Plan, (3) continued support for the population program at the East-West Center in Hawaii, and (4) regional projects for the newly established Regional Population Program initiated at a meeting of Southeast Asian countries in Kuala Lumpur in November, 1970. This program includes demographic studies, training of key Asians, research, including evaluation of experience with contraceptives in Southeast Asia, and information activities.

SECTOR: POPULATION AND HEALTH

PROJECT DATA SUMMARY  
(Dollar Amounts in Thousands)

TABLE II  
Part I

Project Title	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1970			Estimated FY 1971			Proposed Program FY 1972	Future Year Obligation	Estimated Total Cost
				Obligations	Expenditures	Unliquidated Obligations 6/30/70	Obligations	Expenditures	Unliquidated Obligations 6/30/71			
<u>Indonesia</u> Family Planning	* 497-15-580-188	1968	Open	2,133	1,323	810	1,750	806	1,754	<u>1,825</u> 1,825	Undetermined	
<u>Korea</u> Health and Family Planning	* 489-11-580-649	1962	1976	3,537	1,682	1,855	800	1,293	1,362	<u>800</u> 800	3,200	8,337
<u>Philippines</u> Malaria Eradication	* 492-11-511-013	1953	1973	8,308	8,102	206	325	320	211	<u>5,725</u> 325	1,560	10,518
Family Planning	* 492-11-530-220	1967	1975	7,489	2,810	4,679	5,000	1,500	8,179	5,400	2,058	19,947
<u>East Asia Regional Development</u> SEATO Cholera Research	* 498-11-510-138	1959	1975	2,501	1,763	738	649	700	687	<u>2,950</u> 650	2,010	5,810
Regional Family Planning	* 498-11-580-200	1967	Open	3,885	789	3,096	840	1,500	2,436	2,300	Undetermined	
				<b>Total</b> .....			9,364	6,119	14,629	11,300		

\*Detailed project narrative--See Table III

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1970	Estimate FY 1971	Proposed FY 1972
A.I.D. employed .....	15	12	13
Participating agency .....	10	9	8
Contractor technicians .....	16	7	7
<b>Total</b> .....	41	28	28

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1970	Estimate FY 1971	Proposed FY 1972
Non-contract .....	176	73	76
Contract .....	-	-	-
<b>Total</b> .....	176	73	76

Country: INDONESIA

## PROJECT DATA

TABLE III

PROJECT TITLE Family Planning	SECTOR Population and Health	FUNDS TC
PROJECT NUMBER 497-15-580-188	PRIOR REFERENCE P. 14, FY 1971 EA PDB	SCHEDULED FINAL OBLIGATION FY: Undetermined
	INITIAL OBLIGATION FY: 1968	

**Project Target and Course of Action:** The purpose of this project is to help Indonesia implement its national family planning program. The Indonesian Government seeks to reduce the present estimated growth rate of 2.6 - 3.0 percent per year to 2.0 - 2.15 percent by 1976. According to revised targets of the Indonesian Five Year Plan, by 1976 approximately 5 million women of childbearing age will practice family planning; about 21,000 doctors, nurses, mid-wives and related staff workers will be trained; and family planning services will be provided in about 4,000 clinics. The program concentrates on the islands of Java, Madura and Bali, which comprise 7 percent of Indonesia's land area and two-thirds of its population.

The United States is among 17 donors providing assistance to Indonesian Government agencies and private organizations engaged in family planning programs. U.S. support will concentrate on 3 areas: (1) training personnel and providing supplies and equipment for family planning clinical services; (2) developing a cadre of family planning-oriented health education specialists, who in turn will conduct courses for clinical workers; and (3) establishing a system to collect, process and evaluate statistical data essential for more effective family planning services.

**Progress to Date:** In June 1970, President Suharto established a National Family Planning Coordinating Board with full authority to plan and direct the nationwide

program. This Board has developed a comprehensive five-year action plan (based on the recommendation of a joint World Bank/UNDP/WHO Report) which was accepted by the Indonesian Government in September 1970. Since the beginning of the program in 1968, the United States has provided contraceptives, medical equipment and vehicles to equip the rapidly increasing number of clinics offering family planning services. Seventy-two participants will have received training in the United States and third countries by the end of FY 1971. 16 short-term consultants/experts have assisted the Indonesian government and private agencies in training, statistics, information methods, commodity management, and other related family planning aspects.

**FY 1972 Program:** The request for \$1,825,000 includes the following: services of 2 direct-hire population officers and 6 short-term advisors (\$125,000); contract personnel including 2 health educators, 1 expert in demography and statistics, and 5 short-term consultants/specialists (\$205,000); 39 participants to be trained in the United States and third countries (\$195,000); and commodities including contraceptives, clinical and office equipment/supplies, vehicles, audio-visual equipment, data processing equipment, and training and information materials (\$1,300,000).

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1971			Proposed FY 1972		
					Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency
Through 6/30/70	2,133	1,323	810							
Estimated FY 71	1,750	806		U.S. Technicians	100	250	350	125	205	330
Estimated through 6/30/71	3,883	2,129	1,754	Participants ....	150	-	150	195	-	195
		Future Year Obligations	Estimated Total Cost	Commodities ....	1,250	-	1,250	1,300	-	1,300
				Other Costs ....	-	-	-	-	-	-
Proposed FY 72	1,825	Undetermined		Total Obligations	1,500	250	1,750	1,620	205	1,825

Country: KOREA

## PROJECT DATA

TABLE III

PROJECT TITLE	Health and Family Planning	SECTOR	Population and Health	FUNDS	TC
PROJECT NUMBER	489-11-580-649	PRIOR REFERENCE	P. 36, FY 1971 EA PDB	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
				FY: 1962	FY: 1976

Project Target and Course of Action: The objective of this project is to assist the Ministry of Health and Social Affairs in improving national health and family planning through the support of the National Family Planning Program which was initiated in 1962 by the Korean Government. The program is aimed at reducing the population growth from 3% in 1962 to 1.5% by 1976. To achieve this goal a national network of Family Planning-Maternal and Child Health Service centers has been established throughout the country. A National Family Planning Training and Research Center has been created in Seoul. U.S. assistance consists of advisory services (including research), training, and commodities.

Progress to Date: In 1964 family planning centers and subsections were established in the provinces and field workers were trained and assigned to each county and town throughout the country. A public information program was initiated which increased public interest in contraception. Assisted by U.S. technical advice at the policy and planning level in the Ministry of Health and Social Affairs, the Korean Government has established a permanent planning unit, a large network of planners, family planning field workers and doctors, and 190 new health centers. Of 1,345 sub-centers in the long-range plan, 850 were completed by June 1970.

Korea's 1970 program included the establishment of a National Family Planning-Maternal Child Health Training and Research Center, constructed with aid from the Swedish

International Development Authority funds. The United States funded two survey teams to develop plans for the Center and also financed 3 research projects aimed at (1) identifying behavioral constraints to family limitation; (2) administrative improvements in the Korean family planning program; and (3) the development of an awareness of population problems in the public schools and universities.

The United States has provided medical equipment, training aids, and vehicles needed to expand family planning services in both urban and remote rural areas; 13 mobile clinics were purchased in FY 1970 for this purpose. Other U.S. grants to the Population Council and International Planned Parenthood Federation are also in part being used to support the Korea family planning program. A.I.D. also furnished 2 short-term vital statistics consultants who assisted the Korean Government in the conduct of the 1970 population census, considered the most comprehensive in Korea's history.

FY 1972 Program: \$225,000 is requested for 6 full-time direct-hire advisors; \$40,000 for 2 short-term PASA advisors in statistics and census work; \$175,000 for 3 contract technicians for 1 year and 12 short-term contract advisors -- all in the fields of research, education, evaluation and statistics; \$80,000 for the training of 18 participants, and \$280,000 for commodities.

U.S. DOLLAR COST (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated							
				Estimated FY 1971			Proposed FY 1972			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	Bureau of the Census
Through 6/30/70	3,537	1,682	1,855							
Estimated FY 71	800	1,293								
Estimated through 6/30/71	4,337	2,975	1,362							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 72	800	3,200	8,337	580	220	800	585	215	800	
				Cost Components						
				U.S. Technicians						
				Participants ....						
				Commodities ....						
				Other Costs ....						
				Total Obligations						

Country: PHILIPPINES

## PROJECT DATA

TABLE III

PROJECT TITLE <b>Malaria Eradication</b>	SECTOR <b>Population and Health</b>	FUNDS <b>TC</b>	
PROJECT NUMBER <b>492-11-511-013</b>	PRIOR REFERENCE <b>P. 91, FY 1971 EA PDB</b>	INITIAL OBLIGATION <b>FY: 1953</b>	SCHEDULED FINAL OBLIGATION <b>FY: 1973</b>

**Project Target and Course of Action:** The purpose of this project is to assist the Government of the Philippines to minimize the incidence of malaria. United States technicians working with representatives of the United Nations and the Government of the Philippines Department of Health will emphasize efforts in "hard core" areas accounting for over 80% of the malaria cases in the Philippines. Operations will include DDT spraying of houses, selective application of larvacide to breeding mosquitoes, and distribution of anti-malaria drugs. Surveillance and case detection methods will control malaria in less afflicted areas.

**Progress to Date:** Although it was estimated that malaria had been eradicated in 70% of the Philippines, the situation deteriorated in the mid-1960's as the Government of the Philippines failed to provide adequate resources to continue the program. Under threat of discontinuing U.S. assistance, action was taken to correct deficiencies and assure necessary funds. The Government of the Philippines Malaria Eradication Service was reorganized as a centralized and autonomous body, with assured budget and staff. A planning committee consisting of Philippines, U.S. and World Health Organization officials was established to develop organizational and operating procedures. Administrative, transport and technical manuals were prepared; logistic requirements and warehousing and storage facilities at field level established; and an epidemiological survey undertaken to

determine malarious and non-malarious areas. Manuals were prepared for field use, and commodities, including vehicles, spray cases, DDT and tools were distributed to field sites. Field laboratory units were established for continuous assessment of malaria incidence. Entomologic assessment teams were recruited and trained. Full scale spraying operations were resumed with one full cycle being completed by December 1968. Problems of insufficient budgetary support arose again in 1968, causing the United States to review the prospects for a nationwide eradication program. In consequence, a more limited program directed primarily at highly infested areas was implemented. Such a pilot project has been underway since August 1969 in Palawan, probably the most malarious area in the Philippines. The general policy of concentrating operations in "hard core" areas, and the reduction of activities in low incidence areas has led to greater budgetary control and more efficient application of resources. During 1970 the basic program changes started early in 1969 were continued and reinforced in "hard core" areas.

**FY 1972 Program:** In FY 1972, \$125,000 is programmed for 5 Public Health Service technicians (PASA) and commodities, mainly DDT and DDT emulsion (\$200,000).

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1971			Proposed FY 1972		
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Through 6/30/70	8,308	8,102	206							
Estimated FY 71	325	320								
Estimated through 6/30/71	8,633	8,422	211							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 72	325	1,560	10,518	Total Obligations	205	120	325	200	125	325

Department of Health,  
Education & Welfare

Country: PHILIPPINES

## PROJECT DATA

TABLE III

PROJECT TITLE <b>Family Planning</b>	SECTOR <b>Population and Health</b>	FUNDS <b>TC</b>	
PROJECT NUMBER <b>492-11-530-220</b>	PRIOR REFERENCE <b>P. 91, FY 1971 EA PDB</b>	INITIAL OBLIGATION <b>FY: 1967</b>	SCHEDULED FINAL OBLIGATION <b>FY: 1975</b>

**Project Target and Course of Action:** The purpose of this project is to promote an awareness of the population problem, encourage the adoption of a national policy for family planning, and to support efforts, both public and private, to reduce the population growth rate while improving maternal and child health. United States aid will provide technical advice; support information and education programs, technical training programs, demographic studies and research projects; and provide commodity assistance for family planning services extended through both public and private clinics.

**Progress to Date:** U.S. assistance in family planning began in FY 1967 with a grant of \$210,000 to provide limited support to 5 public and private Philippine institutions. The funds helped support training programs of medical and para-medical personnel and the establishment of 15 family planning clinics. In FY 1968, \$1.064 million went into support of an increased number of organizations and activities. FY 1969 witnessed the input of an additional \$1.400 million and a dramatic policy change by the Government of the Philippines. On the program side 224 family planning clinics, funded entirely or in part by A.I.D., were established and approximately 3,500 medical and para-medical personnel were given USAID-assisted family planning training during the year. President Marcos created a Population Commission in January 1969 and accepted as national policy their comprehensive recommendations on family planning. Also in April 1969

the Secretary of Justice liberalized the interpretation of an existing ruling to permit the importation of contraceptives into the Philippines. Rounding out the policy action the Philippine Congress passed a Joint Resolution, referred to as the Magna Carta for Economic Freedom, which incorporated a strong family planning plank. During 1970 family planning acceptors using the facilities of the AID-supported clinics increased from 9,000 in January to 265,000 in December. Present rates of increase indicate that of the women in the 15 to 45 age group 400,000 to 500,000 will be acceptors during CY 1971. A.I.D. has also supported an extensive in-country training program which has included about 7,000 people.

**FY 1972 Program:** FY 1972 funds requested (\$5,400,000) are to cover the following: 5 direct-hire U.S. technicians (\$150,000), 1 other agency technician and 3 contract advisors plus short-term advisors and operational expenses (\$440,000); participant training in the United States for 19 trainees in family planning (\$90,000); commodities including training and educational materials, audio visual equipment, medical supplies and equipment, office equipment and vehicles (\$600,000); other costs (\$4,120,000) will fund institutional grants, invitational travel, contract services, and evaluation and management studies.

U.S. DOLLAR COST (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES University of Philippines/ University of Chicago Xavier University/Univ. of North Carolina Sycip, Gorres, Velayo Dept. Health, Education & Welfare Public Health Service
	Obligations	Expenditures	Unliquidated	Estimated FY 1971			Proposed FY 1972			
Through 6/30/70	7,489	2,810	4,679	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	
Estimated FY 71	5,000	1,500								
Estimated through 6/30/71	12,489	4,310	8,179	140	205	345	150	440	590	
		Future Year Obligations	Estimated Total Cost	100	-	100	90	-	90	
				700	-	700	600	-	600	
Proposed FY 72	5,400	2,058	19,947	3,855	-	3,855	4,120	-	4,120	
				Total Obligations						
				4,795	205	5,000	4,960	440	5,400	

PROJECT TITLE <b>SEATO CHOLERA RESEARCH</b>	SECTION <b>Population and Health</b>	FUNDS <b>TC</b>	
PROJECT NUMBER <b>498-11-510-138</b>	PRIOR REFERENCE <b>P. 134, FY 1971 EA PDB</b>	INITIAL OBLIGATION SCHEDULED FY: 1959	FINAL OBLIGATION FY: 1975

**Project Target and Course of Action:** The goal of this project is to develop and demonstrate improved techniques for the prevention and eventual eradication of cholera. Research is carried on at the SEATO Cholera Research Laboratory at Dacca, Pakistan, by the United States, the United Kingdom and other SEATO member countries. Related research is conducted in the United States. Operations are under the direction of the U.S. National Institutes of Health and the International Directing Council of the Cholera Research Laboratory.

**Progress to Date:** A study of patients in South Asia has resulted in the development of new and simplified methods for the rapid diagnosis and treatment of cholera. New high potency cholera vaccines are now being tested. In FY 1968, a new phase of research was started to develop specialized studies of cholera in children. Since that time, the Laboratory has continued to: (1) extend studies on practical methods for treatment of cholera in Asia; (2) train Asians in modern diagnosis and treatment; (3) evaluate the effect of bacterial cell vaccines and drugs; (4) develop new toxoids to prevent cholera; (5) develop studies related to better and less expensive methods of treatment; and (6) extend studies of the transmission of cholera.

The Government of Pakistan provides the various research, hospital and field treatment facilities. In FY 1971 the National Institutes of Health and the U.S. Communicable Disease Center provided \$166,000 for

salaries of research specialists and \$1,000,000 equivalent (purchased from Public Law 480 proceeds) for local research expenses. The A.I.D. Mission in Karachi provided an additional \$170,000 in local currency for logistic support; the United Kingdom provided \$35,000 equivalent and Australia \$9,000 equivalent for technical staff and equipment.

The present SEATO Cholera Research Program is to be continued to FY 1975, depending on progress. An interim appraisal of the program's progress will be undertaken in FY 1972. The present vaccine, under the best circumstances, is assumed to confer up to 85% protection for as long as 6 months. In the next several years, the SEATO Research Laboratory will field test a new high potency vaccine which may give protection for 1 to 2 years with as much as 85 to 90% protection.

**FY 1972 Program:** \$650,000 is requested to continue the services of the National Institutes of Health. This amount will provide for 3 technicians (\$50,000); laboratory supplies and equipment (\$200,000); training, field tests, and the development and production of toxins and toxoids (\$400,000).

U.S. DOLLAR COST (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1971			Proposed FY 1972			
				Direct AID	Other Agency	Total	Direct AID	Other Agency	Total	
Through 6/30/70	2,501	1,763	738							National Institutes of Health
Estimated FY 71	649	700								
Estimated through 6/30/71	3,150	2,463	687		49	49		50	50	
		Future Year Obligations	Estimated Total Cost							
				200	200	200	200	200	200	
				400	400	400	400	400	400	
Proposed FY 72	650	2,010	5,810		649	649		650	650	

PROJECT TITLE Regional Family Planning	SECTOR Population and Health	FUNDS TC
PROJECT NUMBER 498-11-580-200	PRIOR REFERENCE P. 135, FY 1971 EA PDB	SCHEDULED FINAL OBLIGATION Reviewed Annually
	INITIAL OBLIGATION FY: 1967	FY:

**Project Target and Course of Action:** The purpose of this project is to develop and support East Asian training and research programs of regional significance which are related to family planning. Population growth rates in the region are among the highest in the world. Several of the countries are faced with underemployment or unemployment problems, which will be magnified by rapid population growth. Since family planning efforts by the governments in the region are, in many cases, in their initial stages, a regional approach through international organizations and private foundations will be helpful to facilitate coordination and support of in-country and multinational programs.

**Progress to Date:** The Population Council under an A.I.D.-financed contract is supporting 10 projects in Korea, including assistance to the National Family Planning Center's information, education and communication activities, and Korean universities with demographic and behavioral research projects. In Thailand, the Population Council provides partial support of Chulalongkorn University's Population Institute. In Taiwan, assistance is given to the International Family Planning Training Center where 200 to 300 key leaders from Asian countries receive family planning instruction annually.

The East-West Center's Population Institute, in conjunction with the University of Hawaii's School of Public Health, has expanded its staff, facilities, and training capabilities to provide training at the graduate level for

increasing numbers of Asian students in family planning administration, demography, sociology, and economics. It has assisted in the development of population related research programs, carried out applied research at Asian and U.S. universities, and has begun to develop country-related field programs and projects.

The U.S.-supported population advisor to the Colombo Plan has held conferences on population related programs with special emphasis on the introduction of population education programs into the curricula of Asian schools.

A Southeast Asia regional population program was initiated at a meeting of Southeast Asian countries in Kuala Lumpur in November 1970. A secretariat was established with U.S. support to assist in the program's goals.

**FY 1972 Program:** A total of \$2,300,000 is proposed for regional family planning activities as follows: \$1,400,000 for a 1-year extension of the East-West Center contract; \$650,000 for a 1-year extension of the Population Council contract; \$200,000 for projects and other expenses associated with the Southeast Asia regional population programs with secretariat headquarters in Kuala Lumpur; and \$50,000 for per diem for foreign nationals, books, printing equipment, seminars and other activities carried out under the Colombo Plan. Contract commodities including books, periodicals, laboratory equipment and teaching aids are equally divided between the Population Council and the East-West Center.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS <del>XXXXXX</del>				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1971			Proposed FY 1972			
					Direct AID	Contract <del>XXXX</del>	Total	Direct AID	Contract <del>XXXX</del>	Total	Population Council East-West Center
Through 6/30/70	3,885	789	3,096								
Estimated FY 71	840	1,500	-								
Estimated through 6/30/71	4,725	2,289	2,436								
		Future Year Obligations	Estimated Total Cost								
Proposed FY 72	2,300	Undetermined		Total Obligations	50	790	840	50	2,250	2,300	



EDUCATION AND MANPOWER TRAINING

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## EAST ASIA

### EDUCATION AND MANPOWER TRAINING

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	10.0	8.6	9.4

Although significant improvements were made during the past decade in the educational systems of the less developed countries of East Asia, these systems have not kept pace either with accelerating popular demands for education or with the demand for skills to satisfy the manpower needs of the expanding economies. The literacy rate for the region as a whole, excluding Communist countries and Japan, is only 57% and only about half of the school-age children are in school.

For FY 1972 28% of the proposed East Asia Technical Cooperation funds, or \$9.4 million, will address needs in education and training. These funds will be used in three broad areas: (1) specialized needs in the area of educational planning, research, and higher education; (2) basic training needs to meet shortages of administrative and technical manpower; and (3) regional needs in education through programs designed to help East Asian cooperative efforts involving the several countries working together on common problems.

Indonesia has a 43% literacy rate and only 38% of the age group between 5 and 19 attends school. Clearly, a large task lies ahead in developing an adequate educational system.

To provide a sound basis for long-range educational planning and development, the Indonesian Government is now engaged in a National Assessment of Education, with Ford Foundation assistance. In addition to providing a broad overview of educational problems and priorities, the assessment will also include in-depth studies of key educational sub-sectors by special task forces. The task force studies will cover the various levels and types of education, as well as educational planning, administration, and finance. A number of other donors, such as UNESCO, UNICEF, the World Bank, the Ford Foundation, are expected to provide assistance to this effort. In view of the present serious weaknesses in basic science education, its importance in the creation of skilled manpower, and U.S. expertise in this field, we have also been asked to provide assistance in this area. Thus we plan FY 1972 funding of \$45,000 to cover the costs of a consultant team to assess

Indonesian needs and priorities in this field, as a basis for designing future year activities.

In view of the urgent need for specialized skills in agriculture, A.I.D. also assists graduate education and research at two leading Indonesian agricultural institutions, Gadjah Mada University and the Bogor Agricultural Institute. These institutions will serve as primary centers which in turn will provide assistance to the younger provincial universities. U.S. assistance totalling \$1.5 million in FY 1972 is to be provided through a contract with the Mid-West Universities Consortium for International Activities.

Korea has a relatively high literacy rate of 71% and about 65% of the Koreans between the ages of 5 and 19 years are attending school. However, needs for specialized education and training are emerging as the Korean economy continues its rapid growth. Further, the general quality of education is low and uneven, reflecting overcrowded classrooms, poorly planned and unrelated curriculum content, undertrained and underpaid teachers, and a scarcity of educational materials. Thus, the Koreans are planning a major effort to upgrade their educational system.

Modest U.S. technical assistance will support this effort in FY 1972, helping the Koreans to (a) develop an educational planning competence and (b) identify and adopt educational innovations which are practicable and effective. This assistance will include both technical advisors to the Korean Ministry of Education and training in the United States in education technology and development.

The rapid economic development of Korea has also created a number of socio-economic problems which the Korean Government must address. These include such problem areas as social welfare and social security for the newly-created work force, environmental quality, urbanization, and the provision of public services. To assist the Koreans in addressing these problems, the United States is providing advisors to work with Koreans on these problems and is helping establish a Development Institute which conducts research on public issues of national significance.

East Asia regional education programs will also be supported in FY 1972. The regional education program is helping to establish regional centers for advanced training, education and research in selected fields and to encourage Asian cooperation in education.

Most of the regional centers are sponsored by the Southeast Asia Ministers of Education Council (SEAMEC), formed following a meet-

## EAST ASIA

### EDUCATION AND MANPOWER TRAINING

ing in 1965 of the Ministers of Education of seven countries (Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand and Vietnam). Cambodia has recently been accepted by SEAMEC as the eighth member country.

The SEAMEC projects are moving from planning and interim operations toward full implementation and we propose \$2,625,000 in FY 1972 to support them. A three-party agreement (SEAMEC, U.S., and Singapore) was signed in May, 1969 providing for construction and operations (over five years) of the Regional English Language Center in Singapore. The Regional Center for Graduate Study and Research in Agriculture in the Philippines began operations in July 1969, and the related construction of additional facilities was covered by an agreement signed in September 1969. The operational program of the Regional Center for Education in Science and Mathematics in Penang, Malaysia, began in July 1970, with agreement on related construction signed in May 1970. The five-year operational program of the Regional Tropical Medicine and Public Health program began in July 1970, and development plans of related national centers are under study. Interim activities of the Regional Center for Educational Innovation and Technology are under way at temporary quarters in Singapore, pending a move to Saigon. The Regional Center for Tropical Biology at Bogor, Indonesia, is now undertaking interim activities.

The Trustees of the Asian Institute of Technology (AIT) in January 1969 authorized a construction program of approximately \$5.5 million, after receiving pledges equivalent to over half of this amount from the Thais, Australians, and British, with the remainder planned for U.S. financing. For FY 1972 we are requesting \$908,000 for support of AIT.

Assistance is also proposed for other regional education and training programs in the amount of \$1,575,000. This will include: (1) support for the Southeast Asia Development Advisory Group and an A.I.D. research program (\$625,000), (2) financing for the Asian-American Free Labor Institute activities (\$800,000), and (3) the initial A.I.D. contribution to a regional management training center (\$150,000).

**PROJECT DATA SUMMARY**  
(Dollar Amounts in Thousands)

**TABLE II**  
**Part I**

**SECTOR:** EDUCATION AND MANPOWER TRAINING

Project Title	* Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1970			Estimated FY 1971			Proposed Program FY 1972	Future Year Obligation	Estimated Total Cost	
				Obligations	Expenditures	Unliquidated Obligations 6/30/70	Obligations	Expenditures	Unliquidated Obligations 6/30/71				
										<u>2,767</u>			
<u>Indonesia</u>													
General Participant Training	* 497-11-690-183	1967	1980	5,218	3,848	1,370	1,176	2,015	531	1,222	7,384	15,000	
Higher Agricultural Education	* 497-11-660-190	1969	1973	750	409	341	1,005	643	703	1,500	2,445	5,700	
Civic Action	497-11-690-184	1967	1971	507	393	114	125	154	85	-	-	632	
Use and Development of Educational Materials	497-11-690-186	1968	1970	521	481	40	-	40	-	-	-	521	
Basic Science Education	* 497-11-690-197	1972	1976	-	-	-	-	-	-	45	1,845	1,890	
										<u>1,343</u>			
<u>Korea</u>													
Advanced Management Training	489-15-280-673	1971	1975	-	-	-	107	37	70	237	345	689	
Technical Assistance to ROKG	489-11-740-589	1962	1971	2,812	2,118	694	413	658	449	-	-	3,225	
Economic Planning	489-11-720-587	1963	1971	2,118	1,655	463	256	345	374	-	-	2,374	
Social and Economic Development Institute	* 489-11-790-674	1971	1975	-	-	-	354	125	229	516	805	1,675	
Development Research and Administration	* 489-11-755-682	1972	1977	-	-	-	-	-	-	401	2,440	2,841	
Education Development	* 489-11-690-684	1972	1976	-	-	-	-	-	-	189	1,300	1,489	
										<u>175</u>			
<u>Philippines</u>													
Public Personnel Administration	492-11-730-209	1966	1969	252	231	21	-	21	-	-	-	252	
Project Execution System	492-11-740-218	1967	1968	277	276	1	-	1	-	-	-	277	
Fiscal and Financial Coordination	492-11-750-210	1967	1970	316	311	5	-	5	-	-	-	316	
Tax Collection Improvement	492-11-750-232	1966	1969	174	166	8	-	8	-	-	-	174	
Customs Administration Improvement	492-11-790-211	1967	1969	103	96	7	-	7	-	-	-	103	
General Participant Training	492-11-995-237	1969	1975	141	69	72	75	35	112	50	100	366	
General Technical Advisory Services	* 492-11-995-239	1972	1974	-	-	-	-	-	-	125	175	300	
							<b>Total</b>	8,595	10,808	10,156	9,393		

\*Detailed project narrative--See Table III

**NUMBER OF U.S. TECHNICIANS (Program Overseas)**

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1970	Estimate FY 1971	Proposed FY 1972
A.I.D. employed .....	8	11	11
Participating agency .....	3	3	1
Contractor technicians .....	12	24	39
<b>Total</b> .....	23	38	51

**NUMBER OF PARTICIPANTS**

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1970	Estimate FY 1971	Proposed FY 1972
Non-contract .....	272	347	304
Contract .....	28	53	93
<b>Total</b> .....	300	400	397

**PROJECT DATA SUMMARY**  
(Dollar Amounts in Thousands)

**TABLE II**  
**Part 2**

SECTOR: EDUCATION AND MANPOWER TRAINING

Project Title	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1970			Estimated FY 1971			Proposed Program FY 1972	Future Year Obligations	Estimated Total Cost
				Obligations	Expenditures	Unliquidated Obligation 6/30/70	Obligations	Expenditures	Unliquidated Obligation 6/30/71			
<u>East Asia Regional Development</u>												
Asia Free Labor Union Development	* 498-11-410-017	1969	Open	874	320	554	660	830	384	5,108 800	Undetermined	
Asian Labor Education Center	498-11-410-020	1958	1967	929	900	29	-	29	-	-	-	929
Asian Institute of Technology	* 498-15-660-114	1958	1974	9,276	6,540	2,736	1,899	850	3,785	908	1,498	13,581
Regional Education Development (SEAMES)	* 498-11-690-198	1967	1976	7,777	2,765	5,012	1,900	4,300	2,612	2,625	6,790	19,092
Southeast Asia Development Advisory Group	* 498-11-995-208	1966	1974	1,706	909	797	625	600	822	625	1,240	4,196
Asian Institute of Management	498-13-770-224	1970	1970	300	195	105	-	105	-	-	-	300
Regional Management Training	* 498-11-770-229	1972	1975	-	-	-	-	-	-	150	850	1,000
<b>Total</b> .....												

\*Detailed project narrative--see TABLE III

PROJECT TITLE	General Participant Training	SECTOR	Education and Manpower Training	FUNDS	TC
PROJECT NUMBER	497-11-690-183	PRIOR REFERENCE	P. 16, FY 1971 EA PDB	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
				FY: 1967	FY: 1980

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

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

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

Participants are drawn from government ministries and agencies, such as the National Planning Council, the Indonesian National Academy of Sciences, the Central Bureau of Statistics, the General Accounting Office, and the President's Advisory Staff, and also from the private sector.

**Progress to Date:** Since this project was resumed in FY 1967, approximately 1260 Indonesians have been programmed for U.S. training and 1016 have returned to Indonesia. Of the more than 5000 participants who have received training since U.S. programs first started in 1951, virtually all have returned to Indonesia and many hold key positions in the development effort. A follow-up program for returned participants has been instituted and a participant directory has been completed.

**FY 1972 Program:** FY 1972 funds totalling \$1,222,000 are requested to finance 230 participants (\$1,210,000) and related commodities (\$12,000). The latter includes technical books, professional journals, language laboratory equipment and supplies, and instructional materials.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1971			Proposed FY 1972		
					Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency
Through 6/30/70	5,218	3,848	1,370							
Estimated FY 71	1,176	2,015		U.S. Technicians	-	-	-	-	-	
Estimated through 6/30/71	6,394	5,863	531	Participants . . .	1,164	-	1,164	1,210	-	1,210
		Future Year Obligations	Estimated Total Cost	Commodities . . .	12	-	12	12	-	12
				Other Costs . . .	-	-	-	-	-	-
Proposed FY 72	1,222	7,384	15,000	Total Obligations	1,176	-	1,176	1,222	-	1,222

Country: **INDONESIA**

## PROJECT DATA

TABLE III

PROJECT TITLE <b>Higher Agricultural Education</b>	SECTOR <b>Education and Manpower Training</b>	FUNDS <b>TC</b>
PROJECT NUMBER <b>497-11-660-190</b>	PRIOR REFERENCE <b>P. 15, FY 1971 EA PDB</b>	SCHEDULED FINAL OBLIGATION <b>FY: 1973</b>
	INITIAL OBLIGATION <b>FY: 1969</b>	

**Project Target and Course of Action:** This project assists the Indonesian Government in upgrading and expanding graduate instruction and research at Indonesia's two foremost agricultural education institutions, the Agricultural Institute at Bogor and Gadjah Mada University at Jogjakarta. Within the framework of the newly-created Indonesian Consortium for the Agricultural Sciences, these 2 institutions are being developed as centers of academic excellence which, in turn, will serve as "feeder universities" with responsibility for upgrading the more than 20 younger provincial universities with programs in agriculture.

U.S. assistance is being provided through a contract with the Midwest Universities Consortium (MUCIA). Under the contract, provision has been made for a total of 5 long-term advisors: 2 program administrators with responsibility for direction and coordination of the project; an administrative advisor/educational consultant to the Rector at each university; and an education advisor at Gadjah Mada University, where the agriculture faculties have had less advanced training than at Bogor. These advisors are supplemented by short-term consultants who help develop curricula, organize research, and conduct seminars and in-service training.

Since strengthening the Indonesian faculties is of prime importance, advanced training in the United States will be provided for a substantial number at the 2 "feeder" universities, as well as for staff members at the

affiliated provincial institutions.

To meet operational costs, the Indonesian Government is financing the rehabilitation and expansion of facilities at the Agricultural Universities.

**Progress to Date:** The planning phase, devoted primarily to long-range development of the universities, has been completed. With U.S. advisory assistance, both universities have prepared plans and defined priorities for a 5 year period which will provide a basis for conversion of this project in late FY 1971 to the new long-term Institutional Development Agreement format. Major organizational changes have been implemented and a revised agricultural curriculum has been developed. Both universities have initiated upgrading courses for faculty members of the provincial universities. By the end of FY 1971, 38 participants will be pursuing advanced degrees in the United States.

**FY 1972 Program:** The request for \$1,500,000 will finance the following: an 18 month contract extension to cover a 5 man contract team and approximately 10 short-term consultants (\$483,000); graduate training in the United States for 77 participants (\$523,000); and commodities including laboratory and library materials and supplies, basic data processing, visual aids, photocopying and printing equipment and tools for repair and servicing of scientific equipment (\$494,000).

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1971			Proposed FY 1972			
					Direct AID	Contract Other Agency	Total	Direct AID	Contract Other Agency	Total	
Through 6/30/70	750	409	341								
Estimated FY 71	1,005	643		U.S. Technicians	7	552	559		483	483	
Estimated through 6/30/71	1,755	1,052	703	Participants ....	-	346	346		523	523	
		Future Year Obligations	Estimated Total Cost	Commodities ....	-	100	100		494	494	
				Other Costs ....	-	-	-		-	-	
Proposed FY 72	1,500	2,445	5,700	Total Obligations	7	998	1,005		1,500	1,500	

**Midwest Universities Consortium for International Activities**

PROJECT TITLE	Basic Science Education	SECTOR	Education and Manpower Training	FUNDS	TC
PROJECT NUMBER	497-11-690-197	PRIOR REFERENCE	-	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
				FY: 1972	FY: 1976

**Project Target and Course of Action:** The purpose of this project is to assist the Indonesian Government in developing and implementing a long-term plan to strengthen basic science education in Indonesia.

The critical shortage of well-trained technical manpower serves as a major deterrent to Indonesia's rapid economic development. In part, this shortage reflects the lack of a well-conceived and efficiently administered program of basic science and technical education within the Indonesian educational system. To help meet this need, the Mission is now working with the Ministry of Education and the recently-created Indonesian Universities Consortium for Science and Technology on the design of a comprehensive survey of science education. This survey will be the first step towards preparation of a long-term plan for the improvement of basic science from the elementary level through the universities.

The Consortium will begin data acquisition and initial planning in FY 1972. In response to an Indonesian Government request, the United States will field a 4 to 6 man university contract team to assist in conducting the survey and in formulating the long-term science education plan. Future year project activities will be determined on the basis of the comprehensive survey but are expected to include consultant services and participant training, as well as a limited commodity input. To lend broad-based support to this effort, assistance from other donors and international agencies

will also be sought.

**FY 1972 Program:** \$45,000 is requested to finance a consultant team of up to 6 short-term experts to assist the Indonesian Government in implementing the survey and in preparing a long-term science education plan.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS <del>XXXXXXXX</del>					
Through 6/30/70	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS							
	Estimated FY 71	Estimated through 6/30/71	Future Year Obligations		Estimated Total Cost	Estimated FY 1971			Proposed FY 1972			
						Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
				U.S. Technicians					45	45		
				Participants ....					-	-		
				Commodities ....					-	-		
				Other Costs ....					-	-		
<b>Proposed FY 72</b>	<b>45</b>	<b>1,845</b>	<b>1,890</b>	<b>Total Obligations</b>					<b>45</b>	<b>45</b>		

Country: KOREA

## PROJECT DATA

TABLE III

PROJECT TITLE Social and Economic Development Institute	SECTOR Education and Manpower Training	FUNDS TC	
	PRIOR REFERENCE P. 40, FY 1971 EA PDB	INITIAL OBLIGATION FY: 1971	SCHEDULED FINAL OBLIGATION FY: 1975
PROJECT NUMBER 489-11-790-674			

**Project Target and Course of Action:** The purpose of this project is to assist the Korean Government in the establishment and operation of a social and economic development institution called the Korea Development Institute to help fill the need for research on national public policy. The Korea Development Institute is expected to undertake high quality, independent research on public issues of national significance and publish its findings. The Institute should be able to attract the best Korean talent and skill for its staff from both Korea and abroad. The work of the Institute will be a major input into formulation of Korean public policy in foreign trade, industry and agriculture and other related fields. Its work will be a mixture of applied and pure research and will involve recommendations on economic and other aspects of national policy. It is believed that the Korea Development Institute will also make a contribution to popular participation by civic, academic, business and labor leaders in the formulation of public policy. It will provide a forum for consideration of alternative programs of action. Funding of operating costs is expected to come primarily from the earnings of an endowment made available from United States-owned counterpart funds. Dollar assistance will be provided to the Institute for 5 years to train researchers in the United States, provide American academic and technical expertise to assist in both administrative and research activities, and provide commodities, which will include

a top-level research library.

**Progress to Date:** The Cabinet and legislative committees have approved draft legislation which A.I.D. assisted in preparing and the legislation was enacted by the National Assembly December 31, 1970. The implementing decree and the articles and charter of the Institute have been written in draft for approval by the Cabinet and President. The Executive Director has been appointed and a preparatory committee has been selected to work out operational plans.

**FY 1972 Program:** Funds are requested for 2 direct hire advisors in industrial and macro-economic research (\$48,000); 1 full time and 5 short-term U.S. research advisors under a contract with an American university or research institution (\$120,000); training for 12 participants (\$91,000); and reference books, research equipment and library materials (\$257,000).

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	OBLIGATIONS						
	Through 6/30/70	-	-	Estimated FY 1971		Proposed FY 1972				
				Direct AID	Contract <del>OTHER AGENCY</del>	Total		Direct AID	Contract <del>OTHER AGENCY</del>	Total
Estimated FY 71	354	125		-	100	100	48	120	168	
Estimated through 6/30/71	354	125	229	50	-	50	91	-	91	
		Future Year Obligations	Estimated Total Cost	204	-	204	257	-	257	
Proposed FY 72	516	805	1,675	-	-	-	-	-	-	
				Total Obligations	254	100	354	396	120	516

Country: KOREA

## PROJECT DATA

TABLE III

PROJECT TITLE Social Development Research and Administration	SECTOR Education and Manpower Training	FUNDS TC	
PROJECT NUMBER 489-11-755-682	PRIOR REFERENCE -	INITIAL OBLIGATION FY: 1972	SCHEDULED FINAL OBLIGATION FY: 1977

Project Target and Course of Action: The purpose of this project is to assist Korea in trying to solve many of the urgent socio-economic problems which have accompanied rapid economic growth.

U.S. technical assistance will be concentrated on 4 key problem areas: (1) social welfare, social security and medical insurance; (2) urbanization; (3) environmental quality and (4) public administration difficulties in delivering critical services. U.S. advisors and consultants will promote collaborative U.S.-Korean research on these problems. They will also promote the establishment of permanent relationships between American and Korean institutions and individuals so that development problems can be dealt with over the long term, without U.S. Government involvement. U.S. advisors, in addition, will encourage and help in the establishment of new organizational arrangements, as among Korean governmental and private bodies, to facilitate interdisciplinary approaches to problem solving.

FY 1972 Program: Funds are requested to finance 2 direct-hire development research and public administration advisors (\$65,000); 4 short-term participating agency consultants in urban affairs (\$40,000); an institutional research contract to provide 5 man-years of short-term consultants to study specific development problems (\$164,000); and training for 6 participants in such fields as development research, urban development, public administration, and local government (\$32,000);

under other costs a grant to help sponsor research and seminars on social science subjects held by the International Liaison Committee for Research on Korea (\$100,000).

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
Through 6/30/70	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1971			Proposed FY 1972			
					Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency	Total
Estimated FY 71				U.S. Technicians				65	204	269	
Estimated through 6/30/71				Participants ....				32	-	32	
				Commodities ....				-	-	-	
		Future Year Obligations	Estimated Total Cost	Other Costs ....				-	100	100	
Proposed FY 72	401	2,440	2,841	Total Obligations				97	304	401	

Country: KOREA

## PROJECT DATA

TABLE III

PROJECT TITLE Education Development	SECTOR Education and Manpower Training	FUNDS TC
PROJECT NUMBER 489-11-690-684	PRIOR REFERENCE -	INITIAL OBLIGATION FY: 1972
		SCHEDULED FINAL OBLIGATION FY: 1976

**Project Target and Course of Action:** This project will assist Korea in planning quality education responsive to the nation's developmental needs.

With the help of the United States, the National Council for Long-Range Educational Planning of Korea, an organization combining government officials, educators and private citizens, has drawn up a tentative program for the development of Korean education over the next 15 years. Plan goals envisage improvement of the quality of education at all levels; and allocation of 20% of the government budget or 6% of GNP for education; curricula emphasis on scientific and technical education; improvement in salary scales for teachers, a downward revision of student-teacher ratio at all levels and the introduction of technological innovations in the teacher-learner process.

U.S. technical assistance will be directed toward the implementation of the long-range plan, concentrating on the following areas: education innovations to assure qualitative improvement and equalization in the system; continued support of educational planning so as to improve the existing plan and assist in the development of Korean expertise to be used in future planning; and support for participant training in the retraining of teachers and planners.

**FY 1972 Program:** Funds are requested to provide the services of 1 direct-hire technician to advise the

Korean Ministry of Education and other educational institutions on education planning (\$36,000); a feasibility study contract providing 5 short-term consultants to survey Korea's needs for educational innovations for use in a proposed education sector loan (\$57,000); an institutional contract to provide 7 short-term consultants in the field of higher education planning (\$50,000); and training for 9 participants in education technology and development (\$46,000).

U.S. DOLLAR COST (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	OBLIGATIONS					
				Estimated FY 1971			Proposed FY 1972		
				Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency
Through 6/30/70									
Estimated FY 71				Cost Components					
Estimated through 6/30/71				U.S. Technicians			36	107	143
				Participants ....			46	-	46
				Commodities ....			-	-	-
				Other Costs ....			-	-	-
Proposed FY 72	189	1,300	1,489	Total Obligations			82	107	189

PROJECT TITLE <b>General Technical Advisory Services</b>	SECTOR <b>Education and Manpower Training</b>	FUNDS <b>TC</b>
PROJECT NUMBER <b>492-11-995-239</b>	PRIOR REFERENCE <b>-</b>	INITIAL OBLIGATION FY: <b>1972</b>
		SCHEDULED FINAL OBLIGATION FY: <b>1974</b>

**Project Target and Course of Action:** This project is to provide short-term expertise to the Philippine Government where such services are (1) fundamental to progress in an important area of development; (2) short-term in nature and limited in scope; (3) not available from other sources; and (4) not currently being provided under active projects.

**Progress to Date:** Over the past several years the U.S. Government has focused its project assistance more and more narrowly in order to maximize the impact in key problem areas. As a result, the present grant aid program is focused on agriculture and rural development and health projects (population planning, malaria eradication and nutrition). Program assistance has been terminated in such areas as community development, education, industry, public works and public administration.

While this concentration has been effective, instances arise where a minimal input of technical services to a previously assisted sector could enhance the potential for further progress or remove a bottleneck to continued improvement. This is particularly true in the case of education and public administration, where the Philippine system closely parallels that of the United States.

In the public administration sector there is a recurring need for various short-term specialists. For example, the Philippines' Social Security System is facing major difficulties in implementing a new health insurance program. The social security system is lacking the

administrative machinery and expertise to handle a program of this type. The U.S. Social Security Administration is a logical source of specialized technical advisory services.

A second example is need of expert technical advice in the Philippines' Bureau of Internal Revenue in two specific areas: (1) electronic data processing to program more effectively the present equipment, and (2) tax fraud, to increase the rate of recognition of tax frauds and the referral of tax fraud cases from the regional offices. Such expertise is available from the U.S. Internal Revenue Service.

Finally, in the area of electrification, first-class assistance in teaching the many uses of electric power will be necessary if communities which never before have had electric power are to be motivated to utilize a sufficient volume of electric power to make the new systems profitable. Such expertise in electric power usage is available from the National Rural Electrification Association. The Volunteers for International Technical Assistance, given that organization's wealth of knowledge about local construction and use under primitive conditions of very simple work-saving mechanical devices, can also supply the needed expertise.

**FY 1972 Program:** In FY 1972 \$125,000 (equivalent to about five U.S. man-years), is programmed to finance short-term advisors in the fields discussed above.

U.S. DOLLAR COST (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	OBLIGATIONS						
				Estimated FY 1971			Proposed FY 1972			
				Direct AID	Contract/Other Agency		Total	Direct AID	Other Agency	Total
Through 6/30/70										
Estimated FY 71										
Estimated through 6/30/71										
		Future Year Obligations	Estimated Total Cost							
Proposed FY 72	125	175	300					125	125	
				Cost Components						
				U.S. Technicians					125	125
				Participants ....					-	-
				Commodities ....					-	-
				Other Costs ....					-	-
				Total Obligations					125	125

Country: EAST ASIA REGIONAL DEVELOPMENT

## PROJECT DATA

TABLE III

PROJECT TITLE	Asia Free Labor Union Development	SECTOR	Education and Manpower Training	FUNDS	TC
PROJECT NUMBER	498-11-410-017	PRIOR REFERENCE	P. 133, FY 1971 EA PDB	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
				FY: 1969	FY: Undetermined

**Project Target and Course of Action:** The purpose of this project is to strengthen Asian labor unions. Through a contract with the Asian American Free Labor Institute, established by the American Federation of Labor-Congress of Industrial Organizations, assistance is provided to Asian labor organizations through short-term and long-term in-country training programs.

The Asian American Free Labor Institute (AAFLI) as prime contractor, sub-contracts with several U.S. union affiliates of International Trade Secretariats for short term in-country workshops. These affiliates are: Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees; Retail Clerks International Association; Communication Workers of America; and International Federation of Petroleum and Chemical Workers. Programs are conducted in trade union leadership, skills training, cooperatives, housing, social welfare, and other subjects designed to improve local labor organizations.

In addition, the Institute has carried on longer-term country training programs in the Philippines and is reviewing the feasibility of programs in other countries such as Korea, Turkey and India. Under the sponsorship of the local trade unions, the Institute develops programs and projects to train workers in union organization, leadership and administration; establishment of cooperatives and credit unions; press, publications and other communications activities; and skills training in such

fields as automotive and equipment repair and maintenance.

**Progress to Date:** A contract was signed with the Asian American Free Labor Institute in June 1968. Short-term workshops have been held in India, Malaysia, Philippines, Turkey and Pakistan. The Institute's Philippine country program got underway in March 1969. Its staff of 2 Americans and 12 local hire employees has conducted 10 workshops through FY 1970. In November 1970 the Philippines Office was changed to a Regional Office to provide short-term consulting services including seminars and workshops in Southeast Asia.

**FY 1972 Program:** The requested \$800,000 will provide funding to finance the fourth year of a contract with the Asian American Free Labor Institute. This will cover: \$200,000 for 4 full-time labor union specialists and 8 labor union instructors on a part-time or consultant basis; \$60,000 for 16 participants to be sent for training to the United States and third countries; \$100,000 for commodities such as audio-visual aids, office equipment, small offset printers, plus pumps and tractors. Under other costs, \$200,000 is for local costs in the region such as local travel and local instructors, and rental of office and teaching facilities, and \$240,000 is for surveys and general administration costs in the United States.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1971			Proposed FY 1972			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/70	874	320	554								Asian American Free Labor Institute
Estimated FY 71	660	830									
Estimated through 6/30/71	1,534	1,150	384	U.S. Technicians		200	200		200	200	
				Participants ....		50	50		60	60	
				Commodities ....		100	100		100	100	
				Other Costs ....		310	310		440	440	
Proposed FY 72	800	Undetermined		Total Obligations		660	660		800	800	

Country: EAST ASIA REGIONAL DEVELOPMENT

## PROJECT DATA

TABLE III

PROJECT TITLE	Asian Institute of Technology	SECTOR	Education and Manpower Training	FUNDS	TC
PROJECT NUMBER	498-15-660-114	PRIOR REFERENCE	P. 136, FY 1971 EA PDB	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
				FY: 1958	FY: 1974

**Project Target and Course of Action:** This project assists in developing a major institution for graduate study and research in engineering, responsive to the needs of Southeast Asia.

**Progress to Date:** Established in 1959 as the SEATO-Sponsored Graduate School of Engineering, the Asian Institute of Technology was chartered as an independent entity in November 1967 by legislative action of the Thai Government. The Institute now offers graduate programs in hydraulics, transportation, structures, soils, and public health engineering, as well as research facilities for student and faculty. By the summer of 1970, 357 students had received the Degree of Master of Civil Engineering. The school now has about 194 students from 11 countries.

Three of the 22 Institute Trustees are Americans: Henry T. Heald, former Ford Foundation President; John A. Hrones, Provost, Case Institute of Technology; and James A. Linen, former President, Time, Inc. Dr. Puey Ungphakorn, Governor of the Bank of Thailand, is the Chairman of the Board. The Institute is moving ahead with plans to construct a new campus to provide for 300 to 400 students. Based on a study by an American firm, Cresap, McCormick and Paget, these plans require over \$5.5 million for the initial construction. The United States has contributed \$2.75 million to construction. Australia has contributed \$500,000, Thailand \$1,000,000, and the United Kingdom \$1,250,000.

With adequate funds pledged for the basic campus, contracts for site development were let by the school in October 1969, and a construction contract was awarded in January 1971.

Beyond contributions for construction, the United States plans to continue its contributions, along with other donors, to the operational costs of the Institute, including the provision of American faculty and scholarships. U.S. contributions to operations are planned to decline gradually, ending in FY 1974.

**FY 1972 Program:** To continue for one year a contract with the Colorado State University Research Foundation, \$500,000 is requested for 16 professional specialists. The amount of \$408,000 is requested for a grant to the Institute to provide scholarships for third-country students, local-hire of professional and clerical staff members, and funds for equipment rental.

U.S. DOLLAR COST (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS <del>XXXXXXXX</del>  Colorado State University Research Foundation
	Obligations	Expenditures	Unliquidated	Estimated FY 1971			Proposed FY 1972			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/70	9,276	6,540	2,736							
Estimated FY 71	1,899	850	-							
Estimated through 6/30/71	11,175	7,390	3,785							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 72	908	1,498	13,581							
				Cost Components						
				U.S. Technicians		500	500		500	500
				Participants . . . .		-	-		-	-
				Commodities . . . .		-	-		-	-
				Other Costs . . . .		1,399	1,399		408	408
				Total Obligations		1,899	1,899		908	908

Country: EAST ASIA REGIONAL DEVELOPMENT

## PROJECT DATA

TABLE III

PROJECT TITLE	Regional Education Development (SEAMES)	SECTOR	Education and Manpower Training	FUNDS	TC
PROJECT NUMBER	498-11-690-198	PRIOR REFERENCE	P. 137, FY 1971 EA PDB	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
				FY: 1967	FY: 1976

**Project Target and Course of Action:** The purpose of this project is to assist countries of Southeast Asia in the development of regional education programs. Under the Southeast Asia Ministers of Education Organization, centers of excellence are being developed with the support of the host countries, the United States, and other donors.

**Progress to Date:** The Charter of the Southeast Asian Ministers of Education Organization, ratified in January 1969, legally established the governing Ministerial Council (SEAMEC) and the Permanent Secretariat (SEAMES), representing founding members Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and the Republic of Vietnam. Cambodia joined in January 1971.

After the first Ministerial meeting in November 1965, the Secretariat sponsored extensive study and development of regional education project proposals. The United States has supported this developing Asian program, and U.S. specialists have served with Asian study groups. Regional governing bodies, representing member countries have been appointed to assist in planning activities and to provide guidance in establishing operational programs. An agreement was signed in May 1969 by SEAMEC, Singapore, and the United States covering construction and a five-year operational program for the Regional English Language Center, Singapore (RELC). The operational program of the Regional Center for Graduate Study and Research in Agriculture, (SEARCA), at the University of the Philippines

College of Agriculture began in July 1969. An agreement was signed in September 1969 for related construction. The operational program of the Regional Center for Education in Science and Mathematics (RECSAM) in Penang, Malaysia, began in July 1970, following agreement on overall program plans and related construction signed in May 1970. The five-year operational program of the Regional Tropical Medicine and Public Health (TROPMED) program began in July 1970, and development plans of related national centers are under study. Interim activities are under way at the Regional Center for Tropical Biology (BIOTROP) at Bogor, Indonesia, and at the Regional Center for Educational Innovation and Technology (INNOTECH), which is in temporary quarters in Singapore, pending a move to Saigon.

**FY 1972 Program:** FY 1972 funds are requested for: 6 short-term direct hire specialists (\$75,000) and 4 contract advisors plus institutional backup assistance (\$175,000) for technical services; and equipment (\$826,000) to complement construction undertaken by host countries at TROPMED national centers. Under other costs \$1,549,000 is requested for: (1) construction (\$75,000) of 3 faculty houses at SEARCA; (2) special funds, primarily scholarship costs, (\$876,300) for RELC, RECSAM, SEARCA, BIOTROP, and TROPMED; (3) operational costs (\$508,100) for SEARCA, TROPMED, BIOTROP, and INNOTECH (interim); (4) \$45,000 for architectural and engineering services for INNOTECH facilities; and (5) \$45,000 for general project support.

U.S. DOLLAR COST (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	OBLIGATIONS						
				Estimated FY 1971			Proposed FY 1972			
				Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency	Total
Through 6/30/70	7,777	2,765	5,012							SEA Ministers of Education Secretariat
Estimated FY 71	1,900	4,300								
Estimated through 6/30/71	9,677	7,065	2,612		95	95	75	175	250	
		Future Year Obligations	Estimated Total Cost							
					263	263	-	826	826	
					1,542	1,542	-	1,549	1,549	
Proposed FY 72	2,625	6,790	19,092							
				Total Obligations	1,900	1,900	75	2,550	2,625	

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	Southeast Asia Development Advisory Group	SECTOR	Education and Manpower Training	FUNDS	TC
PROJECT NUMBER	498-11-995-208	PRIOR REFERENCE	P. 142, FY 1971 EA PDB	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
				FY: 1966	FY: 1974

Project Target and Course of Action: The purpose of this project is to strengthen United States competence to aid Southeast Asia development by lending support to interdisciplinary seminars and to the research efforts of Asian and American scholars. Under contract with A.I.D., the Asia Society provides facilities and a secretariat to administer a program called the Southeast Asian Development Advisory Group (SEADAG) which organizes professional panels, interdisciplinary seminars, and other meetings; sponsors a research program which is geared to further the work of the panels, and to serve the priority, non-project related research needs of the East Asia and Vietnam Missions.

Progress to Date: In FY 1966, the U.S. Government first contracted with the Asia Society to provide facilities and secretariat services to SEADAG. SEADAG scholars now are drawn from over 66 universities, 32 foundations and similar non-profit bodies covering 13 disciplines of the social and natural sciences. Ten panels and a special interdisciplinary seminar each meet about 3 times a year. Each provides opportunities for informal consultations between SEADAG, and U.S. Government officials on separate fields of inquiry. Asian representatives are invited to the individual seminars (e.g. Mekong Development, Education and Manpower) and participate in the SEADAG Research Program. These informal consultations have been helpful and immediately applicable, for example, to United States programming in agricultural credit, Mekong Basin planning

(ecological and resettlement problems) and in analyzing the potential of non-formal education as an alternative to some kinds of long-term more expensive formal education.

FY 1972 Program: A total of \$625,000 is requested for the following: \$325,000 to cover 75% of the 12-month contract with the Asia Society to finance the operational expenses of SEADAG: \$100,000 to finance 75% of SEADAG research grants; and \$200,000 to help finance the joint East Asia-Vietnam research program. The Vietnam Bureau will contribute about 25% of the total needs for this activity. Its' share, presently estimated at \$208,000 for FY 1972, will be provided under the Southeast Asia Development Advisory Service Project (730-11-660-322).

Some illustrative areas for research under both research programs are: Mekong Basin resettlement, rural savings behavior, effect of foreign exchange rates on domestic price structure, and rural health.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS <del>XXXXXXXX</del>				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1971			Proposed FY 1972			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/70	1,706	909	797								The Asia Society
Estimated FY 71	625	600	-								
Estimated through 6/30/71	2,331	1,509	822								
		Future Year Obligations	Estimated Total Cost								
Proposed FY 72	625	1,240	4,196	Total Obligations	225	400	625	200	425	625	

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE Regional Management Training	SECTOR Education and Manpower Training	FUNDS TC	
PROJECT NUMBER 498-11-770-229	PRIOR REFERENCE —	INITIAL OBLIGATION FY: 1972	SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: This project is designed to assist the Southeast Asian countries to increase the number and capability of industrial and commercial managers in the region. The Southeast Asian Ministers of Economic Development, at their annual meeting in Djakarta in 1970, identified management training as one of the most pressing development needs of the region and requested that a survey of existing training facilities and management education requirements be made.

Under Thai Government leadership, committees have been formed in Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, and Vietnam to cooperate with an American survey team which is to be provided by the United States under the Regional Technical Advisory Services project. The survey is expected to be launched in April 1971, and the team is expected to complete its survey and make recommendations by July 1971 on ways in which to meet management training needs.

The firm of Cresap, McCormick and Paget has begun negotiations with A.I.D. leading toward the execution of a contract to conduct the survey.

FY 1972 Program: Pending receipt and evaluation of the survey results, \$150,000 is proposed to provide the United States contribution to the project in FY 1972. This support will probably take the form of assistance to existing management training facilities in the region or establishment of a new regional facility to coordinate and improve

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS' AGENCIES			
Through 6/30/70	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1971			Proposed FY 1972		
					Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency
Estimated FY 71				U.S. Technicians			-	-	-	
Estimated through 6/30/71				Participants ....			-	-	-	
				Commodities ....			-	-	-	
		Future Year Obligations	Estimated Total Cost	Other Costs ....			-	150	150	
Proposed FY 72	150	850	1,000	Total Obligations			-	150	150	



INDUSTRIAL AND URBAN DEVELOPMENT

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## EAST ASIA

### INDUSTRIAL AND URBAN DEVELOPMENT

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	1.1	0.9	0.9

U.S. technical assistance in the Industrial and Urban Development sector in East Asia has been limited as Indonesia, Korea, and the Philippines, have been able to meet most of their needs for such aid in connection with capital loans and from other sources. For FY 1972 we propose \$931,000 to support that sector, primarily in activities designed to attract domestic and foreign investments.

Indonesia's mineral deposits, forestry resources, large labor force and vast market potential provide the basis for considerable private investment. The Indonesian Government considers such investment an essential source for domestic income, employment and foreign exchange and has given it an important place in its Five Year Development Plan. The U.S. technical assistance program is helping Indonesia develop these resources.

A Geological Survey Assistance Project, requiring \$353,000 in FY 1972, is intended to increase the Indonesian capacity to survey, map and appraise the country's vast, but as yet largely uncharted, geological and natural resources. The U.S. Geological Survey (USGS) supplemented by short-term experts, are helping train geologists, geophysicists and mapping specialists on the staff of the Indonesian Geological Survey (IGS). With USGS help, the IGS is accelerating the compilation of maps and interpretive reports in order to identify promising areas for further mineral investigation and development. This project also provides U.S. training for several IGS personnel each year and limited amounts of essential laboratory and field equipment.

To help Indonesia promote the orderly development of its rich forestry resources, A.I.D. is currently providing two short-term experts in forestry service organization and concessions management.

Beginning in FY 1972, we will provide assistance in the establishment of an Indonesian Private Investment Center. The Center is intended to facilitate both domestic and foreign private investment by providing advice and information on potentially attractive investment possibilities, aiding private entrepreneurs in preparation of investment applications and in their search for partners, and assisting them in obtaining necessary government approvals. U.S. contract advisors provided preliminary assistance to the Indonesian Government in reviewing investment laws and policies, updating an Investment Handbook, and developing the organizational plan for the Center.

Continued development of Korean industry will be dependent in large measure on the ability of the country to mobilize increasing amounts of domestic savings for investment in the private sector and to attract greater amounts of foreign equity and loan capital. We will provide technical advisors and consultants to modernize Korean money and capital markets and advise the Government on legislative measures and on governmental procedures to enhance the environment for foreign capital. In 1972, the technical assistance project for private enterprise development will require \$148,000.

Also of critical importance is the ability of Korean industry to remain internationally competitive. As Korean wage levels rise, the factors of technological efficiency, quality control and innovativeness will determine whether export markets are maintained and expanded. We will assist by providing technical assistance to Korean institutions involved in science and technology. For this, \$170,000 is programmed in FY 1972 for a U.S. technical advisor, short-term consultants, contract services and U.S. training of Korean scientists.

**PROJECT DATA SUMMARY**  
(Dollar Amounts in Thousands)

**TABLE II**  
**Part I**

**SECTOR: INDUSTRIAL AND URBAN DEVELOPMENT**

Project Title	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1970			Estimated FY 1971			Proposed Program FY 1972	Future Year Obligation	Estimated Total Cost
				Obligations	Expenditures	Unliquidated Obligations 6/30/70	Obligations	Expenditures	Unliquidated Obligations 6/30/71			
<u>Indonesia</u>												
Geological Survey Assistance	* 497-11-210-193	1970	1974	221	18	203	380	353	230	393	487	1,441
Private Investment Center	* 497-13-910-195	1972	1974	-	-	-	-	-	-	353	515	555
										40		
<u>Korea</u>												
Improved Administration of Banking and Credit	489-15-750-588	1962	1970	1,315	1,165	150	-	106	44	318	-	1,315
Improved Transportation Capabilities	489-11-330-600	1963	1969	547	513	34	-	34	-	-	-	547
Industrial Development	489-15-230-606	1961	1971	4,831	4,491	340	118	238	220	-	-	4,949
Water Resources Development	489-11-250-609	1965	1971	1,366	1,307	59	300	303	56	-	-	1,666
Development of Domestic and Export Minerals	489-15-210-629	1966	1969	874	830	44	-	44	-	-	-	874
Institute of Industrial Technical Applied Science	489-11-230-634	1966	1968	7,188	6,154	1,034	-	754	280	-	-	7,188
Private Enterprise Development	489-15-930-677	1971	1975	-	-	-	93	43	50	148	300	541
Science and Technology	* 489-11-230-683	1972	1977	-	-	-	-	-	-	170	1,320	1,490
<u>Philippines</u>												
Urban Planning	492-11-830-214	1968	1970	98	30	68	-	68	-	-	-	98
<u>East Asia Regional Development</u>												
Regional Telecommunications Development	* 498-12-225-228	1972	1974	-	-	-	-	-	-	220	230	450
										220		
<b>Total .....</b>							891	1,943	880	931		

\*Detailed project narrative--See Table I

**NUMBER OF U.S. TECHNICIANS (Program Overseas)**

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1970	Estimate FY 1971	Proposed FY 1972
A.I.D. employed .....	8	3	3
Participating agency .....	10	-	7
Contractor technicians .....	4	-	2
<b>Total .....</b>	22	3	12

**NUMBER OF PARTICIPANTS**

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1970	Estimate FY 1971	Proposed FY 1972
Non-contract .....	51	74	28
Contract .....	9	-	-
<b>Total .....</b>	60	74	28

Country: INDONESIA

## PROJECT DATA

TABLE III

PROJECT TITLE Geological Survey Assistance	SECTOR Industrial and Urban Development		FUNDS TC
	PRIOR REFERENCE P. 13, FY 1971 EA PDB	INITIAL OBLIGATION FY: 1970	SCHEDULED FINAL OBLIGATION FY: 1974
PROJECT NUMBER 497-11-210-193			

Project Target and Course of Action: Through this project, the U.S. Geological Survey is helping the Indonesian Geological Survey improve its capacity to (1) survey, map, and appraise Indonesia's natural resources; (2) accelerate the compilation and publication of maps and interpretative reports; and (3) intensify the training of Indonesian geologists, geophysicists, and mapping specialists on its staff. Development of Indonesia's abundant mineral reserves will substantially increase its foreign exchange earnings and lessen its dependence on foreign assistance. A number of potential mining and oil investors have been attracted to areas where these resources have been charted. To maintain this momentum, new resource areas will have to be identified. By 1974, when the project will be completed, Indonesia, with U.S. assistance, plans to produce the following material: geologic and tectonic maps of Indonesia at 1:1,000,000 scale; geologic maps at 1:100,000 scale for key areas of Indonesia; a new base map of Indonesia at a scale of 1:1,000,000 for plotting geologic and resource data; and various geologic reports and resource bulletins.

The project's second objective is the upgrading of the Indonesian Geological Survey staff. U.S. Geological Survey technicians will conduct courses in geologic, photogeologic mapping, and geophysics techniques for 20 Indonesians a year over the 4-year project period. Each year 2 to 5 Indonesian Geological Survey personnel will

be trained in the United States by the U.S. Geological Survey or at American universities. U.S. advisors will assist the Indonesian Geological Survey in selecting essential laboratory and field equipment.

Progress to Date: Resident and short-term U.S. staff have been conducting short courses and field training in photogeologic techniques, tectonic map compilation, geologic mapping, geophysical techniques and interpretation, and geochemical exploration. A base map of Indonesia and more detailed maps of Java are being prepared. Geologic mapping of Sumatra and Sulawesi is proceeding ahead of schedule. Four participants are being trained in the United States in geologic mapping, geohydrology, stratigraphy and library management of geologic reference material. Required equipment is being delivered.

FY 1972 Program: A total of \$353,000 is requested. \$275,000 will finance 3 full-time and 6 short-term specialists who will continue to offer intensive courses in geologic mapping techniques and photogeology, geophysical techniques and interpretations, geochemical exploration, and guide the preparation of a tectonic map and reconnaissance geology map as well as 8 more detailed maps of Java. Four participants will be trained in geochemical exploration, geologic mapping and laboratory procedures (\$43,000). Commodity funding (\$35,000) will include the purchase of photogeologic and geophysical equipment and supplies, geologic mapping and field equipment and map compilation and cartographic supplies.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1971			Proposed FY 1972			
					Direct AID	<del>XXXXX</del> Other Agency		Total	Direct AID	<del>XXXXX</del> Other Agency	Total
Through 6/30/70	221	18	203					U.S. Geological Survey			
Estimated FY 71	380	353									
Estimated through 6/30/71	601	371	230								
		Future Year Obligations	Estimated Total Cost								
Proposed FY 72	353	487	1,441	Total Obligations	112	268	380		78	275	353

Country: INDONESIA

PROJECT DATA

TABLE III

PROJECT TITLE	Private Investment Center	SECTOR	Industrial and Urban Development	FUNDS	TC
PROJECT NUMBER	497-13-910-195	PRIOR REFERENCE	P. 18, FY 1971 EA PDB	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
				FY: 1972	FY: 1974

**Project Target and Course of Action:** The purpose of this project is to assist Indonesia in promoting indigenous and foreign private investment through the establishment of an Investment Promotion Center. Indonesia's abundant resources, expanding market opportunities, and large labor force provide the basis for considerable investment. The Indonesian Government recognizes that the mobilization of increasing private resources is essential to accomplish the country's development goals.

The Investment Promotion Center will perform 3 major functions: (1) provide advice and information on potential investment opportunities to Indonesian and foreign businessmen; (2) assist private entrepreneurs in the preparation of investment applications and in their search for partners; and (3) assist in obtaining necessary government approvals. The Center will be established by specific legislation and will be an autonomous organization under the Indonesian Government's Board of Investment. Particular emphasis will be placed on investment in the manufacturing sector and on recruitment and development of a well-qualified Indonesian staff.

The United States will provide contract advisory assistance, training and basic office equipment in support of this project. Advisory assistance is also anticipated from the Federal Republic of Germany. The Indonesian Government will provide office space and operating costs for the Center.

**Progress to Date:** U.S. contract advisors (funded in FY 1971 under Technical Support) have provided preliminary assistance to the Indonesian Government in reviewing investment laws and policies, updating an investment handbook, and developing the basic organizational plan for the Investment Promotion Center. Several Indonesian staff members are now available for the Center and others will be recruited. Although assistance under this project was originally expected to begin in FY 1971, the starting date has been deferred to FY 1972 pending completion of legislative action by the Indonesian Government required to establish the Center.

**FY 1972 Program:** FY 1972 funds (\$40,000) are requested to cover the cost of 1 contract advisor to assist the Indonesian Government in the initial operations of the Center, the design of investment services, and the formulation of plans and requirements for the Center's development.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	OBLIGATIONS			
				Estimated FY 1971		Proposed FY 1972	
Through 6/30/70				Direct AID	Contract/Other Agency	Total	
Estimated FY 71				Direct AID	Contract/Other Agency	Total	
Estimated through 6/30/71							
		Future Year Obligations	Estimated Total Cost				
Proposed FY 72	40	515	555				

Country: KOREA

## PROJECT DATA

TABLE III

PROJECT TITLE	Science and Technology	SECTOR	Industrial and Urban Development	FUNDS	TC
PROJECT NUMBER	489-11-230-683	PRIOR REFERENCE	—	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
				FY: 1972	FY: 1977

**Project Target and Course of Action:** The purpose of this project is to help Korea make use of modern science and technology. If this is accomplished, Korea can be internationally competitive in world trade and meet the new emerging domestic needs of her rapidly progressing economy.

The Republic of Korea is not richly endowed with natural resources, such as minerals, timber, or water power. Consequently, in achieving its present still moderate level of industrial development, Korea has depended heavily on comparatively cheap labor and foreign technical expertise. If Korea is to make its way in the world economy without recourse to concessional foreign assistance, it must export goods and services in ever-increasing amounts. With labor costs rising, continued export expansion will be difficult. The use of advanced technology and scientific innovation will help the country to keep production costs low, maintain high standards of quality control, and respond to new demands for products in the international and domestic marketplaces.

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

**FY 1972 Program:** Funds are requested in FY 1972 to

finance the services of 1 full-time and 2 short-term direct hire advisors to assist the Koreans in applying modern science to industry (\$77,000); contracts with the United States National Academy of Science and another institution to be selected to provide 1 full-time and 2 short-term consultants to advise the Korean Government on overall government planning for the development of science and technology (\$70,000); and a year's training in the United States for 3 participants in science programs (\$23,000).

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES	
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS			
					Estimated FY 1971	Proposed FY 1972		
Through 6/30/70					Direct AID	Contract/Other Agency	Total	National Academy of Science
Estimated FY 71					Direct AID	<del>Contract/Other Agency</del>	Total	
Estimated through 6/30/71								
		Future Year Obligations	Estimated Total Cost					
Proposed FY 72	170	1,320	1,490	Total Obligations				

Country: EAST ASIA REGIONAL DEVELOPMENT

## PROJECT DATA

TABLE III

PROJECT TITLE	Regional Telecommunications Development (Laos backbone system)	SECTOR	Industrial and Urban Development	FUNDS	TC
PROJECT NUMBER	498-12-225-228	PRIOR REFERENCE	-	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
				FY: 1972	FY: 1974

Project Target and Course of Action: This project will provide the training and equipment required to improve the "backbone" telecommunication system in Laos so that it can be inter-connected with the civil telecommunications networks of Thailand, South Vietnam and Cambodia.

Progress to Date: In FY 1969, A.I.D. funded a Laos telecommunications study under the Transportation/Communications project. This study, which was completed this year by Collins Radio Inc., of Dallas, Texas identified deficiencies in the present system and made a number of recommendations for its improvement. Recommendations included a plan to restructure the Laotian Post, Telephone and Telecommunications organization. They also called for an enlarged training program for administrative as well as maintenance and operating personnel. A modest amount of equipment was recommended to bring the system to a level where it can provide a multi-channel telecommunication facility to link the major population centers of the country to Vientiane and ultimately to the neighboring countries of the region. The Lao have been very receptive to the suggestions to reorganize their Post, Telephone and Telecommunications along the lines which were recommended in the report. The first group of ten trainees has been selected and sent with the initial training funds being provided by the United States, to the Telecommunications school in Bangkok; plans for additional training programs have been agreed upon; specific equipment requirements to complete a system tying together Vientiane/

Paksane/Thakhek/Savannakhet/Pakse are drawn up in detail and plans are being made to connect these links to existing neighboring systems, initially to Thailand and subsequently to Vietnam and Cambodia.

FY 1972 Program: It is proposed that \$220,000 be allocated for the implementation of this project. Of this amount, \$8,000 will be used to fund the second year of training for the first group of 10 trainees now attending the school in Bangkok and \$12,000 will fully fund the training costs of the second group of 10 trainees scheduled for departure in FY 1972. The remaining \$200,000 will be used to purchase 6-channel ultra high frequency telecommunications equipment including relays, base station equipment, thermal generators, and spare parts. This equipment, with the additional equipment required in FY 1973, will complete a system to accomplish the objectives of the project but it is also designed to be expanded later to 48 channels at nominal cost as the traffic requirements increase.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
Through 6/30/70	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
	Estimated FY 71	Estimated through 6/30/71	Estimated Total Cost		Estimated FY 1971			Proposed FY 1972		
					Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency
		Future Year Obligations		U.S. Technicians						
				Participants ....			20	-	20	
				Commodities ....			200	-	200	
				Other Costs ....			-	-	-	
Proposed FY 72	220	230	450	Total Obligations			220	-	220	



PROGRAM DEVELOPMENT AND SUPPORT

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**PROGRAM DEVELOPMENT AND SUPPORT**  
(Dollar Amounts in Thousands)

Table IV

REGION: EAST ASIA

Country	Project Number	Unliq. Oblig. 6/30/69	Actual FY 1970			Estimated FY 1971			Proposed Program FY 1972	Number of U.S. Technicians on Duty at Close of Year		
			Obligations	Expenditures	Unliquidated Obligations 6/30/70	Obligations	Expenditures	Unliquidated Obligations 6/30/71		Actual FY 1970	Estimate FY 1971	Proposed FY 1972
<u>Indonesia</u> Technical Support	497-11-999-000	386	2,166	2,004	548	2,347	2,114	781	<u>1,850</u> 1,850	44	39	38
<u>Korea</u> Technical Support	489-15-999-000	57	1,048	1,053	52	796	825	23	<u>777</u> 777	30	30	24
<u>Philippines</u> Technical Support	492-11-999-000	111	1,006	1,017	100	970	925	145	<u>975</u> 975	21	24	24
<u>East Asia Regional Development</u>									<u>1,664</u>			
Regional Logistics Center	498-11-995-004	9	158	167	-	194	194	-	214	-	-	-
Spare Parts Replacement, Hydrology	498-11-995-148	156	-	35	121	-	121	-	-	-	-	-
Regional Technical Advisory Services	498-11-995-165	323	1,091	1,052	362	2,076	1,908	530	1,450	21	21	22
Mekong Resources Atlas	498-11-995-172	68	-	-	68	-	68	-	-	-	-	-
<b>Total.....</b>									<b>5,266</b>	<b>116</b>	<b>115</b>	<b>108</b>

Country: INDONESIA

## PROJECT DATA

TABLE III

PROJECT TITLE	Technical Support	SECTOR	Program Development and Support		FUNDS	TC
PROJECT NUMBER	497-11-999-000	PRIOR REFERENCE	P. 20, FY 1971 EA PDB	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION Reviewed Annually	
				FY: 1954	FY:	

Project Target and Course of Action: This project provides the personnel, logistic and other operational support not directly attributable to any specific project. It includes funding for a limited group of program personnel, generalist staff and technicians required to carry out the economic assistance program in Indonesia. The regular staff is augmented as necessary by consultants and temporary duty experts.

This project also finances certain surveys and feasibility studies as the preliminary step in selecting and developing Indonesian capital and technical assistance projects for subsequent U.S. and other donor financing. Technical Support also finances small, one-time assistance activities not suitable for separate projects.

Progress to Date: When the A.I.D. program was resumed in 1967, the A.I.D. Mission relied heavily on its generalist staff in developing the economic assistance program and in carrying out usual program support functions. Since FY 1969, the Mission also has included a small number of permanent professional and technical personnel financed under this project to serve as key advisors in specific project areas.

A number of special studies and surveys are being financed under Technical Support during FY 1971. These include a reconnaissance survey of water development projects, preliminary assistance in planning an Investment Promotion Center, electric power studies in Central Java,

support of an industrial research workshop, a Trans-Java Highway study, consultants in forestry development, and an advisor on agricultural research organization. Several of these studies will provide the basis for loans, while others are the preliminary steps in the development of technical assistance projects.

FY 1972 Program: A total of \$1,850,000 is requested for this project. Technician costs are estimated at \$1,627,000, including \$1,552,000 for 46 direct-hire technicians, \$25,000 for 4 short-term contract technicians, and \$50,000 for 4 short-term technicians, under agreements with participating agencies, for a geothermal study. In FY 1972 it is anticipated that most feasibility studies will be financed under a loan for consulting services rather than by grant funding under Technical Support.

Commodity requirements are estimated at \$48,000, including primarily office, automotive and residential building supplies and equipment. The \$175,000 for other costs includes shared administrative support provided through the Department of State.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	OBLIGATIONS						
				Estimated FY 1971		Proposed FY 1972				
				Direct AID	Contract/Other Agency	Total		Direct AID	Contract/Other Agency	Total
Through 6/30/70	11,322	10,774	548							
Estimated FY 71	2,347	2,114	-							
Estimated through 6/30/71	13,669	12,888	781							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 72	1,850	Undetermined		1,635	712	2,347	1,775	75	1,850	
				Cost Components						
				U.S. Technicians	1,430	712	2,142	1,552	75	1,627
				Participants ....	-	-	-	-	-	-
				Commodities ....	47	-	47	48	-	48
				Other Costs ....	158	-	158	175	-	175
				Total Obligations	1,635	712	2,347	1,775	75	1,850

Country: KOREA

## PROJECT DATA

TABLE III

PROJECT TITLE Technical Support	SECTOR Program Development and Support	FUNDS TC	
PROJECT NUMBER 489-15-999-000	PRIOR REFERENCE P. 42, FY 1971 EA PDB	INITIAL OBLIGATION FY: 1956	SCHEDULED FINAL OBLIGATION FY: Reviewed Annually

**Project Target and Course of Action:** This project provides support for program activities not chargeable to individual projects.

The funds pay for salaries and allowances of program personnel whose services relate to more than one project; and a proportionate share of office overhead costs charged to program operations.

This project also finances logistic support and commodity expenses including: (1) operation of a motor pool; (2) replacement and spare parts for vehicles; (3) office equipment and maintenance materials; (4) communications; and (5) basic equipment for living quarters. Also included in this project are activities undertaken by the Mission Director under the Special Development Activity Authority.

**FY 1972 Program:** \$697,000 of the FY 1972 request is to pay for 28 direct-hire technicians and secretaries, \$40,000 for one U.S. participating agency technical advisor, and \$40,000 for the program commodities cited above.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES  Federal Aviation Administration
	Obligations	Expenditures	Unliquidated	OBLIGATIONS			
				Estimated FY 1971		Proposed FY 1972	
				Direct AID	Contract/Other Agency	Total	
Through 6/30/70	28,419	28,367	52				
Estimated FY 71	796	825					
Estimated through 6/30/71	29,215	29,192	23				
		Future Year Obligations	Estimated Total Cost				
Proposed FY 72	777	Undetermined					
Cost Components				Direct AID	Contract/Other Agency	Total	
U.S. Technicians Participants ....	740	-	740	697	40	737	
Commodities ....	-	-	-	-	-	-	
Other Costs ....	56	-	56	40	-	40	
Total Obligations	-	-	-	-	-	-	
	796	-	796	737	40	777	

Country: PHILIPPINES

## PROJECT DATA

TABLE III

PROJECT TITLE	Technical Support	SECTOR	Program Development and Support	FUNDS	TC
PROJECT NUMBER	492-11-999-000	PRIOR REFERENCE	P. 91, FY 1971 EA PDB	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
				FY: 1951	FY: Reviewed Annually

Project Target and Course of Action: This project provides support for program activities, not assignable to specific projects. Funds provide for (a) salaries and allowances, including travel, of technicians whose services relate to more than one activity; (b) logistic support of all program funded personnel; and (c) an appropriate share of office overhead chargeable to program activities. This project also covers activities undertaken by the Mission Director under the Special Development Activity Authority.

FY 1972 Program: A budget of \$975,000 is requested for FY 1972. This sum covers the cost of 29 U.S. technicians (\$602,000); a variety of commodities, such as vehicles and office equipment and supplies (\$91,000); and the costs of local utilities, office rent and furnishings, and locally procured supplies (\$282,000).

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1971			Proposed FY 1972		
					Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency
Through 6/30/70	7,799	7,699	100							
Estimated FY 71	970	925								
Estimated through 6/30/71	8,769	8,624	145	U.S. Technicians	555	7	562	602	-	602
				Participants ....	-	-	-	-	-	-
		Future Year Obligations	Estimated Total Cost	Commodities ....	107	-	107	91	-	91
				Other Costs ....	301	-	301	282	-	282
Proposed FY 72	975	Undetermined		Total Obligations	963	7	970	975	-	975

PROJECT TITLE Regional Technical Advisory Services	SECTOR Program Development and Support		FUNDS TC
	PRIOR REFERENCE P. 140, FY 1971 EA PDB	INITIAL OBLIGATION FY: 1963	SCHEDULED FINAL OBLIGATION FY: Reviewed Annually
PROJECT NUMBER 498-11-995-165			

**Project Target and Course of Action:** The objective of this project is to provide technical services and support to the East Asian Regional program and to finance activities in support of regional cooperation which cannot be assigned to separate projects. This project is not intended to finance technical services which can more appropriately be funded under specific or on-going regional projects.

**Progress to Date:** During FY 1971, this project funded the Regional Development Office in Bangkok, regional support staff in Manila, A.I.D. staff assigned to the U.S. Director of the Asian Development Bank, and an agreement with the General Services Administration to expedite commodity procurement for East Asia missions. This project also has provided funds for advisory services for priority activities of the United Nations Economic Commission for Asia and the Far East (ECAFE) in the fields of data processing, water resources development, industrial development, geology, and a survey of regional industrial projects in Asia. Funds have been provided for advisory services and support to selected Asian Productivity Organization projects. Part of the costs of the proposed Fourth Pacific Trade and Development Conference are to be provided. Support to the Asian Labor Education Center, U.S. attendance at Asian international meetings, and a survey of management needs in Southeast Asia have also been funded.

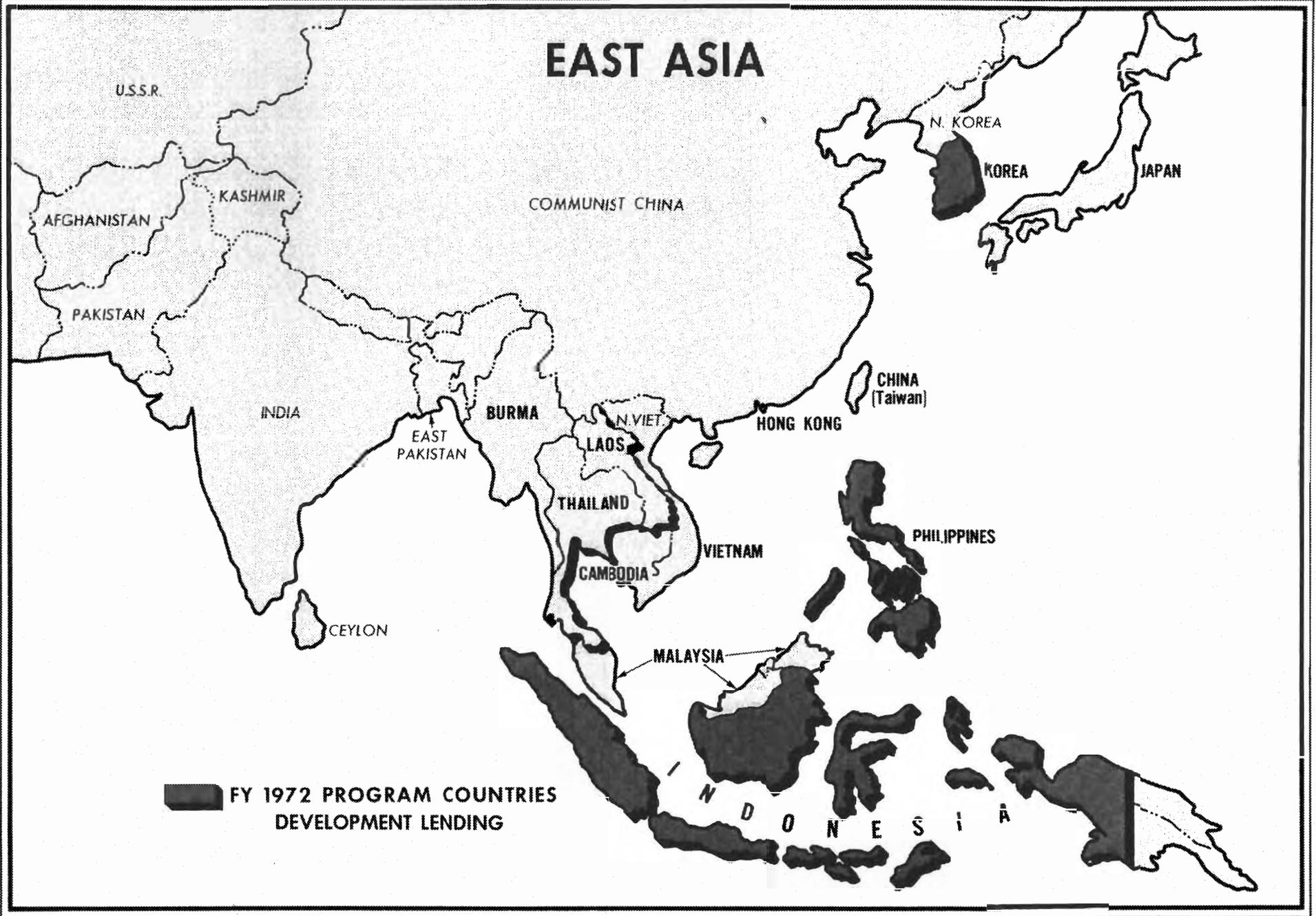
**FY 1972 Program:** Funds totaling \$770,000 are being

requested for 22 direct-hire regional technicians, as follows: 18 in the Regional Development Office in Bangkok, 2 on the Manila regional staff, and 2 on the U.S. staff at the Asian Development Bank. For other agency and contract technicians \$160,000 is requested; \$60,000 for 3 General Services Administration technicians in Region Nine, California; \$10,000 for a short-term Geological Survey expert to assist ECAFE in its completion of a Tectonic Map of Asia; and \$90,000 to provide contract advisory services to meet ad hoc needs in the field of economic development in East Asian cooperative efforts.

Commodity costs totaling \$12,000 are being requested for equipment, supplies and materials in support of the regional office. Other costs of \$508,000 are being requested to cover contributions to regional surveys, support to the Asian Labor Education Center program, assistance to selected Asian Productivity Organization projects and other ad hoc activities in support of regional cooperation, local clerical support, local travel, rent, reimbursement to other government agencies for support, communications and utilities for regional offices.

U.S. DOLLAR COST (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1971			Proposed FY 1972			
					Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency	Total
Through 6/30/70	5,578	5,216	362								
Estimated FY 71	2,076	1,908									
Estimated through 6/30/71	7,654	7,124	530	U.S. Technicians	836	182	1,018	770	160	930	
				Participants ....	-	-	-	-	-	-	
				Commodities ....	10	-	10	12	-	12	
		Future Year Obligations	Estimated Total Cost	Other Costs ....	640	408	1,048	78	430	508	
Proposed FY 72	1,450	Undetermined		Total Obligations	1,486	590	2,076	860	590	1,450	

# EAST ASIA



 FY 1972 PROGRAM COUNTRIES  
DEVELOPMENT LENDING

## EAST ASIA

### DEVELOPMENT LENDING - REGIONAL SUMMARY

PROGRAM SUMMARY (In thousands of Dollars)	
Country	FY 1972 Development Loans
Indonesia .....	100,000
Korea .....	20,000
Philippines .....	20,000
Total .....	140,000

Substantial economic progress has been made throughout East Asia over the past decade. During this period, GNP of the non-Communist countries has more than doubled in real as well as monetary terms. Excluding industrialized Japan and the war-torn states of Indochina, the combined GNP of the remaining countries is currently growing at a rate of about 8% per year, ranging from a low of 5.6% per year for the Philippines to a high of nearly 13% for Korea.

Reflecting this progress, Japan now has one of the most productive economies in the world and has become herself a leading donor of aid; the Republic of China no longer needs concessional economic assistance and Malaysia and Singapore have growing, self-sustaining economies. Thus, the United States is now providing development assistance to only three countries in the area: Indonesia, Korea, and the Philippines.

Per capita incomes in both Korea and the Philippines are well over \$200 per year. As a result of the excesses of the Sukarno regime, Indonesian per capita income is only about half as high or approximately \$100 per year and has only recently returned to the 1961 level.

Neither the spectacular growth in Korea nor the slower growth in the Philippines has been evenly distributed throughout their

respective economies. Rural incomes in both countries have lagged behind those of urban areas, although the Philippines has recently made good progress in increasing rice production. Rapid industrialization in Korea has created a greater demand for managerial and technical skills than the educational system can provide. It is these disparities and internal stresses that require priority attention rather than the general pace of development itself. Thus, the United States economic assistance programs in both countries are focused on specific imbalances that need correction, leaving to other donors and commercial sources the general financial assistance still needed by the basic economies of the two countries.

A different situation exists in Indonesia which has not yet achieved either the level or the pace of development reached by Korea and the Philippines. In Indonesia, attention must be focused on the overall level of outside resources required to pursue both stabilization and developmental programs. Excluding Red China, Indonesia is the largest country in the region in terms of both area and people. Aside from Indochina, it is also the least developed. The resources needed to expand capital investments and to supply raw material for the economy and thus to reach and maintain an acceptable pace of development are great. In helping meet these needs, the United States has joined some ten other donor nations, plus the IBRD and Asian Development Bank (ADB).

External assistance from other donors as well as from the United States has been critical to the economic progress of the region. Aid to the three countries from multilateral institutions, particularly the World Bank and the ADB, has grown from insignificant levels in the early sixties to over \$260 million in 1969.

Other donors have borne an increasing share of the aid to Korea. At the beginning of the last decade, the United States was in effect the only donor of aid to Korea and provided over \$200 million per year as compared to less than \$5 million from all others. The United States is now providing less than half of the aid extended to Korea.

## EAST ASIA

## DEVELOPMENT LENDING

The following table shows the total aid given to Indonesia, Korea and the Philippines for each of the last four years.

	Calendar Year			
	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u> (est)
	(\$ million)			
<u>Indonesia</u>	<u>288.3</u>	<u>423.6</u>	<u>507.3</u>	<u>615.1</u>
U.S.	65.3	146.9	210.2	233.5
Other	223.0	276.7	297.1	381.6
Multilateral	(.1)	(11.3)	(73.2)	(124.3)
Bilateral	(222.9)	(265.4)	(223.9)	(257.3)
<u>Korea</u>	<u>309.9</u>	<u>318.8</u>	<u>388.9</u>	<u>423.6</u>
U.S.	195.8	241.9	173.1	202.2
Other	114.1	76.9	215.8	221.4
Multilateral	(13.1)	(20.3)	(107.6)	(105.9)
Bilateral	(101.0)	(56.6)	(108.2)	(115.5)
<u>Philippines</u>	<u>101.4</u>	<u>75.4</u>	<u>154.2</u>	<u>121.4</u>
U.S.	22.7	32.2	14.7	36.9
Other	78.7	43.2	139.5	84.5
Multilateral	(26.2)	(4.2)	(87.7)	(32.6)
Bilateral	(52.5)	(39.0)	(51.8)	(51.9)
<u>Total</u>	<u>699.6</u>	<u>817.7</u>	<u>1050.3</u>	<u>1160.1</u>
U.S.	283.8	420.9	397.9	472.7
Other	415.8	396.8	652.4	687.4
Multilateral	(39.4)	(35.8)	(268.5)	(262.8)
Bilateral	(376.4)	(361.0)	(383.9)	(424.6)

**SUMMARY OF STATUS OF DEVELOPMENT LOANS**  
(In Thousands of Dollars and Equivalent)

TABLE VII

REGION: EAST ASIA

COUNTRY	Cumulative Through FY 1970				Estimated Program FY 1971	Proposed Program FY 1972	Cumulative Program Through FY 1972
	Authorized	Obligated	Disbursed	Repaid			
CHINA	152,210	152,210	151,420	40,786	-	-	152,210
INDONESIA	132,319	97,719	41,796	6,277	56,350	100,000	288,669
KOREA	356,245	356,245	255,400	7,179	55,000	20,000	431,245
MALAYSIA	20,000	20,000	20,000	11,974	-	-	20,000
PHILIPPINES	36,432	36,432	32,823	6,763	-	20,000	56,432
<b>Total.....</b>	<b>697,206</b>	<b>662,606</b>	<b>501,439</b>	<b>72,979</b>	<b>111,350</b>	<b>140,000</b>	<b>948,556</b>



INDONESIA

DEVELOPMENT LENDING

INDONESIA



BASIC DATA

Population (millions - mid-1970) .....	119.6
Annual Growth Rate (percent) .....	2.6
Area (1000 square miles) .....	735
Population Density per square mile .....	163
Agricultural Land as % of Total Area .....	7
Percent of Labor Force in Agriculture ...	70
Life Expectancy (years) .....	48
People per Doctor .....	27,780
Literacy Rate (percent) .....	43
Students as Percent of 5-19 Age Group .....	38
(Primary & Secondary)	

Note: West Irian not included, except for population, area, and student data.

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans .....	51.4*	56.4*	100.0

\* Excludes \$430,000 in FY 1970 and \$1,750,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

Indonesia has made substantial economic progress since the abortive Communist coup in 1965. Following the disruptive foreign policy and severe economic dislocations of the Sukarno era, the country's new leadership turned its attention to domestic problem-solving. The first objective was a stabilization program to reduce the rate of inflation and re-establish sensible pricing for goods and services. The main tools employed for this purpose - with the advice of the International Monetary Fund - have been fiscal and credit restraints, abandonment of direct economic controls, re-scheduling of the heavy foreign debt burden, and sizeable stabilization aid from abroad.

Along with aid from other donors, U.S. economic assistance-- initially consisting primarily of stabilization loans and PL 480-- has made it possible for the Indonesian Government to pursue these necessary but difficult policies. The results to date have been impressive. The rate of inflation has decreased from over 600% in 1966 to under 10% in 1970. The economy has made steady gains in key areas such as exports, domestic revenues, revitalization of commercial trade and foreign and domestic private investment.

Aid to Indonesia is coordinated through the Intergovernmental Group on Indonesia (IGGI), chaired by the Netherlands and comprising 10 donor nations as well as the World Bank, International Monetary Fund and Asian Development Bank. The IBRD and the IMF, both of which maintain resident missions in Djakarta, play key roles in assessing performance and advising the donors on Indonesia's policies and assistance needs.

The IGGI meets twice a year to review Indonesia's current economic performance and consider requests for concessional foreign aid for the coming Indonesian fiscal year. Based on IBRD and IMF recommendations, the IGGI members contributed over \$200 million to Indonesia in CY 1967, about \$300 million in CY 1968 and over \$550 million in FY 1969/70, and they will provide an estimated \$600 million in FY 1970/71. Requirements for FY 1971/72 are estimated at \$640 million. As in 1970/71 the United States plans to provide \$125 million, or one-third of the \$375 million bilateral foreign exchange needs, and a fair share of the \$160 million food

## INDONESIA

### DEVELOPMENT LENDING

aid need.

As a result of the success of the stabilization program, the emphasis in development lending has shifted increasingly from general balance of payments support to priority requirements for the rehabilitation and development of the country's infrastructure. Therefore, in addition to program loans for essential commodities, such as transport equipment, industrial raw materials and machinery, the United States is now providing assistance for the expansion of a fertilizer plant and a cement plant, for electric power rehabilitation and expansion in Central Java and Sumatra, and for the engineering design of a new highway linking the rapidly industrializing Djakarta/Bogor area.

The U.S. FY 1972 development lending program will center on efforts to stimulate greater productive investment through: (1) continued rehabilitation and expansion of basic infrastructure, particularly transport and power facilities which are necessary to induce greater investments; (2) establishment of industrial estates which can provide supporting services to industry in the most efficient manner, and (3) the import of raw materials and capital and intermediate goods as needed above the level that can be paid for by Indonesia's own export earnings.

The \$100 million development loan request for Indonesia in FY 1972 includes the following six loan proposals:

1. Industrial Estates (\$5 million) - Indonesia needs to take whatever steps possible to stimulate increased private investment. Industrial estates have proven successful for this purpose in many countries. A study is presently underway to identify the optimum location and requirements for a number of industrial estates (industrial parks) throughout Indonesia. Simultaneously, the Government of Indonesia is creating an autonomous Industrial Estates Authority which will have complete control of the approval of sites and financing. U.S. financing is contemplated for the engineering, land and site preparation, road construction and drainage, and construction of both off-site and on-site utilities for one or more of these selected estates.
2. Djakarta-Bogor Highway Construction (\$15 million) - The existing two-lane, 30-mile road between Djakarta and Bogor is the most heavily travelled highway in Indonesia, with approximately 9,000 vehicles using the road daily and traffic increasing at a rate of about 13% annually. In order to meet the exceedingly heavy traffic projections, construction of a new alignment has been proposed rather than rehabilitation of the existing road. The new highway will pass through one of the most densely-populated areas in the world and one of Indonesia's most rapidly developing industrial corridors. In 1970 A.I.D. authorized an \$800,000 loan for the final engineering design work now underway in connection with this project.
3. West Java High Voltage Transmission (\$15 million) - Existing electric power facilities in the West Java area are overloaded and must be rehabilitated and expanded to meet existing and potential demand. Within the IGGI framework, the IBRD, West Germany and the United States are cooperating to renovate and improve integrated power systems in the areas of West and Central Java. This project contemplates the development of a high voltage transmission loop, coupled with relatively low-cost electric power at Tjirebon. This transmission loop will tie into systems in Central Java being financed under existing A.I.D. and German loans.
4. West Java Power Distribution (\$15 million) - This project is directly related to the West Java High Voltage Transmission Project and involves the rehabilitation and improvement of the distribution systems of the major cities and towns in West Java.
5. Djakarta International Airport (\$20 million) - The present Djakarta airport is clearly inadequate to accommodate the projected increases in air traffic. A study on the feasibility of expanding international airport facilities is presently near completion. The proposed project contemplates expansion of runways, ground facilities, air navigation aids, communications, and terminal facilities. It is expected that other IGGI donors will share in the financing of this project and that construction will be accomplished in stages over a number of years.
6. Production and Basic Import Loan (\$30 million) - On the basis of present utilization of the FY 1971 \$30 million commodity import loan we anticipate that additional commodity financing will be required early in FY 1972. This loan will provide foreign exchange financing for essential raw materials, spare parts, machinery, and equipment for the Indonesian private sector. These imports will assist Indonesia in maintaining economic stability and in

INDONESIA

DEVELOPMENT LENDING

supporting the material requirements of economic rehabilitation and development.

Another possible development loan proposal that could materialize in Indonesia in FY 1972 is for the Telukbetung-Sumur Road. This \$10 million project involves the construction of a 58 mile road

from Telukbetung to Bakauhuni in South Sumatra. It also provides for the construction and rehabilitation of ferry landings and construction of a 37 mile feeder road to provide direct port access from a newly developed crop producing area. In effect, the highway is the gateway to Sumatra from Java. The service area around the highway has major agricultural potential.

STATUS OF DEVELOPMENT LOANS SUMMARY

As of 12/31/70

COUNTRY: **INDONESIA**

(In Thousands of Dollars and Equivalent)

TABLE VIII

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					
497-H-015	Program Loan	10/18/67	10/20/67	10	40	1	2½	7,255	7,183	US\$		119
497-H-016	Program Loan	02/01/68	02/13/68	10	40	2	2½	12,342	11,656	US\$		326
497-H-017	Program Loan	04/15/69	05/02/69	10	40	2	3	44,000	35,342	US\$		80
497-H-018	Gresik Cement Mfg. Plant Expansion	06/19/69	07/25/69	10 2	40 7	2 12	3 12	6,300	47	US\$		
497-H-019	Central Java Electric Power	04/17/70	05/22/70	10	40	2	3	16,800		US\$		
497-H-020	Pusri Fertilizer Plant	05/26/70	07/02/70	4½ 10	16½ 40	12 2		20,000		US\$		
497-H-021	Djakarta Bogor Highway	05/25/70	08/20/70	10	40	2	3	800		US\$		
497-H-022	Medan Electric Power	06/26/70	09/19/70	10	40	2	3	13,800		US\$		
497-H-023	Program Loan	07/02/70	07/06/70	10	40	2	3	30,000	4,148	US\$		
Total .....		XXXX	XXXX	XXX	XXX	XXXX	XXXX	151,297	58,376	XXXX		525



KOREA

DEVELOPMENT LENDING

**KOREA**



**BASIC DATA**

Population (millions - mid-1970) . . . . .	31.8
Annual Growth Rate (percent) . . . . .	2.2
Area (1000 square miles) . . . . .	38
Population Density per square mile . . . . .	838
Agricultural Land as % of Total Area . . . . .	24
Percent of Labor Force in Agriculture . . . . .	50
Life Expectancy (years) . . . . .	58
People per Doctor . . . . .	2,300
Literacy Rate (percent) . . . . .	71
Students as Percent of 5-19 Age Group . . . . .	65
(Primary & Secondary)	

<b>PROGRAM SUMMARY</b> (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans . . . . .	20.0*	55.0*	20.0

\* Excludes \$888,000 in FY 1970 and \$800,000 in FY 1972 for population programs under Title X of the Foreign Assistance Act.

During the decade of the 1960's U.S. development loans played a major role in the growth of the Korean economy. In the early sixties, these loans were the only foreign capital extended to Korea on soft terms for development purposes. They were used to finance public utility facilities, electric power, communications, transportation and municipal water systems, needed to provide the base for the rapid progress achieved. In the industrial-mining sector, they financed plants to produce basic materials, fertilizer, coal, industrial chemicals, cement, and provided foreign exchange capital to Korea's three development banks for relending to industrial projects of smaller scale than the U.S. could finance directly with efficiency. At the end of FY 1970, U.S. development loans to Korea totaled in excess of \$350 million.

Other countries have now joined the U.S. in extending soft-term loans to Korea. Japan and Germany are notable examples. The International Bank family (IBRD, IFC, and IDA) and the Asian Development Bank are now extremely active in Korea and provide well in excess of \$100 million per year for a variety of development projects. These other sources are, for the most part, financing industrial and public utility projects of the type previously financed by the United States.

The Koreans have achieved remarkable progress with this assistance. Overall growth (GNP) was an estimated 9.7% in real terms in 1970, which although down from the 15.9% gain of 1969 was still the fourth highest increase of the high growth period in the 1960's. Exports of goods also continued to climb and reached an estimated \$835 million in 1970 as compared with \$622 million in 1969 and \$175 million in 1965.

The growth, however, has not been uniform throughout the economy. Development in the rural sector has lagged. Agriculture needs priority attention. Social institutions, including the educational system, are proving inadequate to the needs of an industrialized society. The rapid pace of industrial expansion cannot be maintained without continuous technological adaptation, a greater supply of managerial and technical skills, and a more efficient system of agricultural production. Thus, the U.S. development

## KOREA

### DEVELOPMENT LENDING

lending program for FY 1972 will focus on agriculture and education with loans of \$10 million in each of the two sectors.

The Korean agricultural sector may become a serious bottleneck to further rapid growth unless problems are adequately addressed on a priority basis. In the 10-year period from 1958, the total area of cultivated land in Korea increased by only 15% and the increase in the last five years of the period was only 3%. The holding of cultivated land per farm household in 1968 was actually lower than in 1958. While present yields of rice are high, the bumper crop of 1969 was only 3% larger than the 1964 crop and it will be extremely difficult to increase yield appreciably with technology presently being applied.

The economic and social consequences of the very rapid growth in the industrial sector, relative to the agricultural sector, have resulted in a continuing food gap and sharp increases in prices of protein and other high quality foods. However, increases in farm incomes have been extremely modest. The small scale of agricultural enterprises, high production costs and inefficient marketing mechanisms have produced a considerable disparity between farm prices and retail prices and, consequently, little of the substantially increased urban consumer spending on agricultural products is returned to the producer. As the rapid industrial expansion continues to draw labor from agriculture to industry, the Korean "modernization" goal of a diversified, balanced economy will depend upon increasing labor productivity in agriculture. This will undoubtedly require substantial capital investment.

To help meet the urgent need for capital and to focus Korean attention on the need for sector-wide agriculture development planning, the U.S. has programmed a \$14 million sector loan in FY 1971 and proposes a further \$10 million loan for FY 1972. Continuing analyses are underway to develop the specific sector requirements to be financed by the FY 1972 loan.

In addition, PL 480 Title I local currency credit sale proceeds will be utilized, on a repayable basis, to expand agricultural credit and to fund the Grain and Agriculture Price Stabilization

Accounts. This offers a non-inflationary opportunity to solve two of Korea's most difficult agricultural development problems--adequate credit and a rational price policy. As a further effort to raise farm income and ease the disparity between urban and rural income, a feeder and farm-to-market road development program is planned under the Food for Work provisions of PL 480 Title II.

The Korean National Council on Long-Range Educational Planning, established in 1969 with U.S. advice and assistance, has identified general goals for education and designated priority target areas. Highlights of the long-range plan include the following quantitative goals to be achieved by 1986: (1) one-half of the population of 15 to 17 year olds enrolled in senior high schools, and (2) the allocation of 18% to 20% of the Korean budget for education (6% of the GNP) for both public and private education. However, a budget allocation of this magnitude is a heavy commitment of the nation's limited resources and requires the most efficient use of educational resources to ensure any significant improvement in the quality of education. An isolated illustration will suggest the magnitude of the physical problem alone: 12,340 additional classrooms will be required in Seoul city in the next five years to accommodate projected enrollments for pre-college students (there are at present 13,919 classrooms in Seoul).

The scope and cost of the effort to reach the desired goals underlines the importance of technological innovations in the educational process, including such methods as audio-visual and computer assisted devices, program instruction, and systems analyses. The U.S. assistance program in FY 1972 will include (1) continuing expert technical assistance in the field of educational planning; (2) increased participant training to develop Korean expertise in the planning area; and (3) a \$10 million loan to the education sector to support Korean efforts to institute technological innovations (hard-wear, soft-wear and technical personnel) into the educational complex at all levels.

STATUS OF DEVELOPMENT LOANS SUMMARY

As of 12/31/70

COUNTRY: KOREA

(In Thousands of Dollars and Equivalent)

TABLE VIII

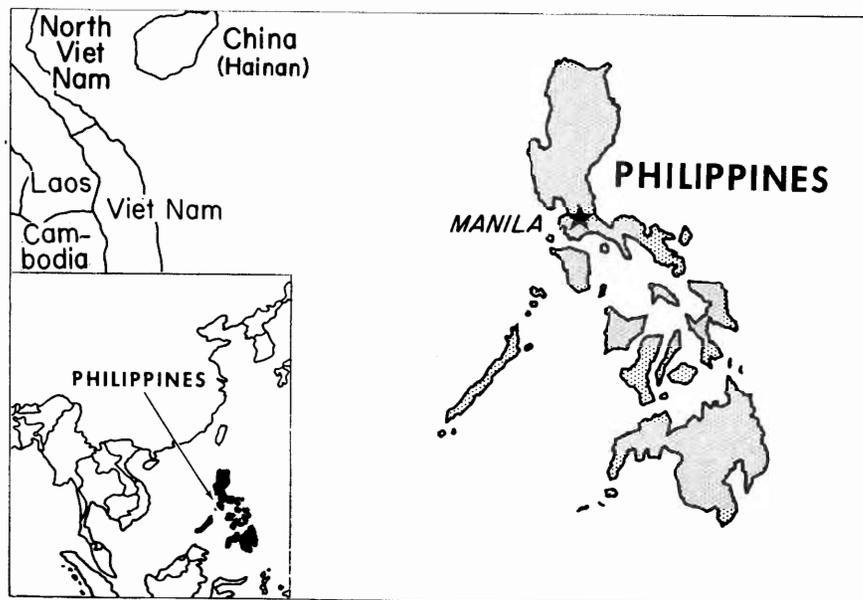
Loan No.	Title	Date		Grace Period (years)	Life of Loan (years)	Interest Rate (%)		Amount Authorized	Amount Disbursed	Currency of Re-payment	Principal Repayments	Interest Collected
		Auth-orized	Loan Agree-ment			Grace Period	Amorti-zation					
489-H-021	Taegu Waterworks	05/05/64	11/27/64	3	15	53/4		1,774	1,759	US\$		35
489-H-030	Feasibility (& Sector) Studies	09/08/65	09/09/65	10	40	1/8	2	1,996	1,055	US\$		25
489-H-033	Seoul Area Thermal Power Plant	12/29/65	02/05/66	4	20	53/4	2 1/2	21,650	16,573	US\$		317
489-H-034	Seoul City Bokwang Dong Waterworks	12/29/65	06/02/66	10	40	1	2 1/2	3,260	2,201	US\$		15
489-H-037	Third Diesel Locomotives	06/08/66	06/29/66	4	20	53/4	2 1/2	18,550	18,510	US\$		501
489-H-038	Chong Gye Chun Sewage Treatment Plant	06/09/66	07/13/66	10	40	1	2 1/2	3,500	305	US\$		4
489-H-039	Air Navigational Development	06/09/66	06/22/66	5	20	53/4	2 1/2	4,200	2,904	US\$		46
489-H-040	Medium Industry Bank	06/13/66	08/11/66	10	40	1	2 1/2	7,715	6,278	US\$		84
489-H-042	Development Bank	08/19/66	11/09/66	3	15	5	2 1/2	11,507	10,970	US\$		71
489-H-046	Yongnam Thermal Power Plant	05/26/67	06/29/67	10	40	1	2 1/2	17,500	11,641	US\$		56
489-H-047	Power Transmission & Distribution	05/09/67	06/17/67	2	20	6	2 1/2	12,700	2,102	US\$		4
489-H-048	Inchon City Municipal Waterworks	05/23/67	06/30/67	10	40	1	2 1/2	1,800	1,287	US\$		8
489-H-049	Program Loan No. 3	12/02/67	02/24/68	4	20	53/4	2 1/2	10,000	9,742	US\$		186
489-H-051	Korean Development Finance Corp.	12/01/67	01/31/68	10	40	1	2 1/2	3,000	991	US\$		6
489-H-052	Development Bank	05/17/68	06/26/68	3	15	6	2 1/2	15,000	560	US\$		1
489-H-054	Applied Scientific Research-KIST	06/26/68	11/07/68	10	40	2	2 1/2	1,900	1,137	US\$		10
489-H-060	Program Loan No. 4	04/10/69	06/05/69	10	40	2	3	10,000	7,015	US\$		52
489-H-065	Chung Ju Fertilizer	06/18/69	09/25/69	3	18	83/4		5,000	242	US\$		
489-H-066	Tong Suh Petrochemical	06/20/69	10/20/69	10	40	2	3	5,000	1,371	US\$		
489-H-073	Program Loan No. 5	04/15/70	06/03/70	3	18	83/4						
489-H-074	Agricultural Development	05/01/70	06/03/70	10	40	2	3	10,000		US\$		
	Total .....	XXXX	XXXX	XXX	XXX	XXXX	XXXX	176,052	96,643	XXXX		1,421



PHILIPPINES

DEVELOPMENT LENDING

**PHILIPPINES**



**BASIC DATA**

Population (millions - mid-1970) . . . . .	38.4
Annual Growth Rate (percent) . . . . .	3.4
Area (1000 square miles) . . . . .	116
Population Density per square mile . . . . .	332
Agricultural Land as % of Total Area . . . . .	38
Percent of Labor Force in Agriculture . . . . .	53
Life Expectancy (years) . . . . .	55
People per Doctor . . . . .	1,390
Literacy Rate (percent) . . . . .	72
Students as Percent of 5-19 Age Group . . . . .	57
(Primary & Secondary)	

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans . . . . .	-*	-*	20.0

\* Excludes \$4,948,000 in FY 1970 and \$5,000,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

Development loans, limited in size and used sparingly, have served in the Philippines to (1) demonstrate the viability of pilot programs, (2) fund studies required to support loan applications to international lending institutions, and (3) meet foreign exchange needs of products in the priority agriculture sector. In recent years, U.S. loans have financed the foreign exchange costs of an irrigation construction and rehabilitation project of crucial importance to the rice production and agriculture diversification program, two pilot rural electrification cooperatives, and feasibility studies for various agriculture and provincial development activities.

The Philippines economy grew at an average annual rate of nearly 6% throughout most of the 1960's. However, this growth was interrupted in 1970 when the Philippines encountered a critical balance of payments problem. Partially from its own actions and partially from events beyond its control, at the end of 1969 the Philippines found itself confronted with a large maturing foreign debt and no foreign exchange resources.

In response to this problem, the Philippines negotiated a Stand-By Agreement with the IMF in February 1970 and agreed to take steps to devalue the peso, curtail short-term foreign borrowing, cut government spending, increase taxes, and limit imports. By rigidly adhering to these constraints and negotiating a restructuring of its maturing commercial debt, the Philippines was able to meet the immediate crisis, reverse the trade pattern, and prepare itself to meet the still heavy debt burden of the next two to three years.

In early 1970, the Government of the Philippines requested the IBRD to sponsor a Consultative Group for the Philippines. Following a meeting convened in Paris in October, favorable responses were received from attending nations and international institutions. The formal establishment of the Group is scheduled at a meeting to be held in April 1971. Although the Group is not intended to be a pledging consortium, the expanded discussion of the Philippines problems and programs by a larger spectrum of developed nations is expected to have favorable impact on the nation's future development.

## PHILIPPINES

### DEVELOPMENT LENDING

In fact, the IBRD and the ADB have for some time been increasing their assistance to the Philippines and the Government has embraced far-reaching programs in family planning, agriculture diversification, and rural electrification. We propose to continue to assist the first two programs with technical assistance and, in keeping with the selective use of loan funds, to extend a \$20 million loan in FY 1972 to support the rural electrification program of the Government of the Philippines.

Less than 20% of the population has access to adequate electric service and even then it is generally available only in the major urban areas of the country. Although there are many small private and municipal systems serving other areas, such service is usually inadequate, intermittent, unreliable and expensive. The great majority of the countryside is either completely without electric service or has only limited inadequate service.

The availability of adequate, dependable, and reasonably-priced electric power can clearly be one of the more vital elements in social and economic progress. Concerned with the need to reduce the disparities between urban and rural living conditions, the United States has thus been interested in the question of rural

electrification for a number of years. In 1964, A.I.D. sponsored a country-wide survey of the electric power industry in the Philippines. Subsequently, A.I.D. financed two pilot projects: the Victorias Rural Electric Service Cooperative (VRESCO) in northern Negros Island and the Misamis Oriental Rural Electric Service Cooperative (MORESCO) in northern Mindanao. A.I.D. has also financed, under a FY 1967 loan, feasibility studies for eight to twelve additional cooperatives.

The \$20 million loan in FY 1972 would be a continuation of this effort, helping to establish 24-36 rural electrification cooperatives. These funds would be used for (1) imported materials and equipment for the distribution systems, (2) purchase of electrical equipment from U.S. excess property sources, and (3) engineering and construction supervision costs. The loan would also provide capital and technical assistance for the Philippines National Electrification Administration (NEA) which serves as an intermediate credit institution responsible for the selection, financing and implementation of small electrification systems throughout the Philippines. Other lenders such as the IBRD, ADB, and Japan are also expected to support the program.

STATUS OF DEVELOPMENT LOANS SUMMARY  
As of 12/31/70

COUNTRY: PHILIPPINES

(In Thousands of Dollars and Equivalent)

TABLE VIII

Loan No.	Title	Date		Grace Period (years)	Life of Loan (years)	Interest Rate (%)		Amount Authorized	Amount Disbursed	Currency of Re-payment	Principal Repayments	Interest Collected
		Authorized	Loan Agreement			Grace Period	Amortization					
492-A-005	Roads & Bridges Rehabilitation	01/30/59	06/29/59	2	12	3½	3½	14,772	14,759	Pesos	13,215	1,413
492-H-023	Feasibility (& Related) Studies	06/21/67	09/14/67	5	25	3½	3½	2,000	398	US\$		10
492-H-024	Irrigation Equipment	06/26/67	09/14/67	5	25	3½	3½	4,560	4,418	US\$		172
492-H-025	Rural Electric Cooperative (VRESCO)	06/27/68	08/31/68	5	25	5	3½	2,000	1,348	US\$		
492-H-026	Rural Electric Cooperative (MORESCO)	06/27/68	08/31/68	5	25	5	3½	1,100	421	US\$		
	Total .....	XXXX	XXXX	XXX	XXX	XXXX	XXXX	24,432	21,344	XXXX	13,215	1,595

STATUS OF DEVELOPMENT LOANS SUMMARY

As of 12/31/70

COUNTRY: CHINA

(In Thousands of Dollars and Equivalent)

TABLE VIII

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					
484-A-044	Lower Tachien Hydroelectric Plant	6/9/64	6/29/64	1	30	3½	3½	7,350	7,025	NT\$	232	703
484-A-045	Linkou Thermal Plant Project	6/9/64	6/29/64	1	30	3½	3½	26,187	26,040	NT\$	1,148	2,781
Total .....		XXXX	XXXX	XXX	XXX	XXXX	XXXX	33,537	33,065	XXXX	1,380	3,484